

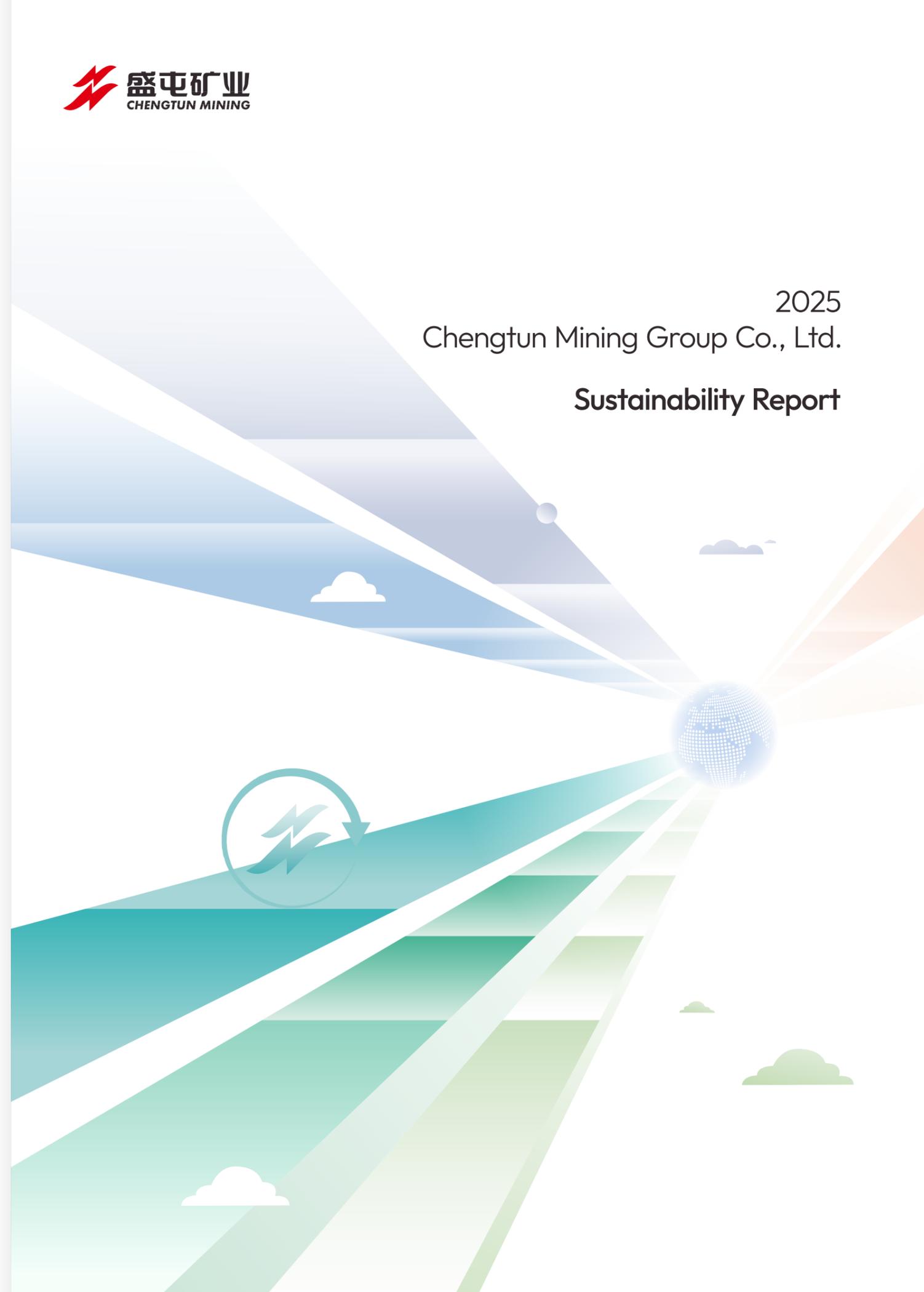


2025  
Chengtun Mining Group Co., Ltd.  
Sustainability Report

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**MISSION** / We Transform Resources for a Better World

**VISION** / Contributing to the Sustainable Development of New Energy for the World

# CHENGGTUMINING

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# CHAPTER ONE

## About This Report

### Scope of the Report

	<b>Scope</b>	This report covers Chengtun Mining Group Co., Ltd. and its subsidiaries (hereinafter referred to as "Chengtun Mining", the "Company", or "We").
	<b>Reporting Period</b>	January 1, 2025 to December 31, 2025 (the "Reporting Period").
	<b>Reporting Cycle</b>	This report is published on an annual basis, aligned with the Company's financial year. It represents the fourth Sustainability (ESG) Report issued by Chengtun Mining Group Co., Ltd.

### Reporting Boundary and Terminology

The disclosure scope of this report covers Chengtun Mining and all of its subsidiaries. For ease of expression and readability, certain key operating subsidiaries are referred to by abbreviated names throughout this report. The corresponding references are presented as follows:

Name	Abbreviation
Chengtun Mining Group Co., Ltd	Chengtun Mining, We
Congo Chengtun Ressources Sarl.	Congo Resources, CCR
Congo Chengtun New Materials SASU	CCM
Kalongwe Mining SA	KMSA
Baoshan Hengyuan Xinmao Mining Co., Ltd.	Hengyuan Xinmao Mining
Sichuan Chengtun Zinc & Germanium Science & Technology Co., Ltd.	Chengtun Zinc & Germanium
Xilingol League Yinxin Mining Co., Ltd	Yinxin Mining
Kelixin (Zhuhai) New Energy Co., Ltd.	Kelixin (Zhuhai)
Kelixin (Yangjiang) New Energy Co., Ltd.	Kelixin(Yangjiang)
PT Youshan Nickel Indonesia	Youshan Nickel
Chengtun Energy Metal Chemistry (Guizhou) Co., Ltd.	Chengtun Energy Metal
Guizhou Huajin Mining Co., Ltd.	Huajin Mining
Xing'an Aima Mining Co., Ltd.	Aima Mining
Dali Sanxin Mining Co., Ltd.	Dali Sanxin
Chengdu Shengwei Xingke Advanced Materials Research Institute (Limited Partnership)	chengwei Xingke
Brothers Mining SASU	Brothers Mining
Zhonghe Nickel Co., Ltd.	Zhonghe Nickel

### Basis of Preparation

This report has been prepared with reference to the following standards:

- Self-regulatory Guidelines for Listed Companies of the Shanghai Stock Exchange No. 14 – Sustainability Report (Trial)
- Self-regulatory Guidelines for Listed Companies of the Shanghai Stock Exchange No. 1 – Standardised Operations
- Self-regulatory Guidelines for Listed Companies of the Shanghai Stock Exchange No. 4 – Preparation of Sustainability Reports (Revised in January 2026)
- Global Reporting Initiative (GRI) Sustainability Reporting Standards
- United Nations Sustainable Development Goals (SDGs)
- Ten Principles of the United Nations Global Compact
- Guidelines for Corporate Sustainability Disclosure (CASS-ESG 6.0)
- International Financial Reporting Standards (IFRS) Sustainability Disclosure Standards

### Reporting Principles

In the preparation of this report, the Company adheres to the principles of materiality, data accuracy, and information reliability, with the aim of presenting information to stakeholders in a manner that is effective, complete, accurate, and comprehensive.

### Access to the Report

This report is available in both printed and electronic formats, and is published in Chinese and English. In the event of any discrepancies between the two versions, the Chinese version shall prevail. This report is published in electronic format and is available on the Shanghai Stock Exchange website ([www.sse.com.cn](http://www.sse.com.cn)) and the Company's official website (<http://www.600711.com>) as part of the Company's information disclosure. It can also be viewed online or downloaded from the Company's official website.

CHENGTUN  
MINING

# CHAPTER TWO

## Chairman's Message

Chengtun Mining Group Co., Ltd.  
Chairman



## Dear Valued Stakeholders:

The year 2025 has been an extraordinary one. Against the backdrop of global economic transformation and upgrading, with sustainable development increasingly becoming a defining theme of our era, This report reflects our continued commitment and practical progress in the areas of environmental protection, social responsibility, and corporate governance.

As an important participant in the global mining and metals smelting industry, we are fully aware of the social responsibilities we bear. Throughout the production of our key products—including copper, cobalt, and nickel—we consistently integrate the principles of sustainable development into every stage of our operations, striving to act as a responsible corporate citizen.



## Green and Low-Carbon Development: Protecting Our Shared Planet

The Earth is the shared home of all humanity. Chengtun Mining has consistently embraced the principles of sustainable development, integrating green growth into the very fabric of our corporate culture and enabling the flourishing of the circular economy within the ecosystems where we invest and operate.

In the face of the growing global challenge of climate change, achieving the “dual carbon” goals—carbon peaking and carbon neutrality—has become a mission entrusted to every responsible enterprise of our time. With a forward-looking vision and firm commitment, we are comprehensively advancing our green and low-carbon development strategy. Through systematic and rigorous carbon accounting and verification processes, we scientifically quantify corporate carbon data and carefully manage every gram of carbon emissions, contributing Chengtun’s efforts to the global response to climate change. In March 2026, we officially released our first Climate Transition Report, representing not only our firm commitment to climate action but also a sincere invitation to industry partners to join us in building a greener future.

In our environmental stewardship journey, we remain firmly committed to the governance of the wastes—wastewater, waste gas, and solid waste—while regarding legal and compliant operations as the cornerstone of sustainable corporate development. We require all subsidiaries to go beyond regulatory compliance in emissions control by exploring innovative pathways for emissions reduction and continuously raising environmental standards through craftsmanship and dedication. From waste heat recovery to wastewater recycling, every environmental initiative reflects our active commitment to environmental compliance. Driven by both technological innovation and management optimization, we are striving to position Chengtun Mining as a model of an environmentally responsible enterprise, ensuring that green development remains the most defining feature of our future growth.



## People-Centered Development, Building a Better Society Together

Employees are the most valuable asset of the Company. We are committed to safeguarding the dignity of every individual and supporting every aspiration with care and compassion. The protection of human rights is deeply embedded in our corporate culture. We pay close attention to the well-being of female employees, extend support to families facing difficulties, and foster an environment in which respect and inclusion can take root and flourish within the Chengtun community.

We strive to create a diverse and inclusive workplace. Here, regardless of race, gender, age, or religious belief, every employee is able to work and grow in an open, respectful, and equitable environment. Through cultural exchange activities between Chinese and international employees, different traditions and perspectives come together, forming a harmonious and vibrant workplace where diversity is celebrated. By providing a fair compensation system, comprehensive welfare benefits, and broad development opportunities, we build a platform where every employee can pursue their ambitions and fully realize their potential.

The safety and occupational health of our employees remain a constant priority. With a strong sense of responsibility and vigilance, we have established a comprehensive safety management framework. From the rigorous implementation of safety production accountability at all levels to the strong leadership of top management, from meticulous daily inspections to proactive risk prevention and control, the concept of “Zero Accidents” is embedded in every aspect of our management practices. We continuously improve on-site working conditions and provide employees with a safe and healthy working environment, while regularly conducting occupational health examinations to safeguard their well-being.

At Chengtun Mining, we pursue not only material progress but also a fulfilling and meaningful working life for our employees. We are committed to ensuring that every employee can thrive in a safe, healthy, and dignified environment and achieve a rewarding and meaningful life.



## People-Centered Development: Building a Better Society Together

Employees are the Company’s most valuable asset. We strive to safeguard the dignity of every individual and nurture every aspiration with care, embedding respect for human rights deeply within our corporate culture. By supporting female employees, paying close attention to families facing difficulties, and fostering a culture of respect and inclusion, we seek to ensure that empathy and mutual understanding take root and flourish within the Chengtun community.

We are committed to cultivating a diverse and inclusive workplace. Here, regardless of race, gender, age, or religious belief, every employee is able to thrive in an environment of equality and respect. Through cultural exchange initiatives between Chinese and international employees, different traditions and perspectives come together to form a harmonious environment where diversity is valued and shared progress is encouraged. Supported by fair remuneration systems, comprehensive welfare programmed, and broad opportunities for career development, we provide every employee with a platform to realize their potential and pursue their ambitions.

The safety, health, and well-being of our employees remain our foremost priority. With a profound sense of responsibility, we have established a comprehensive safety management framework—ranging from the strict implementation of production safety accountability at every level, to the strong leadership of senior management in safety governance. From meticulous daily inspections to proactive risk prevention measures, the principle of “zero accidents” is embedded in every aspect of our operations. We continuously improve on-site working conditions, provide a healthy and safe workplace, and conduct regular occupational health examinations to safeguard our employees’ well-being. At Chengtun Mining, we pursue not only material prosperity but also a fulfilling and dignified life for our people, ensuring that every employee can work and grow in an environment that is safe, healthy, and respectful, while achieving their own sense of purpose and happiness.



## Looking Ahead: Creating Sustainable Value Together

Looking to the future, we will continue to deepen our ESG practices, integrating the principles of sustainable development into our strategic planning and daily operations, while working hand in hand with all stakeholders—including investors, employees, communities, and suppliers.

We will remain committed to the philosophy of responsible mining, striving to achieve a balance between resource development and environmental protection, and to realize a win-win outcome between corporate growth and social responsibility. We look forward to collaborating with all stakeholders to jointly shape a more sustainable future for the mining industry.

# SUSTAINABLE DEVELOPMENT PERFORMANCE IN 2025

Total Greenhouse Gas (GHG) Emissions  
(Scope 1 + Scope 2 + Scope 3, location-based): 9,735,646 tCO<sub>2</sub>e

Total Greenhouse Gas (GHG) Emissions  
(Scope 1 + Scope 2 + Scope 3, market-based): 10,420,099 tCO<sub>2</sub>e

R&D Investment: 5275.93 RMB 10,000

Net Profit Attributable to Shareholders of  
the Listed Company: 196,142 RMB 10,000

Number of Foreign Employees: 3601 persons

Electricity Generated by Self-owned  
Clean Power Plants (Waste Heat Recovery): 96,864,633 kWh

Total Safety Investment: 5886 RMB 10,000

Water Reuse Volume: 6583753.44 tonnes

Taxes Paid by the Company: 150,973 RMB 10,000

Electricity Generated from  
Self-owned Photovoltaic Power: 18,524,692 kWh

Social Welfare Investment: 280.58 RMB 10,000

Total Number of Employees: 9372 persons

Total Annual Employee  
Training Hours: 409784.45 hours

Comprehensive Utilisation  
of Tailings: 136578.2 10,000 tonnes

# CHAPTER THREE

## Chengtun Mining at a Glance



### Company Overview

Chengtun Mining was listed in 1996 under the stock code 600711, with its headquarters located in Xiamen, China. The Company is committed to the development and utilization of non-ferrous metal resources, particularly those required for new energy batteries, with a strategic focus on copper, nickel, and cobalt. Its core business segments include energy metals, base metals, and metal trading.

After years of development, the Company has established notable strengths in brand influence, capital resources, talent development, and market channels, and has been repeatedly included among the "Top 500 Chinese Enterprises." Chengtun Mining has developed a global industrial presence, with operations and mining enterprises across China, e.g. Zhuhai, Sichuan, Yunnan, Guizhou, Inner Mongolia, as well as overseas including the Democratic Republic of the Congo and Indonesia, forming a sizeable international network of subsidiaries and mining projects.

Focusing on its core metals—copper, nickel, and cobalt—Chengtun Mining continues to respond proactively to industry developments, strengthen governance, and operate with dedication and prudence. The Company adheres to a resource-oriented strategy and an international development approach, continuously enhancing its capabilities in domestic and overseas resource exploration, project development, and operational management. At the same time, it extends its value chain through smelting, processing, and materials manufacturing, while implementing management measures centered on cost control, meticulous operational management, and quality and efficiency improvement, steadily advancing along the path of high-quality development.



### Development History

Guided by the development strategy of "Developing both Upstream Resources and Downstream Materials", the Company remains committed to low-carbon, green, and sustainable development, while promoting coordinated growth across both domestic and international operations, contributing to the global energy transition and the development of clean energy.

### Business Segments

Increase reserves of high-quality resources, with a focus on expanding the development and utilization of energy metals in China, Africa, Argentina, and Southeast Asia, and strive to enhance the autonomy and resilience of supply chains for the nation and the industry.

Appropriately extend the industrial value chain by expanding downstream into core materials for power and energy storage batteries, thereby achieving an integrated layout spanning from resource development to materials production.

Promote the coordinated development of both domestic and international operations, continuously improving corporate governance and international management capabilities, while strengthening the Company's global competitiveness and influence.

### Corporate Strengths

<b>Group Vision</b>	<b>Industrial Strategy</b>	<b>Group Mission</b>	<b>Work Ethos</b>
Contributing to the Sustainable Development of New Energy for the World	Developing both Upstream Resources and Downstream Materials	We Transform Resources for a Better World	Simple, Pragmatic and Efficient

# Company Development History

## 1996

The company issued A-shares and was listed on the Shanghai Stock Exchange.

## 2008

The company name was changed from "Xiamen Xiongzheng Group Co., Ltd." to "Xiamen Xiongzheng Mining Group Co., Ltd.," marking its transition into a non-ferrous metal mining enterprise.

## 2017 Expansion into the Democratic Republic of the Congo

In August 2016, launched the DRC CCR comprehensive utilization project with an annual capacity of 10,000 tons of copper cathode and 3,500 tons of crude cobalt hydroxide (metal content). After 18 months of construction, trial production began at the end of 2018.

## 2018

Completed the acquisition of Kelixin (Zhuhai), a cobalt materials deep-processing company specializing in cobalt recycling, expanding into the new materials sector.

Acquired Chengtun Zinc-Germanium, which has an annual production capacity for 300,000 tons of zinc ingot and 40 tons of germanium, and further enhancing zinc and germanium resource reserves.

## 2021

In DRC, the CCM copper-cobalt smelter launched with annual output of 30,000 tons copper cathode and 5,800 tons cobalt hydroxide.

In Indonesia, the Youshan Nickel's 34,000-ton high-grade nickel matte project reached full capacity in 2021.

Phase I of Guizhou (Fuquan) Chengtun Energy Project commenced construction in November 2021.

## 2022

Youshan Nickel Indonesia partially transitioned to producing low-grade nickel matte for EV battery demand.

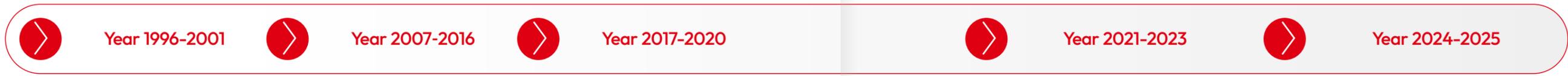
Promoted comprehensive recycling and technical renovation projects at Sichuan Chengtun Zinc-Germanium, enhancing resource recovery and operational quality.

## 2024

Phase I of Guizhou (Fuquan) Chengtun Energy Project commenced production.

Acquired more shares in Huawei Nickel to increase equity in Youshan Nickel Indonesia, enhancing shareholder value and expanding nickel supply for new energy batteries.

Production resumed at Guizhou Huajin Mining Co., Ltd. (Yata Gold Mine)



## 2011

Officially renamed from "Xiamen Xiongzheng Mining Group Co., Ltd." to "Chengtun Mining Group Co., Ltd." after approval by the Xiamen Administration for Market Regulation.

## 2007-2016

Expanded into base metals through acquisitions (Ema Mining, Yinxi Mining, Huajin Mining, Xinsheng Mining, Dali Sanxin, etc.), improving resources and strengthening capabilities in copper, gold, lead-zinc, and nickel smelting.

## 2019 Expansion into Indonesia

\$407M invested in Youshan Nickel's high-grade nickel matte project with an annual capacity of 34,000 tons of nickel metal.

## 2020

Acquired 100% of Nzuri, securing premium DRC copper-cobalt resources and exploration rights.

In DRC, the CCR integrated smelting project completed expansion in April 2020, producing annual 30,000 tons of cathode copper and 6,000 tons of crude cobalt hydroxide (metal content).

## 2023

In DRC, the Kalongwe copper-cobalt integrated project achieved full production and expansion, reaching 50,000 tons of cathode copper and 6,000 tons of cobalt hydroxide (metal content) annually by Q3 2023.

Efficiently advanced the joint construction of the Brother Mining (BMS) copper-cobalt project (50,000 metal-ton copper smelting capacity) with partners, successfully producing the first batch of copper products in December 2023;

Phase I of Guizhou (Fuquan) Chengtun Energy Project completed construction, with trial production of 150,000-ton nickel sulfate line in late 2023.

Dali Sanxin obtained a mining license for Qingyangchang Copper Mine in Yongping, Yunnan.

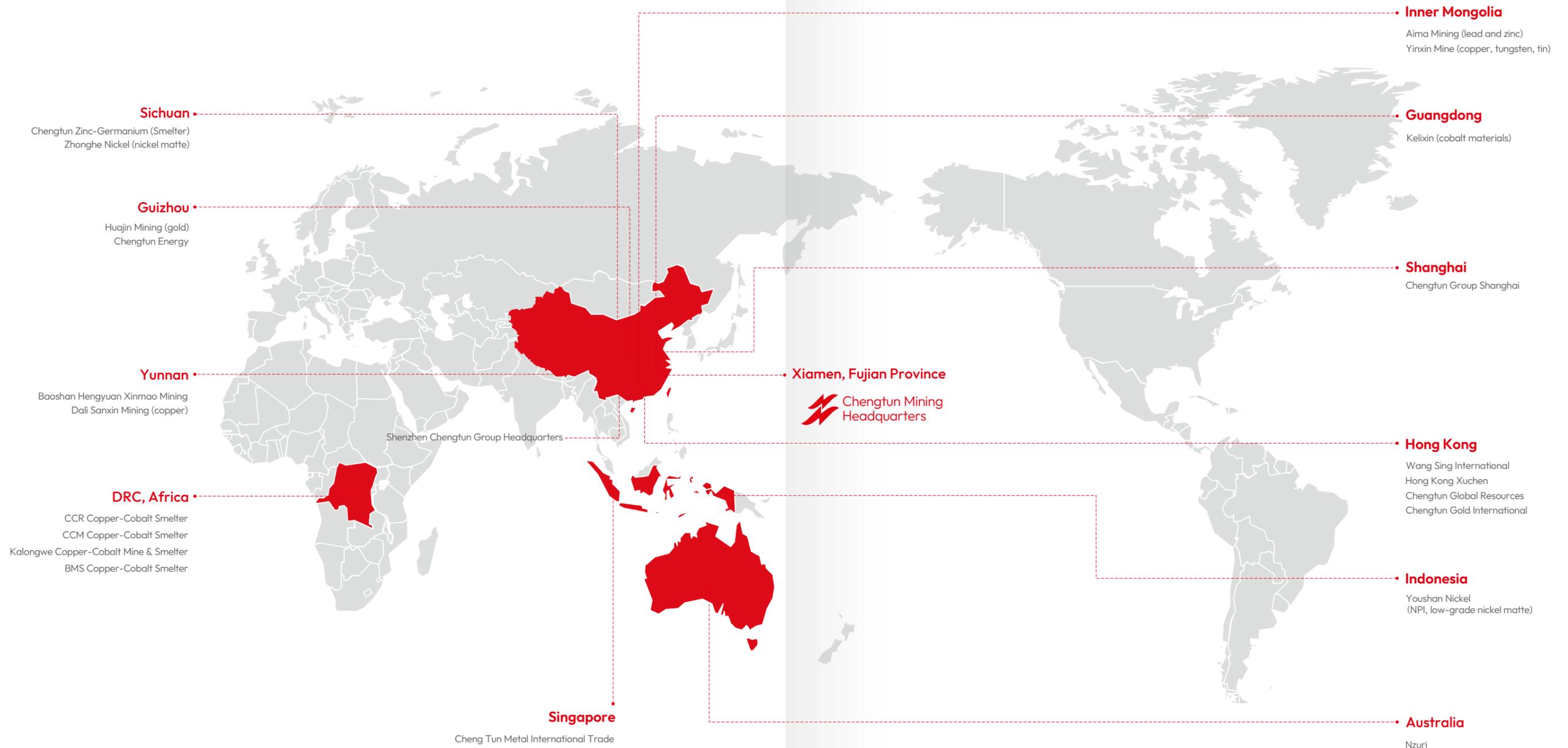
## 2025

2025 witnessed a major capacity breakthrough for Brothers Mining (BMS), with the successful commissioning of its Phase II expansion. This ramp-up brought annual capacity to 120,000 metal tonnes, while full-year output reached 106,300 metal tonnes. Huajin Mining also delivered a steady increase in gold production during the year.

In Guizhou, the Phase I project successfully completed its production ramp-up and is now operating at full capacity. Meanwhile, construction is progressing steadily on the Phase II project, where the Company is implementing systematic process benchmarking to further optimize workflows. Strict refined management protocols are being enforced across all operations to ensure long-term stability and continuity of the production system.



# Business Focus



## Product Overview and Application Areas

The Company's business operations mainly cover three core segments: energy metals, base metals, and metal trading.



(Our Smelting Products)



(Product Application Industries: Consumer Electronics (3C), New Energy Batteries, Stainless Steel)

## Corporate Culture

Focus on a resource-oriented strategy and strengthen advantages across the industrial value chain

Actively advance capacity expansion and strive to strengthen the Company's position in the upstream segment of the industry.

Implement strategies centered on talent development and technological innovation

Fulfil social responsibilities and continuously promote the development of the ESG management system

**Corporate Vision** Contributing to the Sustainable Development of New Energy for the World

**Corporate Mission** We Transform Resources for a Better World

**Work Ethos** Simple, pragmatic, and efficient

Chengtun Mining remains committed to expanding its resource base and advancing the implementation of new production capacity. The Company continues to pursue an international development strategy and places strong emphasis on building a talent-driven enterprise. At the same time, it adheres to the management principles of "controlling costs, focusing on details, and improving quality and efficiency."

The Company actively integrates into the national Belt and Road Initiative and proactively implements its "going global" strategy. It also responds positively to national strategies such as carbon neutrality and carbon peaking, as well as "Made in China" innovation-driven development.

On a global scale, the Company continues to strengthen the strategic deployment of energy metals, contributing to national and industry development while enhancing the autonomy, resilience, and security of the supply chain.

## Group Honours in 2025

### 1 Top 500 Manufacturing Enterprises in China (2025)

**Award Date:** September 2025

**Awarding Organizations:** China Enterprise Confederation and China Enterprise Directors Association

### 2 Top 100 Enterprises in Fujian Province (2025)

**Award Date:** September 2025

**Awarding Organizations:** Fujian Enterprise and Entrepreneurs Association, Fujian Media Group, and Fujian Academy of Social Sciences

### 3 Top 100 Manufacturing Enterprises in Fujian Province (2025)

**Award Date:** September 2025

**Awarding Organizations:** Fujian Enterprise and Entrepreneurs Association, Fujian Media Group, and Fujian Academy of Social Sciences



### 4 Top 100 Private Enterprises in Fujian Province (2025)

**Award Date:** September 2025

**Awarding Organizations:** Fujian Federation of Industry and Commerce



### 5 Top 100 Private Enterprises in Xiamen

**Award Date:** October 2025

**Awarding Organizations:** Xiamen Federation of Industry and Commerce



### 6 Top 50 Manufacturing Private Enterprises in Xiamen

**Award Date:** October 2025

**Awarding Organizations:** Xiamen Federation of Industry and Commerce



### 7 Top 100 Enterprises in Xiamen

**Award Date:** November 2025

**Awarding Organizations:** Xiamen Enterprise and Entrepreneurs Association, School of Management at Xiamen University, Xiamen Daily, and Xiamen Radio and Television Group

### 8 Top 100 Manufacturing Enterprises in Xiamen

**Award Date:** November 2025

**Awarding Organizations:** Xiamen Enterprise and Entrepreneurs Association, School of Management at Xiamen University, Xiamen Daily, and Xiamen Radio and Television Group

## Key Events of the Year

YEAR  
2025



◆ 26 February

The groundbreaking ceremony for Kalongwe Village Primary School and the handover ceremony for the local medical centre were successfully held. Later, on 28 November, KMSA signed the Social Responsibility Commitment (2024-2029) with surrounding communities, pledging an investment of USD 1.52 million in areas such as education and access to clean water. These initiatives aim to alleviate the shortage of local medical and educational resources, demonstrate the Company's commitment to social responsibility, and foster a new chapter of harmonious coexistence between mining operations and local communities.



◆ 12 May

The headquarters relocation ceremony of Chengtun Mining was grandly held, symbolizing a new chapter in the Company's journey along the energy metals sector and carrying the Group's renewed vision of advancing internationalization and creating sustainable value.



◆ 29 June

Drilling operations officially commenced at the Yata Gold Mine Project of Hujin Mining. Through supplementary exploration activities, the project aims to further unlock resource potential, laying a solid foundation for enhancing the Group's gold production capacity and optimizing its production layout.



◆ 1 July

CCR achieved a 100% A-grade copper production rate for three consecutive months, setting a new historical record for the project and positioning itself as a benchmark enterprise in the African copper-cobalt smelting industry.



◆ 4 July

The Phase III Tailings Storage Facility Project of CCR was officially launched with a groundbreaking ceremony. Upon completion, the project will provide safe and reliable support for the Company's production operations, while further enhancing both economic and environmental benefits.



◆ 28 July

The underground roadway project of Dali Sanxin Mining achieved a safe and precise breakthrough after more than 400 days of intensive construction efforts, marking a significant milestone that has opened a new chapter for the mine's subsequent development and full-scale production.



◆ 27 September

Chengtun Mining was once again included in the 2025 Global Top 500 New Energy Enterprises, reaffirming its position within the global new energy industry.



◆ October to November

Chengtun Mining established Chengtun Gold International and announced its plan to acquire 100% equity of Loncor Resources Inc., a Canadian-listed company, for approximately RMB 1.35 billion. The acquisition aims to secure the Adumbi Gold Project in the Democratic Republic of the Congo (DRC), accelerating the international expansion of the Group's gold business and fostering a new driver of growth.



◆ 1 November

Chengtun Mining ranked first on the 2025 Xiamen Top 100 Private Enterprises list.



◆ 3 November

Chengtun Group announced an additional investment of RMB 5.9 billion in Fuqian to develop an integrated "mining-chemical-materials" lithium iron phosphate (LFP) cathode materials project, with a planned annual capacity of 240,000 tonnes of iron phosphate and 200,000 tonnes of lithium iron phosphate. Once fully operational, the project is expected to generate over RMB 12 billion in additional annual output value.



◆ 1 November

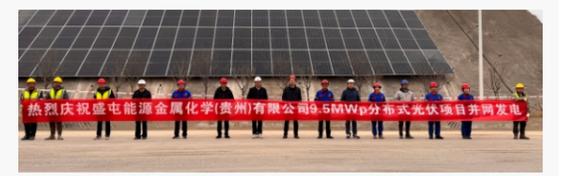
The People's Government of Longyang District, Baoshan City, and Chengtun Mining signed a cooperation agreement on lead-zinc mineral resource development. This partnership marks a new chapter of government-enterprise collaboration, fostering mutual progress and shared benefits.



◆ 28 December

Chengtun Group announced an additional investment of RMB 5.9 billion in Fuqian to develop an integrated "mining-chemical-materials" lithium iron phosphate (LFP) cathode materials project, with a planned annual capacity of 240,000 tonnes of iron phosphate and 200,000 tonnes of lithium iron phosphate. Once fully operational, the project is expected to generate over RMB 12 billion in additional annual output value.

The Chengtun Energy distributed photovoltaic project was successfully connected to the grid, with a total installed capacity of 9.5 MW. The project has effectively reduced the Company's electricity costs and carbon emissions, delivering both economic benefits and environmental value.



# CHAPTER FOUR

## Materiality Assessment

### Stakeholder Engagement

The Company attaches great importance to the perspectives of its stakeholders. By establishing a multi-dimensional communication framework, we have developed and implemented diversified communication channels and due diligence activities tailored to different stakeholder groups. Through these mechanisms, we actively listen to stakeholder concerns and respond to their expectations in a timely manner.

During the Reporting Period, the Company conducted an assessment of stakeholder importance and ultimately identified eight key stakeholder groups, including directors and senior management, employees, customers and consumers, suppliers and business partners, communities and the public, government and regulatory authorities, shareholders and investors, as well as non-governmental organization, media, and research and educational institutions.

The following section outlines the key concerns of our principal stakeholders during the year and the corresponding communication and engagement approaches adopted by the Company.

Stakeholder Group	Key Topics of Concern	Communication Channels
<b>Board of Directors and Senior Management</b>	Sustainable Development, Governance Framework Business Ethics Management	Board reporting Management reporting and communication across all levels Regular communication through the ESG Committee
<b>Employees</b>	Environmental Compliance Management Employee Management Product and Service Safety and Quality Management Occupational Health and Safety Energy Management	Emails and internal meetings Employee Representative Congress Training programs and grievance mechanisms Online and offline employee surveys Corporate intranet
<b>Customers and Consumers</b>	Business Ethics Management Climate Change Response Product and Service Safety and Quality Management Occupational Health and Safety Data Security and Customer Privacy Protection	Customer satisfaction surveys Customer communication and complaint channels Workshops and seminars
<b>Suppliers and Business Partners</b>	Business Ethics Management, Supply Chain Security Occupational Health and Safety Fair Treatment of SMEs	Supplier procurement processes Training and evaluation programs Supplier conferences
<b>Communities and the Public</b>	Environmental Compliance Management Pollutant Emissions Management, Tailings Management Community Engagement and Management	Official platforms such as the corporate website External communication materials Public welfare projects Public welfare forums and industry events, Volunteer activities
<b>Government and Regulatory Authorities</b>	Sustainable Development Governance Framework Environmental Compliance Management Employee Management Product and Service Safety and Quality Management Community Management Occupational Health and Safety, Energy Management Water Resource Management	Stock exchange meetings Government meetings Information disclosure platforms Government visits and inspections
<b>Shareholders and Investors</b>	Business Ethics Management Climate Change Response Product and Service Safety and Quality Management Occupational Health and Safety Product and Service Safety and Quality Management Community Management Occupational Health and Safety Energy Management, Water Resource Management	Shareholders' meetings Earnings briefings Analyst communication meetings Broker strategy conferences Information disclosure platforms Investor site visits SSE E-Interaction platform
<b>NGOs, Media, and Research &amp; Educational Institutions</b>	Biodiversity, Tailings Management Climate Change Response Innovation-Driven Development, Technology Ethics	ESG reports Annual reports Corporate website

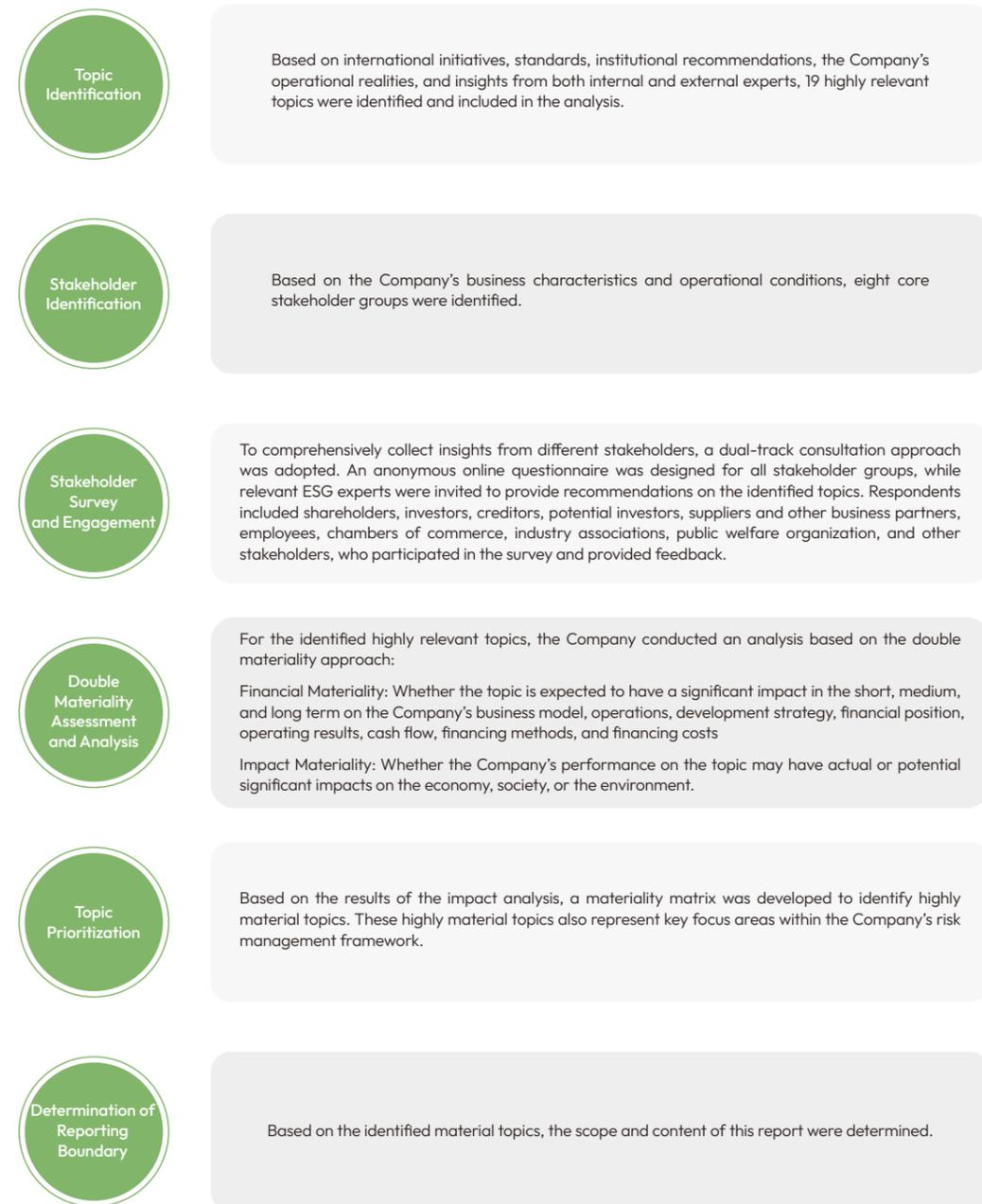
## Double Materiality Analysis

During the Reporting Period, we conducted a materiality assessment with reference to the Self-Regulatory Guide No. 4 of the Shanghai Stock Exchange for Listed Companies – Sustainability Report Preparation (Revised in January 2026) and the Global Reporting Initiative (GRI) recommendations on material topic analysis.

Taking into account the characteristics of the industry in which the Company operates and the nature of our business activities—while also considering stakeholder concerns and ensuring the continuity and readability of this report—we incorporated quantitative financial materiality analysis into our existing assessment framework during this Reporting Period.

By conducting double materiality from both external perspectives (economic, social, and environmental impacts) and internal perspectives (financial impacts), we are able to more accurately identify the inherent risks and opportunities within our business operations and determine the Company's material ESG topics.

Based on the methodological adjustments described above, our materiality assessment process consists of the following six steps



## Relevant Topics of the Company

- Governance**: Sustainable Development Governance System; Stakeholder Engagement; Business Ethics Management
- Environment**: Environmental Compliance Management; Pollutant Emissions Management; Biodiversity; Tailings Management; Energy Utilization; Water Management; Climate Change Response
- Social**: Employee Management; Product and Service Safety and Quality Management; Data Security and Customer Privacy Protection; Innovation-Driven Development; Technology Ethics; Supply Chain Security; Fair Treatment of SMEs; Community Management; Occupational Health and Safety

### Double Materiality Assessment



## Results of the Materiality Assessment

During the Reporting Period, the Company's material topics remained largely consistent with those identified in the previous year. Compared with the prior year, both the Company and its stakeholders placed greater emphasis on "Climate Change Response," "Tailings Storage Facility Management," and "Occupational Health and Safety." These three topics also constitute key components of our overall risk management framework. Effective climate change management enables the Company to address risks while capturing emerging opportunities, while robust tailings management and strong safety practices ensure operational continuity and help minimize potential external impacts.

Through the materiality assessment process, we ultimately identified 19 material topics, which define the reporting boundary and focus areas of this report.

### Very High Materiality

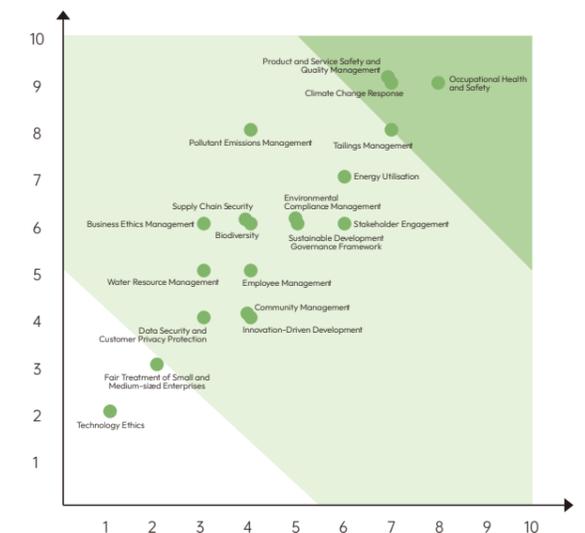
Tailings Storage Facility Management; Occupational Health and Safety; Climate Change Response; Product and Service Safety and Quality Management;

### High Materiality

Sustainable Development Governance Framework; Stakeholder Engagement; Business Ethics Management; Environmental Compliance Management; Pollutant Emissions Management; Biodiversity; Energy Use; Water Resource Management; Employee Management; Data Security and Customer Privacy Protection; Innovation-Driven Development; Supply Chain Security; Community Management

### Medium Materiality

Technology Ethics; Equal Treatment of Small and Medium-sized Enterprises (SMEs)

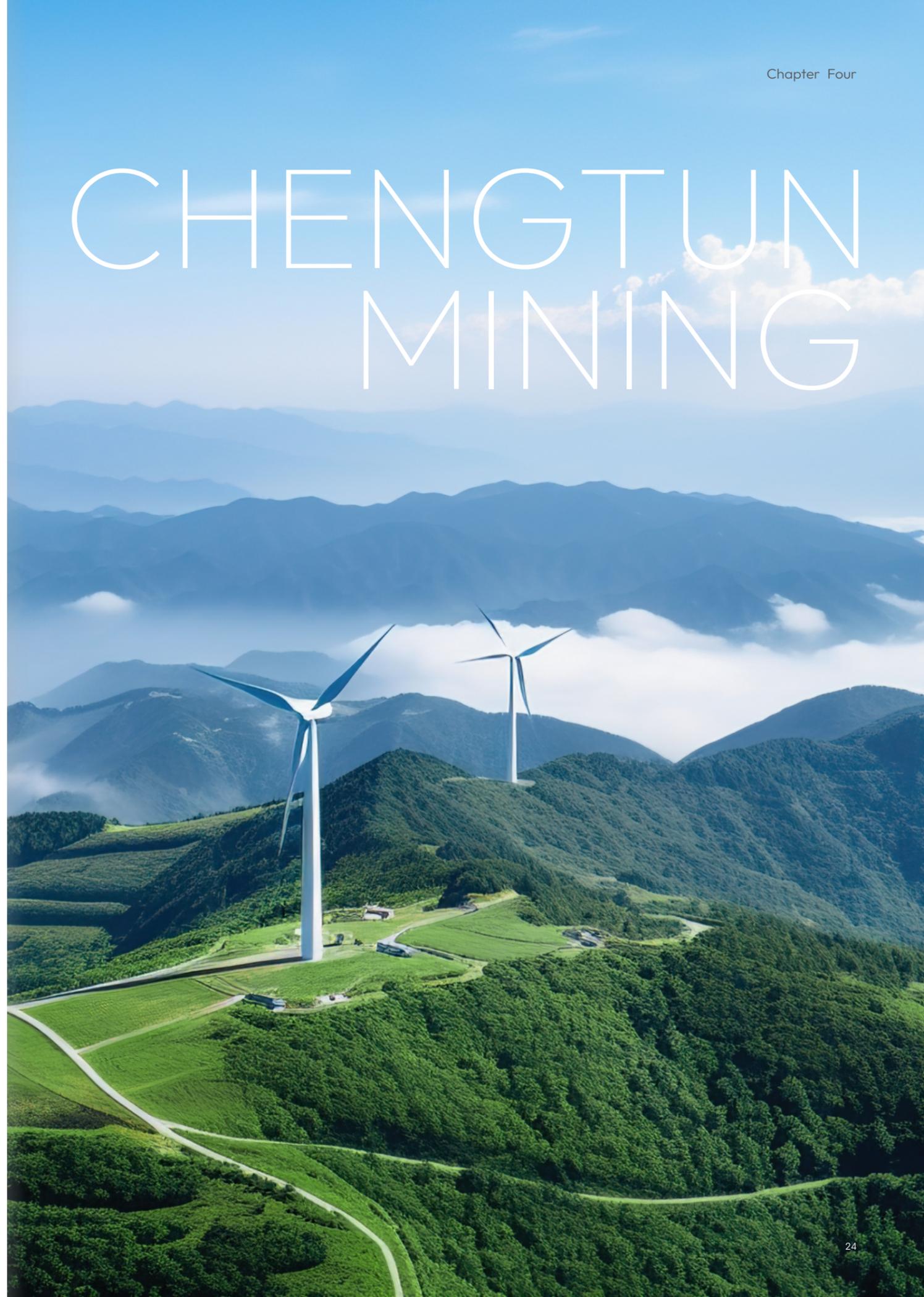


### Alignment of Material Topics with the United Nations Sustainable Development Goals

Chengtun Mining integrates the United Nations Sustainable Development Goals (SDGs) into its operations and value chain. By aligning with the UN's SDG Compass: The Guide for Business Action on the Sustainable Development Goals, the Company identifies the relevance of the SDGs to its business activities and outlines how its operations contribute to achieving these global goals.

Chapter	Material Topics Covered	UN Sustainable Development Goals (SDGs)
Strengthening Governance and Building a Solid Foundation for Development	Sustainable Development Governance System Stakeholders Business Ethics Management	  
Green and Low-Carbon Development, Protecting Our Planet	Environmental Compliance Management Pollutant Emissions Management Biodiversity Tailings Storage Facility Management Energy Utilization Water Resource Management	    
Looking to the Future, Creating Sustainable Value Together	Climate Change Response	
People-Centered Development, Building a Better Society Together	Employee Management Product and Service Safety and Quality Management Data Security and Customer Privacy Protection Innovation-Driven Development Technology Ethics Supply Chain Security Fair Treatment of Small and Medium-sized Enterprises Community Management Occupational Health and Safety	         

# CHENGTUN MINING



# CHAPTER FIVE

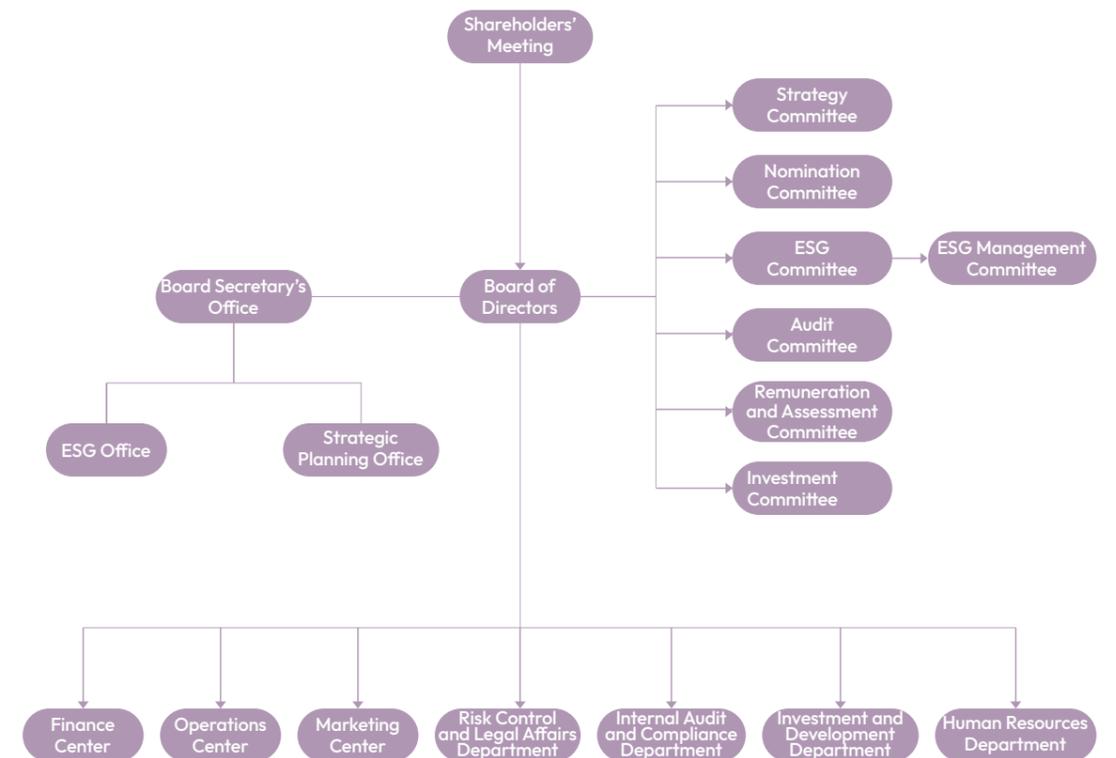
## Strengthening Governance and Building a Solid Foundation for Development

The essence of governance lies in integrity, while the foundation of sustainable development rests on steady and responsible management. Chengtun Mining regards sound corporate governance as the cornerstone of long-term sustainability. We have carefully established a modern governance framework with clear allocation of responsibilities and efficient operations, ensuring that every decision is made with transparency and that all authority is exercised within a well-defined institutional framework.

### Corporate Governance Structure

The Company has established a comprehensive governance structure, in which the Board of Directors operates under a well-developed decision-making mechanism and exercises authority over major business and operational decisions.

Under the Board, the Company has established an ESG Committee and an ESG Management Office, integrating ESG governance principles with the Company's operational practices. This framework enables the development of a governance model that both aligns with international standards and reflects the distinctive characteristics of Chengtun Mining.



## Operation of the Three Governing Bodies

During the Reporting Period, the Shareholders' Meeting, the Board of Directors, and the Board of Supervisors operated in a compliant and effective manner, providing oversight and support for the Company's standardized sustainable operations and long-term development.

Body	Operational Status in 2025
Shareholders' Meeting	During the reporting period, the Company convened three Shareholders' Meetings, at which 20 resolutions were reviewed and approved. Among them, the 2025 Annual Shareholders' Meeting reviewed and approved the 2024 Environmental, Social and Governance (ESG) Report. The resolutions of each Shareholders' Meeting have been publicly disclosed through statutory channels, including the Shanghai Stock Exchange information disclosure platform.
Board of Directors	During the reporting period, the Company convened nine Board of Directors meetings, at which 40 resolutions were reviewed and approved.
Board of Supervisors	During the reporting period, the Company convened five Board of Supervisors meetings, at which 16 resolutions were reviewed and approved.

\*In accordance with relevant regulations, the Supervisory Board was abolished in the second half of the year.

### Composition and Operation of the Board of Directors

Indicator	Unit	2022	2023	2024	2025
Number of Board Members	persons	7	7	7	7
Number of Female Directorson the Board	persons	0	0	0	0
Proportion of Female Directorson the Board	%	0	0	0	0
Number of Independent Directorson the Board	persons	3	3	3	3
Proportion of Independent Directorson the Board	%	42.86	42.86	42.86	42.86
Number of Shareholders' Meetings Held	times	6	7	4	3
Number of Board Meetings Held	times	21	15	9	9
Number of Supervisory Board Meetings Held	times	16	10	7	5

## Sustainability Governance Framework

### Corporate Governance Commitment

Against the backdrop of the accelerating global transition toward sustainable development, we recognize that corporate responsibility has become a core driver of long-term business success. Chengtun Mining has consistently regarded sustainable development as a key long-term priority, integrating sustainability principles into the Company's core values.

We are committed to continuously advancing sustainable development across our industrial value chain, fostering a long-term mechanism that promotes shared growth between the Company and its employees, mutual success with customers, and harmonious coexistence with communities. By strengthening and refining our ESG management framework, we place sustainability at the very foundation of the Company's long-term development.



### Chengtun C<sup>3</sup> ESG Management Policy

In accordance with relevant laws, regulations, and internal policies, and taking into account the actual operational conditions of the Company and its subsidiaries, Chengtun Mining has established an ESG management policy framework applicable across the Group. This framework serves as a guiding principle for ESG management and implementation throughout the Company and its subsidiaries.



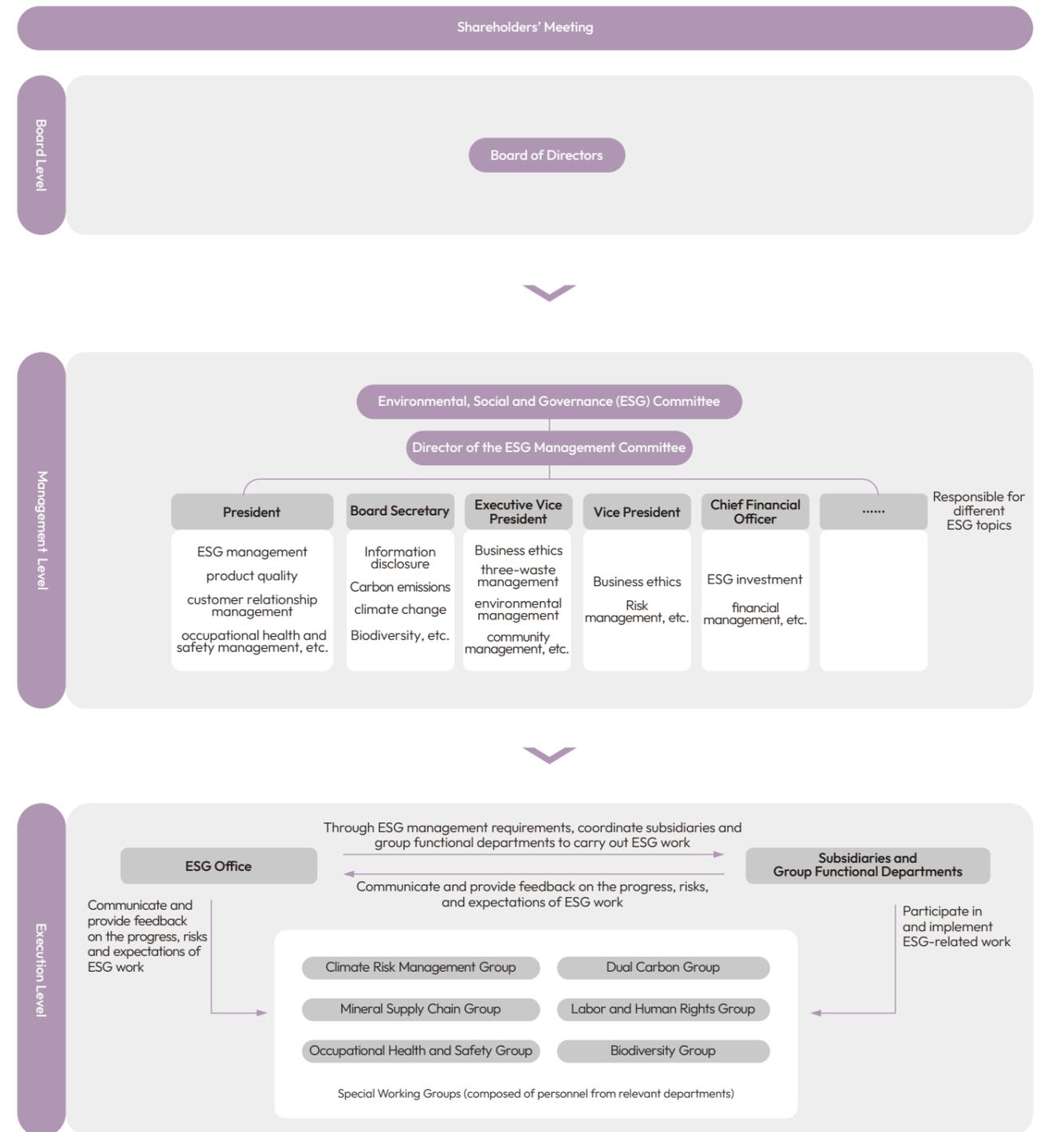
Chengtun Mining deeply integrates sustainable development into its corporate DNA, which is reflected in six core commitments:

- POINT 01 Craftsmanship**  
 Internal Foundation: We approach every resource and every process with a spirit of craftsmanship and continuous improvement. Through technological innovation, we strive to maximize resource efficiency and promote greener production processes, thereby establishing a solid technical and quality foundation for sustainable development.
- POINT 02 Collaboration**  
 Internal and External Ecosystems: We firmly believe that sustainable development cannot be achieved in isolation. We actively build collaborative networks with governments, communities, customers, research institutions, and industry partners, fostering open innovation and shared value creation to jointly address environmental and social challenges.
- POINT 03 Clarity**  
 Operational Principles: We are committed to comprehensive operational transparency. Through regular, accurate, and detailed disclosure of information related to environmental, social, and governance (ESG) matters, we ensure that our actions, performance, and impacts are traceable and verifiable, thereby upholding responsible business conduct.
- POINT 04 Commitment**  
 Strategic Anchor: Sustainable development represents our solemn commitment to the future. It has been embedded as a core strategic priority of the Board of Directors, a key performance objective for management, and a guiding principle for all employees, directing our long-term responsibilities to our people, society, and the planet.
- POINT 05 Credibility**  
 Value Realization: By consistently upholding the commitments outlined above, we aim to transform our sustainability performance into the Company's most valuable intangible asset—reputation. This reputation forms the core capital that enables us to earn the long-term trust of investors, the loyal partnership of customers, and the broad respect of society.
- POINT 06 Care**  
 Human-Centered Core: All technological advancements and strategic initiatives ultimately centre on people. This commitment is reflected in our comprehensive protection of employee health and safety, our tangible contributions to community development, and our genuine concern for the well-being of all stakeholders. In doing so, we bring a human dimension of care and responsibility to the mining industry.

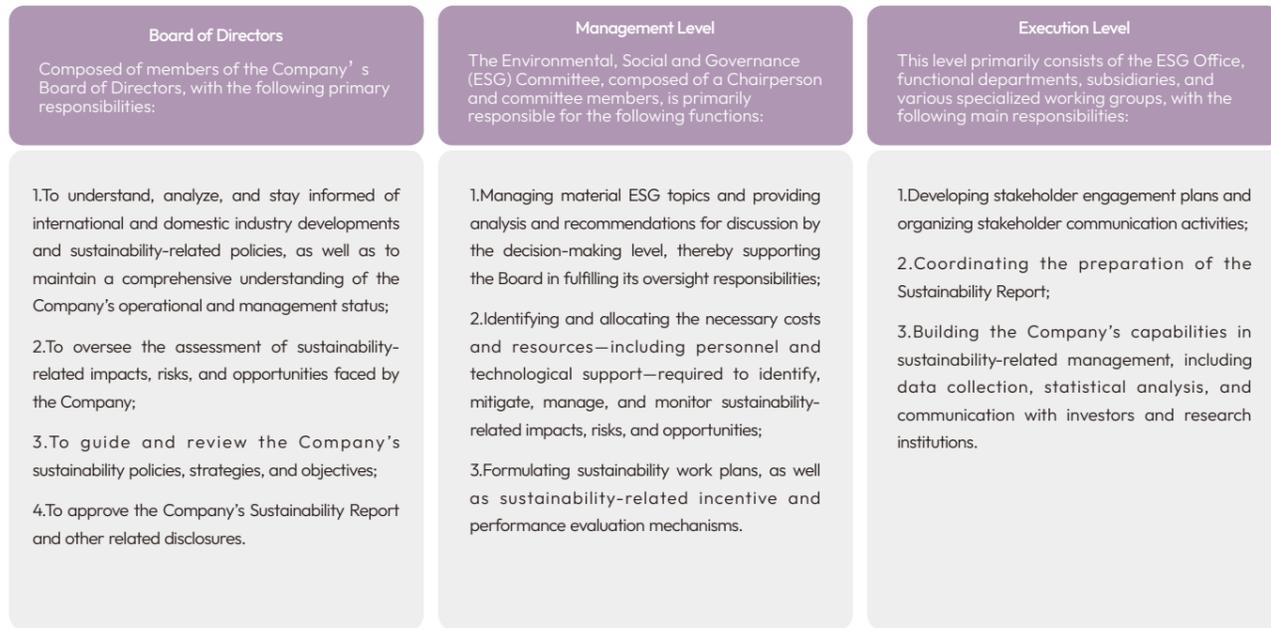


### ESG Management Organizational Structure

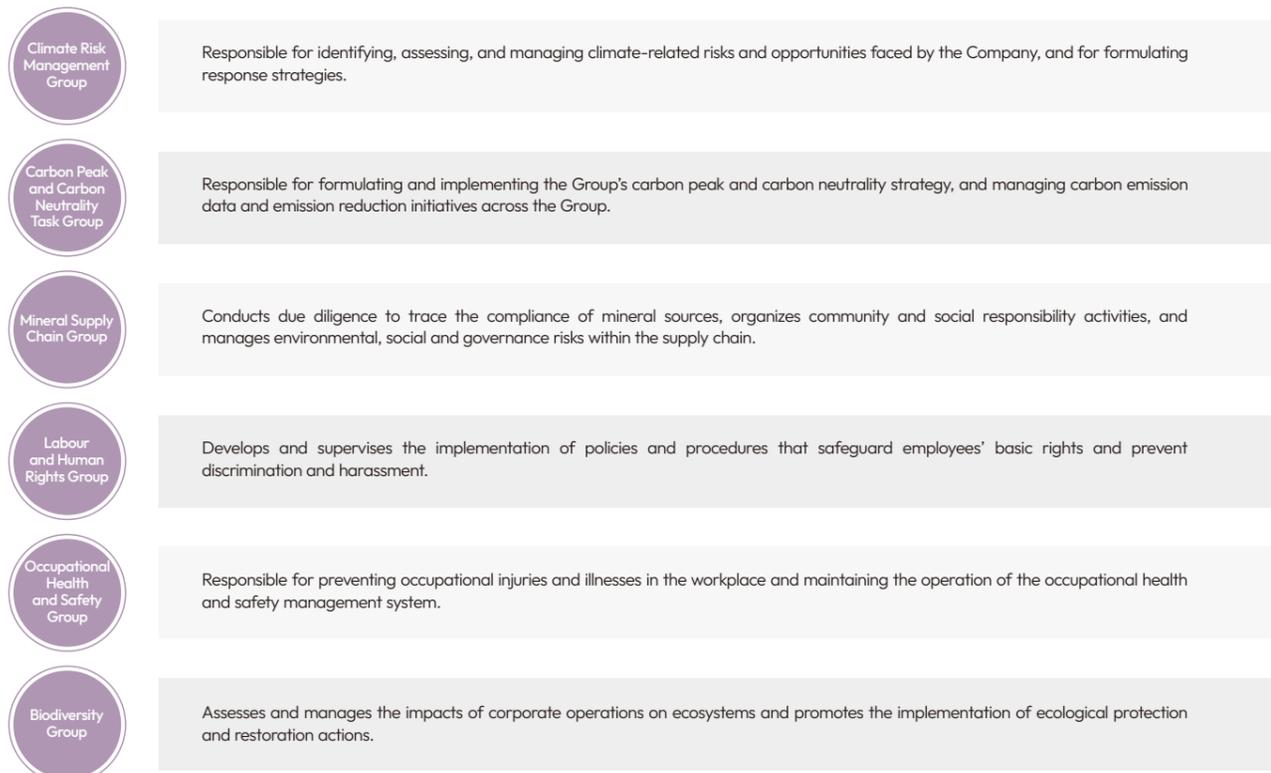
Chengtun Mining is committed to continuously improving its environmental, social, and governance (ESG) performance and actively promoting the sustainable development of both the Company's operations and society. To support this objective, the Company has established an ESG management organizational structure at the Board level, implemented through three tiers: the Board of Directors, the management level, and the execution level.



The ESG management framework consists of three levels:



Six Specialized Working Groups have been established under the ESG Management Office:



## Sustainability-Related Information Reporting

To further strengthen and refine the Company's ESG governance framework, and to ensure that ESG-related strategic planning is considered at the top-management level, the Company has established mechanisms to cascade these strategic requirements throughout the organization.

In 2025, the Company formulated and issued the ESG Management Policy and the Rules of Procedure for the Board's Environmental, Social and Governance (ESG) Committee, which clearly define the reporting requirements related to sustainability matters.

Level	Reporting Frequency	Related Matters
ESG Committee	At least once per year	Reviews ESG-related matters, convenes meetings, and deliberates on relevant materials.
ESG Office	Monthly	Compiles and analyzes ESG-related information and reports.
ESG-related Employees	Monthly	Provide feedback on the implementation and operation of specific ESG-related matters.

## Supervision and Evaluation Mechanism

In October 2025, the Company revised its Articles of Association and formally implemented the ESG Management Policy, thereby clarifying the supervision and evaluation mechanisms within the Company's sustainability governance framework.

Supervision and Assessment Level	Supervision and Assessment Responsibilities
Audit Committee	Responsible for supervising and assessing the management's implementation of ESG-related requirements.
ESG Office	Tracks external ESG regulatory requirements, industry trends, and peer practices; guides, promotes, coordinates, and supervises ESG management work of relevant departments and subsidiaries. Coordinates the development and maintenance of the Group's ESG indicator system, and supervises and assesses ESG performance of departments and subsidiaries.
Functional Departments and Business Support Departments	Guide, supervise, inspect, and assess the implementation of key ESG topics, and promptly address related issues and challenges.
Business Supervisory Departments	Assist the ESG Office in carrying out ESG supervision and assessment work.

## Removal of Other Risk Warning on the Company's Shares

In accordance with Article 9.8.8 of the Shanghai Stock Exchange Listing Rules (revised in April 2025), the Company determined that it had met the conditions required to apply for the removal of the "other risk warning" designation on its shares.

At the 20th meeting of the 11th Board of Directors, the Board reviewed and approved the Proposal on Applying for the Removal of Other Risk Warning on the Company's Shares, and subsequently submitted an application to the Shanghai Stock Exchange. The other risk warning was officially removed in August 2025.

## ESG Risk Management

The Company has established an ESG Management Policy to support the management of ESG-related risks. This policy is dynamically adjusted in accordance with operational needs, ensuring that institutional safeguards continue to be strengthened.

In line with the relevant provisions of this policy, the ESG Office, the Risk Control and Legal Affairs Department, and the Internal Audit and Compliance Department jointly undertake key responsibilities for ESG risk management. These departments monitor the latest developments in laws, regulations, and regulatory policies, and conduct risk identification and assessment across the Company's business activities, thereby ensuring compliant operations.

The Group has also implemented a three lines of defense framework for risk management. This system emphasizes centralized management of internal risks and continuous monitoring of external risks as its core principles, while classifying and managing various risk categories to effectively control potential risks.

### 01 First Line of Defense

The ESG Office and various functional departments are responsible for implementing the core risk management processes, including identifying, assessing, and responding to risks within their respective professional areas. They also monitor the effectiveness of risk control measures within their domains and drive continuous management improvements.

### 02 Second Line of Defense

The Risk Control and Legal Affairs Department is responsible for the management, coordination, and execution of the Group's legal affairs, including legal compliance review and supervision. The department also provides legal opinions and recommendations on major corporate matters and represents the Company in litigation proceedings.

### 03 Third Line of Defense

The Internal Audit and Compliance Department is responsible for supervising and evaluating the operational efficiency and compliance of the Group and its subsidiaries, as well as the establishment and implementation of internal control systems. It ensures that business activities are conducted in accordance with relevant policies, procedures, and regulatory requirements.

Risk Type	Risk Identification
Risk of Metal Price Fluctuations	Price fluctuations and changes in supply-demand dynamics for metals such as nickel, cobalt, copper, and zinc may significantly affect the Company's profitability. The Company conducts futures hedging activities and fully utilizes the hedging functions of futures contracts to mitigate the impact of significant metal price volatility on operating performance, thereby enhancing operational management and risk resilience.
Risks of Overseas Operations	The Company operates several overseas projects, including CCR, CCM, the KMSA and Metallurgical Integration Project, and the BMS Copper-Cobalt Smelting Project in the Democratic Republic of the Congo; the Youshan Nickel Project in the Weda Bay Industrial Park in Indonesia, which is in stable operation; and the Munal Nickel Mine in southern Zambia. The expansion of overseas operations exposes the Company to management challenges such as cultural differences, varying legal systems, labour relations, and communication barriers. In addition, operations may be affected by local political stability, policy continuity, macroeconomic fluctuations, geopolitical risks, fiscal and taxation policies, contract performance, and legal disputes. To address these risks, the Company continuously optimizes its overseas management system by cultivating and introducing international talent, enhancing team capabilities, and improving cross-border management processes, thereby strengthening its ability to prevent and manage overseas operational risks and ensuring the stable development of its international business.
Foreign Exchange Risk	The Company's overseas operations are settled in foreign currencies, exposing it to operational risks arising from exchange rate fluctuations. To address this, a dedicated professional team has been established to proactively manage foreign exchange exposure through prudent use of financial instruments, with the aim of mitigating risks and achieving financial optimization. Upholding the principles of prudent compliance and balanced risk-return management, the Company strictly implements compliance risk controls and customer credit assessments in its projects, ensuring that overall foreign exchange risk remains within a controllable range.
Safety and Environmental Protection Risk	As national standards for corporate safety and environmental protection continue to become more stringent, the Company may face increasing operational challenges. The Company remains committed to the principle of "high standards for safety and environmental protection, zero tolerance for accidents," placing safety and environmental management at the core of its operations. It continuously improves its safety management system, strengthens risk prevention and control measures, and works to prevent incidents involving personal injury or property loss that could severely affect the Company's brand and social reputation.
ESG-related Risks	With the advancement of its internationalization process, the Company may encounter environmental, social, and governance (ESG) challenges in its ongoing operations and development. To address these issues, the Company has established an ESG Committee and strictly implements relevant governance systems. It actively supports national industrial restructuring and energy transition initiatives, contributing to the achievement of China's "dual carbon" strategy and the sustainable development of global new energy. At the subsidiary level, each subsidiary formulates and implements detailed ESG-related systems based on its specific operational conditions.

## Business Ethics Management

### Governance

Chengtun Mining strictly complies with relevant laws and regulations, including the Criminal Law of the People's Republic of China and the Anti-Unfair Competition Law of the People's Republic of China. The Company places great importance on fostering and continuously strengthening a corporate culture of integrity and probity, and maintains a zero-tolerance stance toward any form of corruption.

A robust business ethics management system serves as a critical foundation for ensuring ethical and responsible business conduct. We are committed to creating a fair, transparent, and trustworthy working and business environment, and strictly prohibit any activities that may compromise the Company's integrity or damage its reputation.

To strengthen the management of business ethics, the Company has established and continuously improved a comprehensive framework of internal policies and procedures, including the Internal Audit Policy and Anti-Fraud and Whistleblowing Implementation Guidelines (Internal Control Manual, 2025 Revision), the Internal Control Manual, the Implementation Measures for Anti-Bribery and Anti-Corruption Management, the Insider Information Registration and Management Policy, and the Anti-Fraud and Whistleblowing Implementation Guidelines.

The Company continues to refine its business ethics governance structure, under which the ESG Committee of the Board of Directors serves as the highest governing body for business ethics management. All functional departments and subsidiaries are responsible for the implementation of business ethics practices within their respective operations, while the Internal Audit Department at headquarters oversees and audits the effectiveness of business ethics compliance.

#### The Company places particular emphasis on the following key areas in its business ethics management:

- Prohibition of personal gain through position: Employees are strictly prohibited from using their position, company resources, business channels, trade secrets, or intellectual property to seek benefits for themselves, their relatives, or other related parties.
- Prohibition of improper demands: Employees may not use their position to make consumption or benefit-related demands on suppliers, customers, business partners, or other stakeholders of the Company.
- Prohibition of borrowing through business relationships: Employees may not use their position to obtain loans from suppliers, customers, partners, or other stakeholders for themselves or their relatives, nor may they provide guarantees for such loans.
- Protection of confidential information: The disclosure of the Company's trade secrets is strictly prohibited. Confidential business information and core proprietary information must not be disseminated externally without internal approval.
- Prohibition of falsification and misrepresentation: Any form of falsification, deception, or concealment of facts in the Company's business activities is strictly prohibited.
- Restrictions on external employment: Employees are prohibited from holding positions in external for-profit organization that engage in commercial transactions with the Company.
- Proper use of company expenses: Company funds—including hospitality, office, and travel expenses—must not be misused for personal purposes, nor may public funds be used to entertain individuals unrelated to official business activities.
- Zero tolerance for bribery: Employees are strictly prohibited from accepting any form of bribery, including but not limited to cash, assets, shares, real estate, or other valuables.

### Strategy

The Company incorporates business ethics and integrity-based compliance as core elements of its governance strategy, upholding the principles of transparency, fairness, and integrity in its operations. We have established a comprehensive ethics management framework covering the entire value chain.

Through the continuous improvement of institutional processes, strengthened conflict-of-interest management, standardized information disclosure, and enhanced supervision and accountability mechanisms, the Company embeds business ethics requirements into all aspects of its business operations.

Beginning in August 2025, Chengtun Mining required all subsidiaries and affiliated companies to undertake systematic training on internal control and anti-fraud policies by launching a "Policy Learning Month" initiative. The program aimed to enhance understanding of the Company's internal control and anti-fraud management requirements and ensure their effective implementation across the organization.

During the Reporting Period, Chengtun Mining also began piloting the inclusion of Integrity Commitment Letters in the bidding documents for equipment suppliers under centralized procurement at headquarters. These letters form an integral part of suppliers' bidding submissions and clearly define their integrity and anti-corruption obligations. In addition, integrity clauses have been incorporated into procurement contracts covering equipment, materials, raw materials, auxiliary materials, and engineering projects, further clarifying suppliers' responsibilities in upholding ethical business conduct.

Impact, Risk and Opportunity Management

Type	Related Risks / Opportunities
Risk of Commercial Bribery and Unfair Competition	The Company faces compliance risks in areas such as procurement, bidding and tendering, marketing activities, and business cooperation, including commercial bribery, improper benefit transfer, and unfair competition, which may lead to legal penalties and reputational damage.
Risk of Inadequate Conflict of Interest Management	Undeclared or unidentified conflicts of interest among management and personnel in key positions, such as family relationships, shareholdings, or external part-time positions, may affect the fairness of business decisions and harm the interests of the Company and its shareholders.
Risk Related to Information Disclosure and Data Accuracy	Misstatements, omissions, or selective disclosure in operational data, financial information, ESG information, and external disclosures may affect stakeholder judgment and lead to regulatory and reputational risks.
Risk of Employee Professional Ethics and Internal Fraud	Employees may engage in misconduct such as disclosing trade secrets, abusing authority, misappropriating assets, or falsifying information, which may undermine the effectiveness of internal controls and operational security.
Risk of Insufficient Transmission of Business Ethics Across the Supply Chain	Suppliers and business partners may lack sound business ethics practices, have weak compliance management, or engage in corruption or unfair competition, which could expose the Company to joint liability and reputational risks.
Opportunity to Reduce Compliance and Operational Risks and Improve Operational Efficiency	By strengthening business ethics policies, process controls, and supervision mechanisms, the Company can effectively identify and prevent risks such as bribery, conflicts of interest, and fraud, thereby reducing regulatory penalties, legal disputes, and reputational damage, while improving corporate governance and operational efficiency and ensuring stable and sustainable operations.
Opportunity to Enhance Investor Confidence and Capital Market Recognition	A sound business ethics and governance framework is an important reference for ESG evaluation and investment decisions. Transparent and standardized ethical management practices can improve ESG ratings, attract long-term value investors, expand financing channels, reduce financing costs, and enhance competitiveness in capital markets.
Opportunity to Optimize the Supply Chain Ecosystem and Strengthen Industry Chain Resilience	Extending business ethics and compliance requirements across the supply chain encourages partners to adhere to integrity and responsible business practices, helping to identify qualified and compliant suppliers, reduce ethical risks within the supply chain, and build a stable, responsible, and sustainable industrial ecosystem.

Indicators and Targets

Indicator	Unit	2022	2023	2024	2025
Number of lawsuits related to unfair competition with third parties during the year	cases	0	0	0	0
Number of lawsuits related to business ethics involving third parties during the year	cases	0	0	0	0
Number of reports related to business ethics and anti-corruption	cases	0	0	0	0
Internal audit reports	reports	6	7	11	10
Signing rate of integrity commitment letters by senior management	%	/	100%	100%	100%
Signing rate of integrity commitment letters by new employees	%	/	/	100%	100%
Number of business ethics training sessions	times	0	6	6	10
Number of whistleblowing reports	times	/	/	/	0
Number of business ethics and anti-corruption cases	cases	0	0	0	0



Whistleblowing and Whistleblower Protection Mechanism

The Company is committed to providing employees with a fair and ethical working environment. Under any circumstances, if employees have concerns, feel they have been treated unfairly, or become aware of any misconduct, they may submit a complaint through the internal whistleblowing hotline or designated email channels.

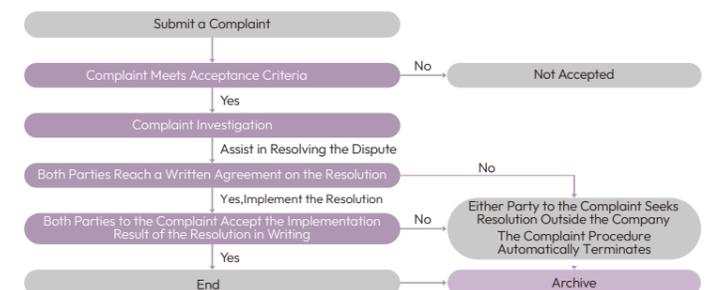
Upon receiving a report, management will promptly initiate an investigation and response process, ensuring that the matter is addressed and resolved in a timely manner.

The Company welcomes supervision from all stakeholders and the public, and has established and maintained the following whistleblowing channels:

Telephone: 0592-5891666-305

Email: suggestion@600711.com

In 2025, an additional anti-fraud reporting channel was introduced through the Company's official WeChat public account under "Chengtun Mining - Contact Us - Feedback."



# CHAPTER SIX

## Green and Low-Carbon Development Protecting Our Shared Planet

## Environmental Compliance Management

The Earth is the shared home of humanity. Chengtun Mining consistently upholds the principles of sustainable development, embedding green development into the very fabric of the Company and enabling the circular economy to flourish across the regions where we invest and operate.

### Governance

With the growing global emphasis on sustainable development and green manufacturing, Chengtun Mining, as a listed company, has established an overall environmental management strategy aimed at achieving long-term environmental sustainability while balancing economic performance and social responsibility.

Through the implementation of these strategies, the Company seeks to minimize negative environmental impacts, enhance resource efficiency, and maintain its competitive position in the market.

The current environmental compliance management model of Chengtun Mining is as follows:



**Overall Requirements** The overarching principle of Chengtun Mining's environmental management is to prioritize environmental protection, emphasize prevention, and adopt comprehensive management approaches. At the same time, the concept of "energy conservation, reduced resource consumption, pollution reduction, and efficiency improvement" is embedded throughout the Company's production and operational processes.

**Decentralized Implementation** Based on clearly defined environmental management objectives and a target accountability system, the Group breaks down overall environmental targets into specific indicators. These are formalized through Environmental Responsibility Agreements signed with each subsidiary, requiring them to implement and fulfil the environmental protection responsibilities outlined in the agreements.

**Integrated Assessment** Each subsidiary formulates its annual environmental management objectives in accordance with the Group's strategic plan, defines specific implementation measures, and assigns responsible personnel. Environmental management systems are continuously updated and improved based on operational needs. The Group conducts an annual integrated evaluation of environmental management performance across all subsidiaries.

### Environmental Management System

We adhere to a full life-cycle management approach for mining operations and apply the PDCA (Plan-Do-Check-Act) closed-loop management framework. In alignment with national laws and regulations, the requirements of the ISO 14001 Environmental Management System, and the Company's own environmental risk profile, we continuously improve our environmental management practices. Implementation follows the structured framework below:

- Group Environmental Management Policies:** These serve as the Company's overarching environmental management documents.
- Subsidiary Environmental Management Policies:** These are process-oriented documents covering various environmental management modules and elements.
- Subsidiary Environmental Work Instructions or Standards:** These provide operational guidance for implementing environmental management practices.

In addition, all subsidiaries are required to actively pursue and maintain ISO 14001 Environmental Management System certification as part of their ongoing environmental management efforts.

### Environmental Protection Investment

Adequate investment in environmental protection forms the foundation for implementing our environmental initiatives. As of the end of the Reporting Period, the Company continued to provide sufficient financial support for environmental protection activities. The annual budget allocated to environmental protection and related initiatives is not less than RMB 50 million, ensuring the availability of adequate resources to support our environmental management efforts.

### Environmental Emergency Management

Chengtun Mining requires all subsidiaries to establish a comprehensive environmental emergency management system, including the formation of dedicated emergency management organizations with clearly defined responsibilities.

Based on the potential environmental impacts associated with their operations, each subsidiary is required to develop environmental emergency response plans. These plans must be filed with the relevant local government authorities in accordance with regulatory requirements. In addition, subsidiaries are required to conduct at least one environmental emergency drill each year, with proper documentation and post-drill evaluation to ensure continuous improvement in emergency response capabilities.



### Impacts, Risks and Opportunities:

Risk	Opportunity	Response Measures
Increasingly stringent environmental policies and regulations may lead to risks of compliance penalties, production suspension, or capacity restrictions.	Improve compliance standards, reduce regulatory costs, and enhance credibility.	Establish a regulatory monitoring mechanism, improve the management system in accordance with ISO 14001, and conduct regular internal compliance audits.
Rising energy and resource prices and increasing environmental investments may raise operating costs.	Achieve cost reduction and efficiency improvement through energy conservation, carbon reduction, and resource recycling.	Promote energy-saving retrofits, optimize production processes, and strengthen environmental cost management.
Environmental incidents or improper pollutant emissions may cause safety and reputational risks.	Enhance corporate brand image and strengthen recognition from investors and customers.	Establish environmental risk early-warning and emergency response mechanisms, and implement comprehensive environmental management throughout the entire process.
Environmental compliance issues in the upstream and downstream supply chain may affect the stability of the industrial chain.	Build a green supply chain and create differentiated competitive advantages.	Incorporate environmental requirements into supplier admission criteria and conduct environmental audits and training for suppliers.
Delays in low-carbon transition may weaken market competitiveness and ESG ratings.	Seize green development opportunities and enhance long-term sustainable development capacity.	Formulate environmental targets and action plans, and promote the application of green technologies and digital management.

### Targets and Indicators

During the reporting period, all operating subsidiaries of Chengtun Mining fulfilled the commitments of four "zero" targets and four "100%" targets.

Target Content	Achievement Status
Zero environmental pollution incidents	0
Zero petition and complaint cases	0
Zero environmental administrative penalties	0
Zero mass incidents caused by environmental pollution issues	0
Environmental risk inspections and rectification implemented in place, with a problem rectification rate of 100%	100%
Environmental protection facilities and equipment operating rate of 100%, with a 100% compliance rate for the discharge of the "three wastes"	100%
Hazardous waste managed in compliance with laws and regulations, with zero error rate in hazardous waste generation, storage, transfer, and disposal, and a standardized disposal rate of 100%	100%
Compliance rate of required procedures and approvals reaching 100%	100%

# Pollutant Emissions Management

## Governance

The Company manages pollutant emissions through a two-tier management approach at both the Group and subsidiary levels.

### POINT 01

#### Group Level:

- Decision-Making Level: Board of Directors
- Management Level: Dedicated Environmental Management by the Operations Department
- Execution Level: Subsidiaries

**Board of Directors:** Responsible for formulating the overall policies and strategic direction for pollutant emissions management and making decisions on major environmental matters.

**Management Level:** The Operations Department of Chengtun Mining coordinates the management of pollutant emissions. Dedicated environmental management personnel are appointed within the department to supervise and guide the environmental management activities carried out by subsidiaries.

**Execution Level:** Each subsidiary has established a pollutant emissions management structure, with the head of each company serving as the primary person responsible for pollutant emissions management.

### POINT 02

#### Subsidiary Level:

- Management Level: Subsidiary Heads
- Supervisory Level: Subsidiary Environmental Management Departments
- Execution Level: Production Workshops and Operational Sites

**Management Level:** The head of each subsidiary serves as the primary person responsible for pollutant emissions management, coordinating pollutant control activities across the company and setting annual pollutant emissions management targets.

**Supervisory Level:** Each subsidiary has established a dedicated environmental management department (or designated personnel) responsible for overseeing the implementation of pollutant management practices and conducting regular supervision of on-site pollutant control measures.

**Execution Level:** Production workshops and on-site managers are responsible for implementing the pollutant control requirements set by Chengtun Mining and their respective subsidiaries. They conduct routine inspections and carry out regular pollutant monitoring and testing to ensure compliance with environmental standards.

## Wastewater Management

To achieve its wastewater pollution control objectives, Chengtun Mining requires all subsidiaries to strictly comply with national or local discharge standards and total pollutant emission limits, ensuring that all water pollution indicators meet the applicable regulatory requirements.

Wastewater generated from our operations primarily originates from drainage during mining and mineral processing activities, as well as wastewater produced during smelting and other processing operations.

Each subsidiary has established and implemented various policies, including the Wastewater Management Policy, to effectively control wastewater discharges. Dedicated environmental protection departments and professional on-site wastewater treatment personnel are in place to ensure that wastewater treatment processes are conducted in a lawful and compliant manner.

To achieve the goals of wastewater reduction and harmless treatment, Chengtun Mining manages wastewater through a range of control measures designed to minimize or eliminate wastewater discharge wherever possible.

Business Segment	Type of Wastewater	Control Measures	Use
Mining	Mineral processing water	Recycling and reuse Collection – Pre-treatment – Advanced treatment – Reuse	Reused in production, reducing both wastewater discharge and raw water consumption
	Domestic wastewater	Recycling and reuse Collection – Domestic wastewater treatment facilities – Reuse	Mainly used for road dust suppression or landscaping
Smelting	Production water	Recycling and reuse Collection – Pre-treatment – Advanced treatment – Reuse	Reused in production, reducing both wastewater discharge and raw water consumption
	Domestic wastewater	Discharged in compliance with standards Collection – Domestic wastewater treatment facilities – Reuse	Discharged in compliance with standards into the municipal sewage network
	Rainwater	Recycling and reuse	Used in production

## Key Wastewater Control Measures:

- **Wastewater Reuse:** Wastewater generated during mining, mineral processing, and smelting operations is collected and treated through both pre-treatment and advanced treatment processes before being reused in production activities.
- **Reuse of First-Flush Rainwater:** Initial rainwater is collected and treated to meet soft water standards, after which it is reused in the soft water treatment system.
- **Improving Compliance Rates:** The Company strengthens technical training for employees to ensure accurate process control and proper use of treatment chemicals, thereby ensuring wastewater consistently meets discharge standards.
- **Upgrades and Retrofitting:** Wastewater treatment facilities are upgraded with additional infrastructure, including pipelines, tanks, and filter presses, to meet the requirements for wastewater collection, treatment, and compliant discharge following process improvements.
- **Separation of Rainwater and Sewage:** Independent rainwater and sewage drainage systems are implemented to prevent cross-contamination and ensure effective wastewater management.

## Air Emissions Management

In response to national initiatives on pollution reduction and emissions control, Chengtun Mining actively fulfils its corporate social responsibility by promoting measures such as total atmospheric pollutant emission control, strict compliance with discharge standards, and the adoption of cleaner energy sources. The Company requires all subsidiaries to actively implement relevant environmental protection initiatives in these areas.

Each subsidiary has established and implemented policies such as the Air Emissions Management Policy to effectively control air emissions. Dedicated environmental protection departments and on-site professional personnel responsible for air emissions control facilities have been put in place to ensure that air emissions treatment and management are conducted in a lawful and compliant manner.

Control Method	Measures
Exhaust Gas Collection	Exhaust gases of different categories are collected separately to ensure precise control.
Exhaust Gas Treatment System	Dedicated exhaust gas treatment systems are established for different types of exhaust gases, such as desulfurization processes.
Process Optimization	Production processes are optimized to reduce pollutant emissions.
Waste-to-Resource Utilization	Acidic waste gases generated during the smelting process are collected and converted into sulfuric acid through an acid production system for reuse.
Facility Maintenance	Regular maintenance and servicing are carried out on exhaust gas treatment facilities to ensure their proper operation.
Regular Monitoring	1. Automatic online monitoring systems are installed for key pollutants as required to ensure real-time monitoring of exhaust gas emissions data. 2. A self-monitoring plan is established to regularly test discharged pollutants.

## Waste Management

To prevent environmental harm from solid waste, protect human health, and maintain ecological balance, while complying with the requirements of the Law of the People's Republic of China on the Prevention and Control of Environmental Pollution by Solid Waste, the Company has strengthened the management of solid waste generated during its production processes. Solid waste arising from operations is properly handled and treated to prevent environmental pollution.

Solid waste generated by Chengtun Mining's subsidiaries primarily includes smelting slag produced during smelting operations, waste rock generated from mining activities, and tailings produced after mineral processing.

The primary wastes generated from mining operations are tailings and waste rock. To properly store and manage these materials, the Company establishes and plans tailings storage facilities and waste rock dumps in a systematic manner. In accordance with national regulations and relevant standards, anti-leakage and anti-seepage measures are implemented to prevent waste materials from leaking or dispersing into the surrounding environment, thereby minimizing potential impacts on nearby ecosystems.

In smelting operations, the primary types of solid waste generated include various production residues and hazardous wastes arising during the production process. In managing these wastes, we consistently adhere to the 3R principle—Replacement, Reduction, and Refinement—to guide our waste management and control practices.

Control Method	Measures
Classified Collection	Classification principles are established for waste, and different categories of waste are collected separately.
Recycling and Reuse	Waste that can be reused internally is recycled through methods such as process optimization, thereby reducing raw material consumption.
Process Optimization	Production processes are optimized to reduce the generation of waste.
Outsourced Treatment	Waste that cannot be recycled or reused is entrusted to third-party organizations for disposal.

## Environmental Training

To strengthen employees' environmental awareness and ensure they fulfil their environmental responsibilities alongside their professional duties, Chengtun Mining conducts specialized environmental training programmed for its workforce.

The Company has established a three-tier environmental training framework implemented from top to bottom, ensuring comprehensive coverage across all organizational levels.

- 01** **Group-Level Training:** Dedicated environmental management personnel at Chengtun Mining conduct annual environmental training for subsidiaries, focusing on areas where environmental management requires improvement. In addition, the Group invites senior national environmental experts or environmental enforcement officials each year to deliver centralized training sessions for subsidiaries.
- 02** **Subsidiary-Level Training:** Environmental, health, and safety departments within each subsidiary organize periodic environmental education and training programmed for production plants. Training topics include, but are not limited to, environmental factor identification, relevant laws and regulations, emergency response plans, hazardous waste management, management of wastewater, waste gas and solid waste ("three wastes"), prevention of leakage and spills during slag transportation, and specialized management of water, air, slag, and hazardous waste.
- 03** **Workshop-Level Training:** Team leaders within subsidiaries conduct regular on-site environmental training and awareness sessions for operational staff, focusing on job-specific environmental practices and strengthening environmental awareness.

In addition, to strengthen foundational environmental awareness, the Company organizes centralized environmental awareness training each year for newly recruited university graduates from its subsidiaries, conducted at the Zhonghe Nickel Industry Training Base.



## Environmental Awareness and Engagement Activities

To promote green travel, support low-carbon lifestyles, and actively respond to ESG principles while fulfilling our social responsibilities, Chengtun Mining works to foster a strong culture of safety and environmental protection. Each year, we organize a variety of activities around occasions such as World Environment Day and Earth Day, aimed at strengthening employees' environmental awareness and encouraging environmentally responsible behavior.

### Strategy

#### 01 Pollution Prevention

To prevent pollutants generated during daily production and operational activities from harming the environment, protect the broader ecological environment, and maintain ecological balance—while also complying with the requirements of the Environmental Protection Law of the People's Republic of China and other relevant regulations—Chengtun Mining strengthens the management and control of pollutants throughout its production processes. The Company ensures that potential sources of environmental pollution are properly managed and treated, thereby preventing adverse environmental impacts.

#### 02 Pollution Control Approach

Chengtun Mining adopts a three-step approach to pollution prevention and control: source reduction, process control, and end-of-pipe treatment.

#### 03 Source Reduction:

- 1.Raw Material Control:** The Company exercises strict control over raw materials, prioritizing the adoption of cleaner raw materials and auxiliary materials wherever possible. Chemical compositions are carefully analyzed, and, where feasible, non-toxic, harmless, or low-pollution materials are selected to minimize environmental impacts at the source.
- 2.Project Construction Control:** Environmental Impact Assessments (EIAs) are conducted prior to project development. Construction may commence only after contractors have prepared and submitted an Environmental Protection Plan. For locations with potential leakage risks, anti-seepage control measures and management plans are also developed and implemented.

#### 04 Process Control:

- 1.Environmental Compliance of Contractors:** Environmental compliance checks are conducted for contractors to ensure that construction activities are carried out in accordance with environmental requirements and that no environmental risks arise during the process.
- 2.Process Optimization:** During production, the Company pursues the goals of pollution reduction, efficiency improvement, energy conservation, and reduced resource consumption. Subsidiaries are encouraged to optimize production processes and implement technological upgrades to minimize pollutant generation.
- 3.Operational Monitoring:** Production personnel work collaboratively to monitor operations and prevent leaks, spills, and emissions at every stage of the production process.
- 4.Environmental Inspections:** Environmental management personnel conduct regular environmental inspections across the Company, while workshop managers and designated environmental staff perform routine self-inspections within their operational areas, promptly reporting and rectifying any identified issues.

#### 04 End-of-Pipe Treatment:

To ensure strict compliance with emission standards and meet national and industry regulatory requirements, the Company has installed pollution control facilities at the end-of-pipe stage across its operations, minimizing the impact of emissions on the external environment. Subsidiaries in operation are required to progressively achieve zero wastewater discharge. To further support emission reduction objectives, the pilot subsidiary Zhonghe Nickel Industry has established short-, medium-, and long-term air emissions control targets:

- Short-term target (within 1 year)** Strengthen management and implement special emission limits for air pollutants, ensuring full compliance with applicable standards.
- Medium-term target (within 3 years):** Optimize emissions reduction measures to achieve Grade B performance under environmental performance evaluation standards.
- Long-term target (within 10 years):** Reduce nitrogen oxide (NOx) emissions by 20% while maintaining green manufacturing practices.

### Impacts, Risks and Opportunities:

Risk	Opportunity	Response Measures
Increasingly stringent environmental regulations may lead to compliance risks such as fines, production restrictions, or shutdowns in the event of excessive emissions.	Improve compliance levels, avoid regulatory penalties, and establish a compliant corporate image.	Establish an environmental regulatory tracking mechanism, implement pollutant discharge permit management, and conduct regular compliance self-inspections and internal audits.
Unstable operation of pollution control facilities or inadequate monitoring may result in excessive emissions and environmental incidents.	Enhance pollutant control capabilities and ensure stable production operations.	Strengthen the operation and maintenance of exhaust gas, wastewater, and solid waste treatment facilities, and improve online monitoring and process control.
Increased investment in pollution control and rising emission costs may create operational cost pressures.	Promote cleaner production and source reduction to achieve cost reduction and efficiency improvement.	Optimize production processes, promote green technologies, and reduce pollutant generation at the source.
Pollutant emission issues may trigger negative public opinion and affect brand reputation and supply chain cooperation.	Enhance the Company's green brand image and meet ESG expectations of customers and capital markets.	Standardize environmental information disclosure, strengthen environmental risk management, and incorporate environmental requirements into supply chain management.



Indicators and Targets

Environmental Indicator	Unit	2022	2023	2024	2025
Wastewater Discharge	tonnes/year	141158.67	217274.92	540583.06	1194429.28
COD Discharge in Wastewater	tonnes/year	6.70	9.10	12.81	48.7
Ammonia Nitrogen Discharge in Wastewater	tonnes/year	1.20	1.47	2.67	2.46
Total Copper Discharge in Wastewater	tonnes/year	0.00	0.00	0.00	0.094
Total Zinc Discharge in Wastewater	tonnes/year	0.09	0.04	0.08	0.088
Wastewater Treatment Compliance Rate	%	100	100	100	100
Exhaust Gas Emission Compliance Rate	%	100	100	100	100
Nitrogen Oxides (NOx) Emissions	tonnes/year	45.81	105.35	134.63	897.546
Sulfur Dioxide (SO <sub>2</sub> ) Emissions	tonnes/year	34.15	32.78	68.92	4516.912
Particulate Matter Emissions	tonnes/year	24.14	19.53	36.08	119.94
General Waste Generated (excluding tailings)	tonnes/year	247092.41	252105.43	302069.68	366633.41
Comprehensive Disposal of General Waste	tonnes/year	138443.46	122624.00	136678.31	300869.5
Hazardous Waste Treated	tonnes/year	279225.24	353635.06	349947.86	402335.396

During the Reporting Period, the following operating subsidiaries achieved zero wastewater discharge: KMSA, Yinxin Mining, Kelixin (Yangjiang), Youshan Nickel, Huajin Mining, Aima Mining, Brothers Mining, and Zhonghe Nickel Industry.

Zhonghe Nickel Industry has established short-, medium-, and long-term air emissions control targets: Short-term target (within 1 year): Strengthen management measures and implement the special emission limits for air pollutants, ensuring full compliance with applicable standards. This short-term target has been achieved.

**Cost Control through Refurbishment and Reuse at Chengtun Zinc & Germanium**

In response to current market conditions, Chengtun Xinzhe has implemented a comprehensive initiative to refurbish and reuse obsolete spare parts and discarded materials accumulated over previous years. Measures adopted include performance substitution, processing and modification, process optimization, and cross-plant allocation of resources.

Through these initiatives, the company has effectively reduced expenses, lowered operational costs, and enhanced on-site management standards, while promoting the efficient use of resources.

1. Institutional Framework First – Strong Implementation Measures:

The Company issued the Obsolete Spare Parts Disposal Plan, establishing a clear institutional framework to guide the refurbishment and reuse of idle spare parts and materials.

2. Comprehensive Inventory Review:

A thorough inventory check was conducted across more than 10 warehouses and material storage yards in six production plants, providing a complete assessment of existing spare parts and materials.

3. Coordinated Action for Resource Reuse:

Approximately 37 tonnes of scrap metal and discarded equipment, including pipes, pumps, flanges, and chutes, were carefully dismantled and categorized. After detailed screening and processing, around 90% of these materials were redistributed to various plants for reuse.

4. Innovation and Refurbishment for Resource Recovery:

The Resource Recycling Plant creatively repurposed scrap steel for the manufacturing and modification of equipment, including boiler manhole components, the No.1 kiln head smoke-retaining ring, and slag storage bins used in safety improvement projects, effectively turning waste materials into valuable resources.

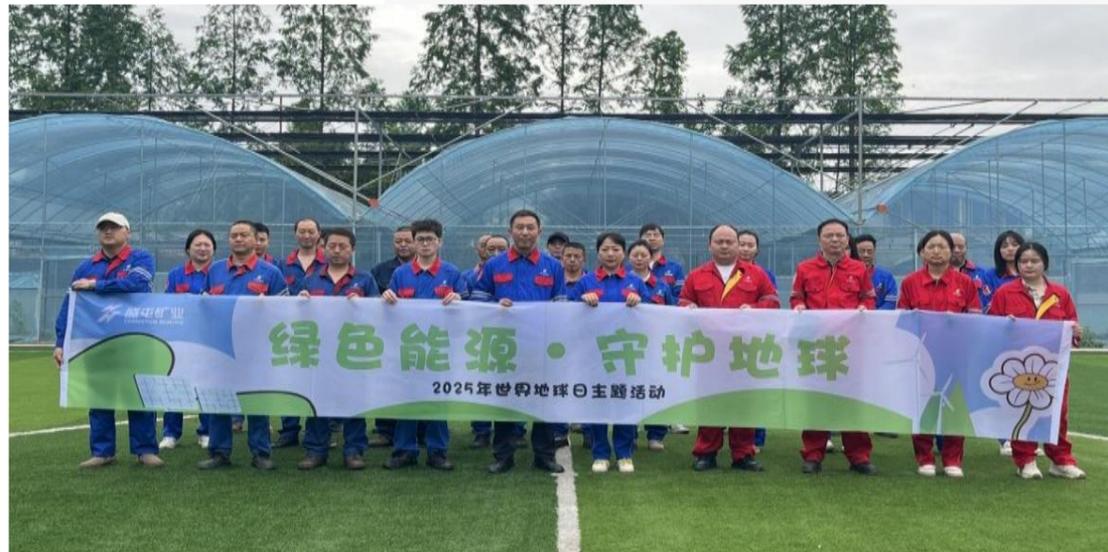
**Green Energy · Protecting Our Planet  
Huajin Mining Launches World Earth Day 2025 Awareness Campaign**



On 22 April 2025, the 56th World Earth Day, Guizhou Huajin Mining organized a series of awareness activities under the theme “Green Energy · Protecting Our Planet.” These initiatives effectively promoted the integration of ESG principles into the Company’s corporate culture.

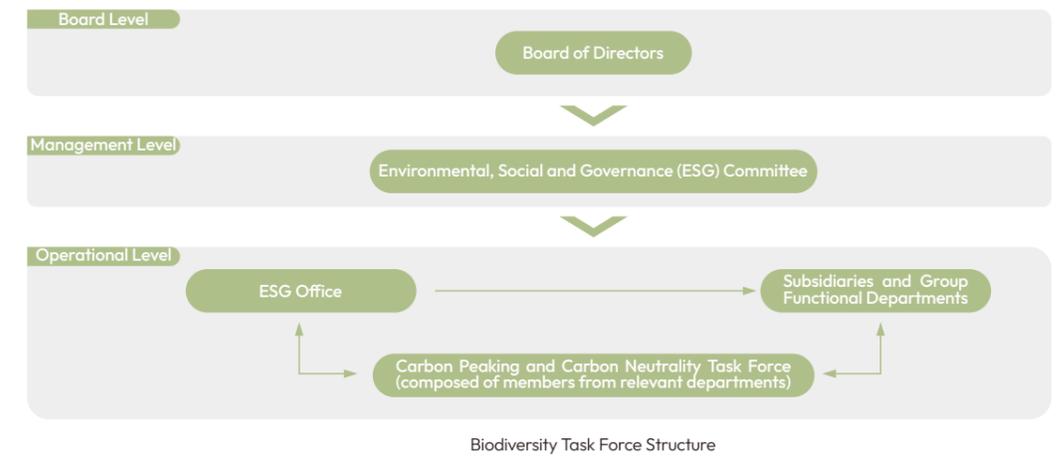
**Green Energy · Protecting Our Planet**  
**Zhonghe Nickel Industry Launches World Earth Day Campaign**

During World Earth Day 2025, Zhonghe Nickel Industry Co., Ltd. organized a series of environmental awareness and practical activities under the theme "Green Energy Protecting Our Planet." These initiatives were designed to deepen employees' understanding of sustainable development and further integrate ESG principles into the Company's daily operations.



## Biodiversity

**Governance:**



**Biodiversity Working Group:**

Responsible for assessing and managing the impacts of the Company's operations on ecosystems and promoting the implementation of ecological protection and restoration initiatives

Biodiversity plays a vital role in maintaining ecosystem balance, degrading pollutants, regulating climate, sustaining water resources, forming and protecting soil, and supporting overall ecological stability. As such, biodiversity forms a fundamental basis for sustainable human development. For this reason, we place particular emphasis on biodiversity protection throughout the stages of project development, construction, and operational activities.

To minimize the potential adverse impacts of mining activities on biodiversity and land resources, the Company has implemented the following measures:

- POINT 01 Establishment of Geological Environment Restoration Funds**

Subsidiaries engaged in mining and mineral processing regularly allocate funds for land reclamation and mine geological environment restoration. These funds are reserved specifically for carrying out various land rehabilitation and ecological restoration projects.
- POINT 02 Collaboration with Third Parties for Environmental and Land Assessments**

Prior to commencing mining activities, subsidiaries engage qualified third-party organizations to conduct comprehensive assessments of the environmental and land conditions within mining areas. Based on these assessments, a Mine Geological Environment Protection and Land Reclamation Plan is prepared and submitted to the local natural resource's authority for approval.
- POINT 03 Implementation of Reclamation Projects within Approved Scope**

Subsidiaries undertaking mining operations commit to carrying out land reclamation and ecological restoration projects within the scope specified in the approved Mine Geological Environment Protection and Land Reclamation Plan.

To further strengthen biodiversity protection, we require all subsidiaries to establish policies and measures aligned with their operational characteristics and local regulatory requirements during both the project development and operational stages, with the aim of actively improving the surrounding environment.

Strategy

We respect and safeguard legally designated protected areas, and identify and understand the distribution of high-value conservation areas within and surrounding our project sites. We are committed to avoiding business activities in areas where environmental risks are considered beyond our acceptable threshold.

We also commit to complying with the Convention on Biological Diversity, as well as relevant national and local laws and regulations on biodiversity conservation, while respecting and protecting biodiversity in all our operations.

When selecting project sites, the Company avoids ecological redline zones, habitats of rare or endangered species, and designated nature reserves, thereby minimizing potential impacts on sensitive ecosystems. We implement restoration initiatives in areas affected by mineral resource development in order to rehabilitate the ecological environment and minimize land disturbance to the greatest extent possible.

We establish efficient information communication mechanisms with both internal and external stakeholders, proactively disclose our biodiversity protection performance, and remain open to external oversight.

The Company actively engages with universities, research institutions, industry associations, and relevant government authorities to promote dialogue and cooperation on biodiversity conservation.



Impacts, Risks and Opportunities

Risk	Opportunity	Response Measures
Project construction and operations may damage ecosystems and violate biodiversity-related regulations, leading to penalties or project approval restrictions.	Improve ecological compliance and reduce policy and legal risks.	Conduct biodiversity impact assessments during project development and strictly comply with ecological protection red lines and regulatory requirements.
Production and operational activities may negatively affect surrounding ecosystems and wildlife habitats, potentially triggering public opinion and reputational risks.	Establish a responsible corporate image and enhance ESG ratings and social recognition.	Carry out ecological monitoring and protection measures to minimize ecological impacts such as land occupation and pollution.
Supply chains may involve regions with high biodiversity risks, affecting supply chain stability.	Build a green and sustainable supply chain and create differentiated competitive advantages.	Incorporate biodiversity requirements into supplier management and conduct ecological risk assessments across the supply chain.
Excessive resource consumption and ecological degradation may increase operating costs and pose long-term sustainability risks.	Promote green transformation, participate in ecological restoration, and obtain support from green policies.	Promote resource conservation and cleaner production, and support or participate in ecological restoration projects such as afforestation, wetland restoration, and grassland rehabilitation.
Failure to respond to international and domestic biodiversity initiatives may result in missed sustainable development opportunities.	Align with carbon neutrality and ecological protection trends, strengthening long-term development resilience.	Integrate biodiversity considerations into corporate management requirements and proactively disclose relevant information.

Indicators and Targets:

In 2025, Guizhou Huajin's performance in soil and water conservation and biodiversity protection was as follows:

Planted 350 eucalyptus trees, with 900 m<sup>2</sup> of soil covering;

Established 2,200 m<sup>2</sup> of lawn, planted 158 osmanthus trees and 110 Photinia  $\times$  fraseri shrubs, with 9,000 m<sup>2</sup> of soil covering.



Water Source Protection - BMS

# Tailings Storage Facility Management

## Governance:

The Company has established a top-down, tiered governance framework for tailings storage facility management, integrating safe operation, environmental risk prevention and control, and ecological protection into the core of corporate governance.



### Decision-Making Level:

CHENGTUN MINING

- Led by the principal responsible persons of each company, responsible for overseeing major risk management of tailings storage facilities, ensuring resource allocation, and setting management objectives.



### Management Level:

CHENGTUN MINING

- Relevant departments, including safety and environmental protection and production, jointly undertake responsibilities for daily supervision, risk identification and mitigation, and emergency management.



### Execution Level:

CHENGTUN MINING

- On-site operation and maintenance units are responsible for routine inspections, monitoring, facility maintenance, and record management.

The Company strictly manages tailings storage facilities in accordance with relevant national and industry standards, and has established the following management principles:

- The design and construction of tailings storage facilities must comply with applicable national standards and regulations to ensure structural stability and operational safety.
- During operation, strict environmental monitoring is conducted, including regular inspections of seepage conditions, dam stability, and changes in the surrounding ecological environment, in order to prevent tailings from contaminating groundwater and surface water and to avoid damage to soil and ecosystems.
- A comprehensive tailings storage facility safety management system is established, including the development of emergency response plans, regular safety assessments, and hazard identification and mitigation measures to ensure stable and safe operation under extreme weather and natural disaster conditions.
- The Company encourages the integrated utilization of tailings, including tailings reprocessing and resource recovery, to reduce tailings stockpiles, lower environmental risks, and promote the sustainable use of resources.

## Strategy:

We follow industry standards and best practices throughout the entire lifecycle of tailings facilities, including planning, design, construction, operation, maintenance, monitoring, closure, and post-closure management. To reduce land occupation and enhance safety, we conduct site-specific research, pilot testing, and implementation planning for dry tailings disposal and comprehensive tailings utilization.

Newly constructed tailings storage facilities are designed and implemented in strict accordance with applicable standards and requirements.

Existing tailings storage facilities are operated and maintained with a target of zero accidents.

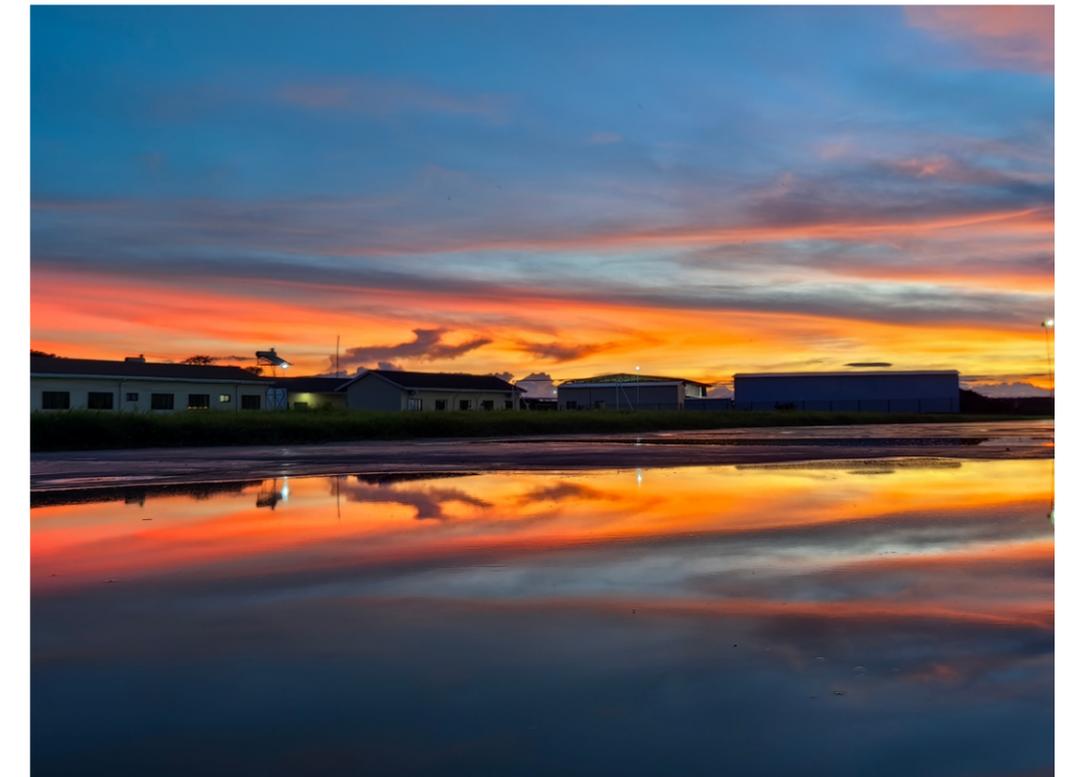
## Impacts, Risks and Opportunities

Risk	Opportunity	Response Measures
Inadequate safety management of tailings storage facilities may lead to major accidents such as dam failure or landslides, posing risks of casualties and production suspension.	Establish an intrinsically safe management system, ensure continuous and stable production, and enhance corporate safety governance capabilities.	Establish a safety risk classification control and hazard identification and remediation mechanism, and implement duty schedules, routine inspections, and special inspections.
Leachate leakage and dust pollution may cause soil and water contamination, potentially violating environmental regulations and resulting in penalties, public opinion pressure, or production restrictions.	Strengthen environmental management, ensure compliant operations, and reduce the risks of environmental penalties and ecological damage.	Improve anti-seepage systems, leachate collection and treatment facilities, and dust suppression systems; implement online monitoring and conduct regular environmental impact assessments.
Inadequate emergency management systems, insufficient emergency supplies, or insufficient drills may weaken the capacity to respond to emergencies.	Enhance emergency response capabilities and minimize accident losses and social impacts.	Develop dedicated emergency response plans, equip sufficient emergency supplies, conduct regular emergency drills, and strengthen personnel training.
Delayed or non-compliant closure and ecological restoration of tailings facilities may create long-term ecological and compliance risks.	Achieve full life-cycle management of tailings facilities and establish the image of a responsible mining enterprise.	Strictly implement closure requirements, promote soil covering, revegetation, and ecological restoration, and establish a long-term maintenance and management

## Indicators and Targets

In 2025, one new tailings storage facility was constructed, designed and built in strict accordance with relevant standards.

A total of 15 tailings storage facilities were in operation and maintenance, with zero accidents recorded in 2025.



**Groundbreaking Ceremony Successfully Held for CCR Phase III Tailings Storage Facility Project**

The CCR Phase III Tailings Storage Facility Project of CCR officially commenced construction in July 2025, marking a new stage in the Company's advancement in resource recycling and sustainable development. Guided by the concept of green construction, the project aims to achieve an integrated balance between safety, environmental protection, and operational efficiency through systematic planning and refined management.

**1. Core Project Planning and Sustainable Development Objectives**

As a key project to enhance the comprehensive utilization of resources, the project is scheduled for a total construction period of approximately 270 days, implemented in phased stages. The dam structure has been designed to balance safety and operational efficiency. Upon completion, the facility will significantly increase tailings storage capacity, meeting the Company's medium- to long-term production needs and strengthening its resource recycling capabilities.

**2. Refined Construction and Efficient Resource Allocation**

Construction is carried out under the principles of intensive and efficient operations. Through the scientific allocation of machinery and the optimization of operational workflows, the processes of earth excavation, transportation, and embankment filling are effectively coordinated. Emphasis is placed on process coordination and efficiency management during construction to ensure progress while reducing energy and resource consumption.

**3. Phased Implementation and Milestone Management**

The project is implemented strictly in accordance with staged objectives. In 2025, key tasks included site clearing, initial dam construction, and anti-seepage treatment. After resuming construction in 2026, work will continue on dam construction and geomembrane installation, ensuring timely completion of the project. A dynamic progress management system is applied throughout the project to ensure that all stages comply with environmental and safety standards.

**4. Safety, Environmental Protection, and Sustainable Construction Measures**

In the planning of soil extraction, the project adheres to the principles of intensive land use and ecological protection, with careful planning of borrow areas to minimize impacts on the surrounding environment. During construction, strict standards for layered compaction and anti-seepage control are implemented to ensure the long-term stability of the dam structure and environmental safety.



**Tailings Storage Facility Management at KMSA**

Based on scientific climate scenario analysis, KMSA has identified that under high greenhouse gas emission pathways, extreme precipitation events in its operating region in the Democratic Republic of the Congo (DRC) are expected to intensify, posing long-term physical risks to critical infrastructure such as tailings storage facilities. To systematically address this challenge, the Company has incorporated climate adaptation governance into its enterprise risk management framework and is promoting structured improvements in facility resilience in accordance with international standards, including the ICMM Global Industry Standard on Tailings Management and the TCFD recommendations.

Although no accidents or significant incidents related to heavy rainfall have occurred at KMSA's tailings storage facilities to date, the Company places strong emphasis on the potential physical risks identified through climate scenario modelling and the inherently high exposure of tailings facilities. Accordingly, proactive and systematic preventive measures have been initiated to enhance the resilience and safety of tailings facilities.

**During 2025, the Company implemented a number of key projects related to tailings storage facilities, including:**

- Maintenance of the return water system (tailings and acidic return water pipelines, return pumps, etc.);
- Re-laying of anti-seepage membranes and multiple repairs of damaged sections to enhance the dam's seepage prevention capability;
- Construction of auxiliary access structures (cable-stayed bridges and floating bridges) to ensure smooth operation and maintenance access;
- Structural repairs to the three-stage collection ponds of the main dam and construction of diversion facilities to prevent water accumulation at the outer dam toe;
- Restoration of tailings embankment fill and widening of drainage channels to improve overall drainage capacity;
- Reinforcement of floating platform structures to support safe operations in water areas.

Looking ahead, KMSA will accelerate the establishment of a tailings storage facility climate risk key performance indicator (KPI) monitoring system, and will regularly benchmark performance against international disclosure standards (such as GRI and SASB) to communicate progress. The Company will also continue to track updates from authoritative climate scenario frameworks such as those issued by the IPCC, dynamically optimizing facility design and management standards to ensure that tailings management practices remain aligned with global climate adaptation objectives.



# Energy Use

## Governance

The current energy management model of Chengtun Mining is as follows:



**Energy Management System** To effectively promote energy conservation and emissions reduction, subsidiaries continuously strengthen the development of energy-saving policies, improve energy consumption measurement and statistical systems, and enhance employees' awareness of energy conservation through training and various awareness initiatives. These efforts aim to establish a systematic energy management framework.

**Energy Management** Chengtun Mining's operations consist of two main business segments: mining and smelting. During production and operational activities, the Company consumes various forms of energy, including electricity, coal, natural gas, and steam. The Company consistently adheres to the principles of green development and energy conservation, implementing measures such as optimizing the energy structure, identifying energy-saving potential, strengthening technological upgrades, and promoting energy conservation awareness. These initiatives aim to reduce energy consumption and improve energy efficiency throughout production and operational processes, ultimately achieving systematic and refined energy management.

**Energy Management System** Each subsidiary adopts energy management systems according to its operational needs, establishing digital systems for energy data collection, processing, and analysis. These systems are used to monitor and analyze energy consumption in production processes and power facilities, while also tracking peak, off-peak, and standard electricity usage. Through the optimization and adjustment of production scheduling, the Company works to improve overall energy consumption efficiency.

**Use of Green Energy** On the path toward carbon neutrality, the promotion and use of green electricity and clean energy remains a firm and unwavering direction for the Company. We recognize that the green transformation of electricity consumption plays a crucial role in reducing greenhouse gas emissions and protecting the environment.

By actively developing renewable energy sources such as solar power, we aim not only to reduce reliance on fossil fuels but also to promote the optimization and upgrading of the energy structure. This transformation is vital not only for the present but also for the future, representing an essential pathway toward sustainable development and the creation of a greener planet.

We will continue to invest in technological innovation and energy management optimization, translating our commitment to green development into concrete actions and contributing to the achievement of carbon neutrality goals.

**Waste Heat Recovery** During smelting operations, processes such as flue gas generation produce significant amounts of waste heat, which would otherwise be lost if not effectively utilized. Guided by the principles of green development, energy conservation, and emissions reduction, the Company's management places strong emphasis on the utilization of waste heat.

Through the application of waste heat recovery technologies, this residual heat can be effectively converted into electricity or steam for operational use, enabling energy reuse and improving overall energy efficiency. The utilization of waste heat not only contributes to reducing environmental pollution and promoting energy conservation, but also helps lower production costs and enhance economic benefits for the Company.

**Technological Upgrades** During production processes, certain production technologies and power infrastructure may exhibit discrepancies between their original design parameters and actual operating conditions. This requires continuous improvement through day-to-day management practices.

By collecting operational parameters, energy consumption data, and efficiency performance indicators, the Company identifies potential areas for improvement. Measures such as adjusting process parameters, implementing secondary upgrades to power systems, and optimizing energy transmission lines and pipeline networks are implemented to enhance energy efficiency, reduce energy waste, and minimize overall energy consumption.

**Equipment Upgrades** Equipment upgrades are also an important measure in our energy management practices. By replacing and optimizing equipment, and carrying out technological upgrades and improvements to existing facilities, we enhance their performance, efficiency, and reliability, thereby achieving energy savings and reducing overall energy consumption.

**Energy Conservation Performance Assessment** To ensure the continuous and effective implementation of energy conservation management, and to encourage the active participation of management at all levels, each company has established relevant management policies such as the Energy Conservation Performance Assessment System. Under this framework, management personnel at all levels are subject to monthly performance evaluations, with assessment results linked to the human resources performance management system.

**Energy Conservation Awareness** Energy conservation awareness initiatives play a crucial role in enhancing employees' understanding of energy use and promoting sustainable development across the Company. Such initiatives help educate employees about the environmental impacts of energy consumption, encourage the adoption of energy-saving practices, and reduce energy waste.

Through these awareness efforts, energy-efficient technologies and products can be widely promoted, improving energy utilization efficiency and reducing energy costs. In addition, energy conservation campaigns help employees better understand the Company's energy management policies and encourage broad participation in proposing energy improvement initiatives.



**Strategy:**

Chengtun Mining consistently adheres to the green development philosophy. Guided by China's "3060" carbon peaking and carbon neutrality targets, the Company promotes energy and carbon emissions management, implements various energy conservation and emissions reduction measures, optimizes energy use, adjusts the energy structure, promotes the consumption of green energy, reduces and eliminates energy waste, continuously improves the energy management framework, and reduces both energy consumption and greenhouse gas emissions.

Subsidiaries are required to actively pursue ISO 50001 Energy Management System certification.

We will make full use of existing areas such as rooftops of mining and smelting facilities, assess energy demand, conduct feasibility studies and efficiency evaluations, and actively promote the use of green energy such as photovoltaic power generation, thereby increasing the proportion of green energy in the Company's energy consumption.

Energy-saving projects will be implemented through measures such as waste heat recovery, technological upgrades, and equipment improvements, in order to reduce energy consumption and enhance energy efficiency.

**Impacts, Risks and Opportunities**

Risk	Opportunity	Response Measures
Fluctuations in energy prices and tight supply may increase production costs and affect the stability of production and operations.	Optimize the energy structure, reduce energy costs, and enhance cost control capabilities.	Establish an energy monitoring system, implement energy-saving retrofits, and reasonably plan energy procurement and reserves.
Increasingly stringent energy conservation and carbon reduction policies, including stricter energy consumption control and carbon emission management requirements, may pose compliance risks.	Meet policy requirements in advance, obtain energy-saving subsidies, and enhance compliance competitiveness.	Track energy consumption and carbon policies, set energy consumption targets, and implement controls on both total energy consumption and energy intensity.
Ageing energy-consuming equipment and low energy efficiency may lead to energy waste and reduced operational efficiency.	Promote the application of energy-saving technologies, improve energy utilization efficiency, and achieve cost reduction and efficiency improvement.	Conduct energy efficiency diagnostics, upgrade to high-efficiency equipment, and promote waste heat and pressure recovery as well as intelligent energy management systems.
Insufficient use of renewable energy and high dependence on carbon-intensive energy may create pressure for low-carbon transition.	Develop clean energy sources such as green electricity and photovoltaic power, and enhance green and low-carbon development.	Gradually increase the proportion of renewable energy use, develop distributed energy systems, and procure green electricity.
Incomplete energy management systems and inaccurate data statistics may affect ESG ratings and corporate brand image.	Establish a comprehensive energy management system to improve ESG performance and market recognition.	Implement the ISO 50001 energy management system and improve energy consumption statistics, analysis, and assessment mechanisms.



**Indicators and Targets:**

The subsidiary Chengtun Zinc & Germanium has established and continues to operate an energy management system.

The current installed photovoltaic capacity is 20.03 MW, with an additional 20 MW under construction. In 2025, total photovoltaic power generation reached approximately 20 million kWh, reducing carbon emissions by about 10,000 tonnes.



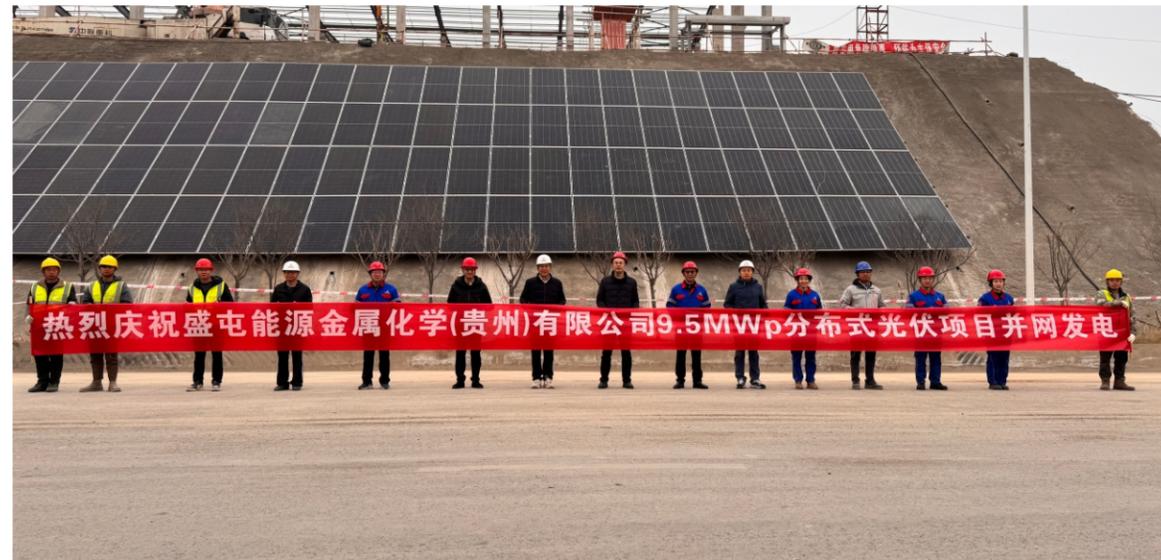
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Energy Type	Unit	2022	2023	2024	2025
Gasoline	litres	67,038	115,529	176,969	229,972
Diesel	litres	36,948,875	48,937,821	96,297,048	143,821,596
Natural Gas	cubic metres	81,664	480,495	7,557,680	3,449,282
Liquefied Petroleum Gas (LPG)	kilograms	10,343	9,080	9,669	9,032
Standard Coal	kilograms	180,183,142	190,270,423	180,487,465	162,141,731
Anthracite	kilograms	29,744,642	32,817,820	21,588,902	40,010,305
Semi-coke	kilograms	28,601,434	9,336,279	38,020,689	44,834,539
Bituminous Coal	kilograms	341,719,454	351,536,338	355,109,871	374,410,471
Thermal Coal	kilograms	978,052,038	1,080,760,578	1,300,460,179	1,304,388,961
Pulverised Coal	kilograms	-	34,400	89,730	7,791,550
Lump Coal	kilograms	-	-	4,771,760	27,999,640
Purchased Electricity	kWh	1,463,308,902	1,733,760,022	1,911,860,088	1,775,537,374
Purchased Heat	GJ	139,193	182,615	72,922	40,489
Self-generated Power from Clean Power Plants (Waste Heat Power Generation)	kWh	1,981,000	16,804,148	61,216,410	96,864,633
Self-generated Photovoltaic Power	kWh	-	4,456	1,300,406	18,524,692
Emission Reduction from Waste Heat / Photovoltaic Power Generation	tonnes CO <sub>2</sub>	/	/	/	69000

Note: The scope of data statistics covers operational production enterprises under the Company's management control, including mines and smelters.

**harnessing Solar Power – Chengtun Energy Distributed Photovoltaic Project Successfully Connected to the Grid**

On the morning of 18 January 2025, the grid-connection ceremony for the distributed photovoltaic project of Chengtun Energy Metal Chemical (Guizhou) Co., Ltd. was successfully held at the northern slope area of Phase I of the project site. The project generated its first unit of green electricity, marking a critical step toward the full achievement of its power generation objectives. During the construction process, the project successfully achieved its management goals of short construction duration, high quality, and stable safety performance.



The project fully utilizes the rooftops of production workshops and the slopes within the plant area to install solar photovoltaic modules and construct a grid-connected photovoltaic power generation system with an installed capacity of 9.5 MW. The project adopts a self-consumption with surplus electricity fed into the grid model, using high-efficiency photovoltaic modules to convert solar energy into clean electricity.

Since construction commenced on 8 November 2024, all rooftop photovoltaic modules were installed within two months. Once the plant undergoes a scheduled power outage for maintenance, the project will be able to achieve full-capacity grid connection. It is expected to generate approximately 8 million kWh of green electricity annually, effectively reducing the Company's electricity costs while significantly lowering carbon emissions.



**Energy Conservation and Emissions Reduction Technology Chengtun Zinc & Germanium Waste Heat Boiler Project**

Chengtun Zinc & Germanium invested more than RMB 9 million to construct two waste heat boilers, making full use of waste heat to generate steam. This initiative reduces reliance on coal-fired boilers and lowers coal consumption, thereby achieving energy conservation and reduced resource consumption. In 2025, the waste heat boilers generated a total of 640,041.62 tonnes of steam.



In 2025, waste heat power generation reached 15.0723 million kWh, equivalent to a reduction of more than 8,500 tonnes of CO<sub>2</sub> emissions. This initiative has comprehensively promoted the development of a multi-energy complementary and low-carbon energy structure within the Company.

**Technological Upgrades**

**Kalongwe – Load Optimization to Reduce Steam Venting and Improve Turbine Generator Efficiency**

Through upgrades to the power supply and distribution system at the load end, highly fluctuating loads were replaced with stable loads, stabilizing power fluctuations and reducing the required safety margin for steam.

Following optimization adjustments to improve downstream load stability, the turbine's output power increased slightly and the output power curve showed significant improvement. Comparison before and after the technological upgrade:



With the load side stabilized, the sulphuric acid system operates more steadily, steam venting has been reduced, and power generation has increased year-on-year, improving the efficiency of the turbine unit. As shown in the comparison table, the average power generation per tonne of sulphur increased by 25.7 kWh/t, representing a 15.56% improvement in turbine unit efficiency. Based on the annual planned sulphur input of 49,000 tonnes, the total additional power generation for the year is estimated at 1,259,300 kWh.

**Equipment Upgrade**

At the KMSA, new equipment has been adopted to reduce electricity consumption. The traditional anode plates consumed approximately 1,850 kWh per tonne of copper, whereas the new anode plates can increase daily copper output by 0.8% under the same electricity consumption, reducing electricity consumption per tonne of copper by 15 kWh/t. This results in an annual electricity saving of approximately 750,000 kWh.



## Water Resource Management

The operations of mining, mineral processing, and smelting rely on the stable supply of water resources. Clean and safe water resources are essential not only for Chengtun Mining's operations around the world but also for the livelihoods of communities surrounding its operations. All subsidiaries of Chengtun Mining strictly comply with national laws and regulations on water use, adhere to local water management policies, and obtain the necessary legal permits for water withdrawal and use.

Prior to water extraction and utilization, the Company conducts water use analysis and assessments, evaluating factors such as the current status of water resource development and utilization within the relevant watershed or region, the rationality of water use, the potential impact of water extraction on water resources and other water users, and the effectiveness of water resource protection measures. The Company updates its water risk assessment annually to monitor changes in water risks in the regions or water bodies where it operates. Based on these assessments, effective measures are implemented to reduce risks and ensure that water resources can support the long-term operations of the Company and the shared development of stakeholders.

### Governance

The current water resource management model of Chengtun Mining is as follows:



#### Decision-Making Level

- Board of Directors

CHENG TUN MINING

Responsible for formulating the overall water use policies and strategic direction, and making decisions on major water-related matters.



#### Management Level

- Energy Management by the Operations Department

CHENG TUN MINING

The Operations Department of Chengtun Mining coordinates the implementation of water management activities. Dedicated energy (water) management personnel are appointed within the department to supervise and guide water management work carried out by subsidiaries.



#### Execution Level

- Subsidiaries.

CHENG TUN MINING

The highest management representative of each subsidiary serves as the primary person responsible, establishing and improving the energy (water) management structure and coordinating water conservation initiatives across subsidiaries.

We implement water resource monitoring programmed, reservoir anti-seepage treatments, rainwater management, and other physical measures or procedures to protect surface water and groundwater resources.

We strengthen the protection of surface water and groundwater by conducting quarterly monitoring of rivers near mining areas, as well as key locations within the mining sites (such as upstream and downstream areas of tailings storage facilities) and other designated points through the installation of groundwater monitoring wells, in order to track water quality changes and respond promptly with appropriate measures.

For water use within mining areas, we utilize water metering systems to continuously monitor inflow, consumption, and discharge volumes, enabling timely management of water resource-related risks.

Chengtun Mining strictly complies with relevant laws and regulations of the countries and regions where its projects are located, including the Water Law of the People's Republic of China, the Law of the People's Republic of China on the Prevention and Control of Water Pollution, and the Environmental Protection Law of the People's Republic of China, as well as applicable local policies. The Company conducts its operations in accordance with the principles of water conservation and water pollution prevention and control.

Each subsidiary implements water management practices suited to local conditions. The Company's water resource management strategies include:

Conducting water use rationality analysis and assessment.

Prior to project construction, renovation, or expansion, subsidiaries conduct Environmental Impact Assessments (EIAs) and prepare an Environmental Impact Assessment Report for submission to local environmental authorities for approval. This report includes analysis and evaluation of the rationality of project water use. We ensure that the local water resource conditions can meet the needs of daily production and operations, and that operational water use does not adversely affect water access for other community entities or residents.

Integrating water resource management into environmental protection policies and fully implementing responsibilities across all organizational levels and departments.

The Group has established the Water Resources Management Measures, and subsidiaries have incorporated water resource management into their environmental protection policies, treating water pollution prevention as an essential environmental responsibility. A comprehensive accountability system has been implemented to clearly define the responsibilities of each level and department in relation to water resource management strategies and associated performance.

Implementation of planned water use and quota management systems

Subsidiaries follow the requirements of the Measures for Planned Water Use Management issued by the Ministry of Water Resources of China, implementing a planned water use and quota management system. Under the supervision and administration of local water authorities, subsidiaries formulate water use plans that specify the annual planned water consumption, monthly water consumption targets, types of water sources, and categories of water use purposes.

Promotion of water-saving measures and technologies

Subsidiaries adhere to the principle of water conservation, implementing water-saving measures and promoting new water-saving technologies and processes. These initiatives aim to reduce water consumption per unit of product, increase the reuse of wastewater, and improve the rate of water recycling.

### Strategy

We strictly comply with water management laws and regulations in the regions where our projects operate, while also aligning with international initiative standards. Water resource management is incorporated into the Company's business planning, and communication mechanisms are established with affected stakeholders. We are committed to continuously increasing water reuse and reducing the consumption of freshwater resources.

To identify and mitigate water management risks, we implement measures from both internal and external perspectives. Internally, all subsidiaries are required to conduct water use analysis as part of Environmental Impact Assessment Reports for new, renovated, or expanded projects, in order to evaluate potential impacts on the environment and surrounding communities.

At the same time, through technological innovation and process optimization, we aim to improve water reuse rates while reducing both external water withdrawals and wastewater discharges.

Externally, we collaborate with stakeholders to jointly manage and share water resources, taking into account ecosystem conditions to minimize environmental impacts. Our water resource management system is overseen by the ESG Management Committee, ensuring regulatory compliance while continuously enhancing the effectiveness of water protection measures.

To ensure the effectiveness of improvement measures, groundwater monitoring wells and surface water monitoring points are established quarterly in and around mining areas. All discharge outlets are equipped with online monitoring systems connected to environmental authorities, enabling real-time monitoring of water quality. Data are regularly collected and analyzed to track progress in sustainable development and pollutant reduction.

### Impacts, Risks and Opportunities

Risk	Opportunity	Response Measures
Regional water resource shortages and restrictions on water usage quotas may affect the continuity and stability of production operations.	Enhance water resource security and strengthen operational resilience.	Optimize water use planning, implement planned water use and quota management systems, and strengthen overall water resource planning.
Increasingly stringent policies on environmental protection, water abstraction, and wastewater discharge may create compliance risks such as exceeding water use quotas or emission standards.	Improve water use compliance and reduce the risk of regulatory penalties.	Strictly implement water abstraction and discharge permit systems and conduct regular compliance self-inspections of water usage.
Low water use efficiency and high process water consumption may increase water-related costs.	Achieve water conservation and cost reduction while improving economic benefits.	Promote water-saving technologies and equipment, conduct water balance testing, and implement reclaimed water reuse and water recycling.
Non-compliant discharge of wastewater may cause water pollution and lead to environmental and reputational risks.	Establish a green water management image and enhance ESG performance.	Improve wastewater treatment facilities, strengthen online monitoring, and ensure stable compliance with discharge standards.

### Indicators and Targets

Environmental Indicator	Unit	2022	2023	2024	2025
Freshwater Consumption	tonnes/year	3,404,137	6,054,866	8,037,995	8,014,820
Water Reuse Volume	tonnes/year	798825.73	1354636.54	1594461.13	6583753.44

**KMSA – Multi-Pronged Water Conservation Measures**

**Recycling of Mine Inflow Water:**

The Company operates an open-pit mine, where abundant groundwater flows into the mining and stripping areas and would normally require discharge. As part of a technological upgrade, the original design—under which all plant water consumption relied on groundwater—was modified. Mine inflow water is now pumped in two stages to three sedimentation ponds, where it undergoes three-stage sedimentation with the addition of a small amount of flocculant. The treated water is then supplied for production use, providing approximately 7,000 cubic meters of water per day, thereby reducing groundwater consumption.



**Recycling of Acidic Water from Tailings Storage Facilities:**

Under the original design, neutral water was used for both tailings washing and slurry preparation. Following technological upgrades, acidic water from the tailings storage facility is treated through processes such as extraction and neutralization, and then reused for tailings washing and slurry preparation. Approximately 5,000 cubic meters of water are recycled daily, reducing the consumption of neutral water while also extending the service life of the tailings storage facility.

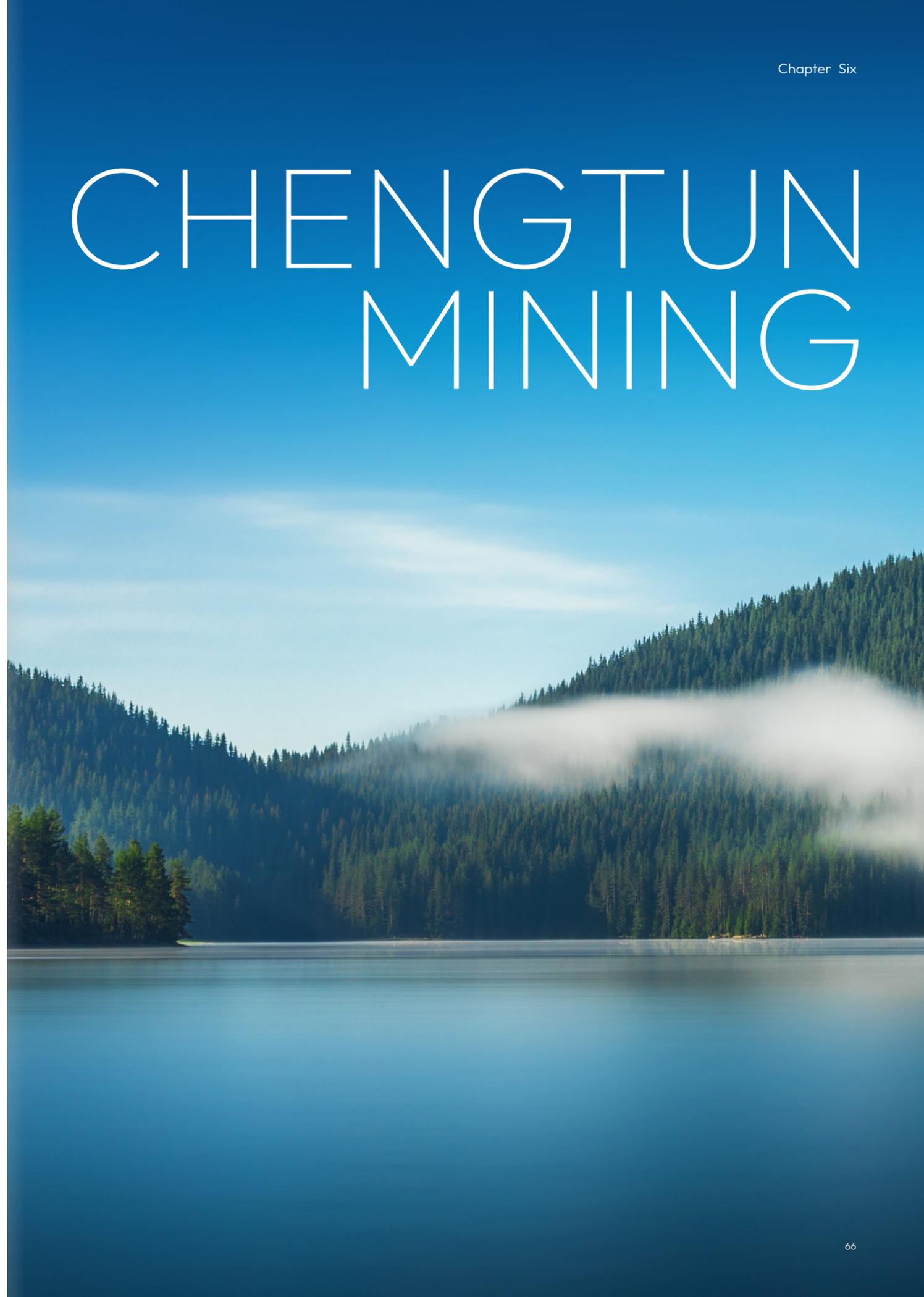


**Recycling Cooling Water in the Sulphuric Acid Workshop:**

Under the original design, clean water was used as make-up water for the circulating cooling water system. During operation, however, the water hardness proved too high. To avoid affecting production, 1,200 cubic meters of circulating water had to be discharged daily. Following a technological upgrade, a water softening system was installed. After the upgrade, the daily discharge of circulating water was reduced to 360 cubic meters, resulting in water savings of 840 cubic meters per day.



# CHENGTUN MINING



# CHAPTER SEVEN

## VII. Looking Ahead Creating Sustainable Value Together

## Climate Change Response

We enhance our climate management capabilities through a scientific governance framework, transparent accountability mechanisms, and an efficient coordination system. Our climate governance system has now been fully established and is about to enter the operational stage. While continuing to drive business growth, we are systematically strengthening the climate governance structure, clarifying roles and responsibilities, and improving oversight mechanisms, ensuring that climate-related risks are effectively identified and managed while climate-related opportunities are captured in a timely manner. Through Board-level oversight, management-level implementation, and cross-departmental collaboration, we are gradually building the governance foundation required to support our 2050 net-zero vision.

### Governance

To actively address the physical and transition risks associated with climate change, and to Standardize the management and disclosure of climate-related risks, opportunities, and impacts, we formally established and issued the Climate Governance Management Policy in 2025. This marks the formation of a structured and institutionalized climate governance framework.

The policy was developed to implement the requirements of relevant laws and regulations, including the Corporate Sustainability Disclosure Standard No. 1 – Climate (Trial) and the Administrative Measures for Information Disclosure of Listed Companies. Its objective is to establish a scientific and effective climate governance system, ensure the truthfulness, accuracy, completeness, and timeliness of information disclosure, and enhance the Company's climate resilience and sustainable development capabilities.

At the same time, the policy fully considers the distinct climate risk characteristics faced by the Company's mineral resource development and smelting operations across different regions, aiming to integrate climate considerations comprehensively into corporate governance, strategic planning, operational management, and decision-making processes.

The Climate Governance Management Policy applies to the Company and all wholly owned and controlling subsidiaries included within the consolidated financial statements, covering key areas such as mineral extraction, smelting operations, supply chain management, and investment activities.

The policy clearly defines the roles and responsibilities of the Board of Directors, Board committees, management, and executive departments in climate governance, establishing a three-tier climate governance structure comprising the Board level, management level, and execution level, thereby forming a closed-loop management system that integrates decision-making, implementation, and oversight.

As a newly established governance policy now entering the implementation stage, we are continuously advancing the practical deployment of related mechanisms, including climate risk identification and assessment, information collection and reporting, internal supervision, and capacity building. The Company will also continue to optimize and improve the climate governance framework in accordance with evolving regulatory requirements and operational needs.



## Overall Governance Framework for Climate Governance



### Board Level

CHENGTUN MINING

- Board of Directors



### Management Level (Executive Committee)

CHENGTUN MINING

- Environmental, Social and Corporate Governance(ESG)Committee



### Operational Level

CHENGTUN MINING

- Climate Risk Management Task Force
- Carbon Neutrality Task Force
- Mining Supply Chain Task Force
- Labor and Human Rights Task Force
- Occupational Health&Safety Force
- Biodiversity Task Force
- ESG Office
- Subsidiaries& Corporate Functional Departments

• Within the framework of the “Climate Governance Management System”, we have established a multi-tier climate governance structure covering strategic decision-making, overall coordination, and operational implementation, forming a vertically integrated, top-down governance system.

• The Board of Directors, as the Company’s highest governing body, bears ultimate responsibility for the oversight and decision-making of climate-related governance. It approves climate-related strategies, targets, and major policies, and supervises the overall effectiveness of climate risk and opportunity management.

• Under the Board’s authorization and guidance, the Environmental, Social and Governance (ESG) Committee serves as a dedicated advisory and oversight body. It coordinates climate governance initiatives, with a particular focus on reviewing climate risk identification and assessment results, the implementation progress of response measures, and climate-related disclosures, and provides professional recommendations and improvement proposals to the Board.

• At the operational level, in line with climate governance objectives, the company has established a collaborative mechanism involving multiple specialized working groups and functional departments. These include the Climate Risk Management Group, Carbon Neutrality Task Force, Mining Supply Chain Group, Labour and Human Rights Group, Occupational Health and Safety Group, and Biodiversity Group, covering key areas such as production operations, supply chain management, workforce management, and environmental protection.

• Meanwhile, the ESG Office serves as the central coordination and information hub for climate governance. It is responsible for organizing climate risk assessments, managing emissions data, consolidating information, and overseeing external disclosures, as well as coordinating with specialized teams, subsidiaries, and group functional departments to ensure the effective implementation of climate governance requirements.



## Strategy

We regard climate change as a significant factor affecting our long-term strategy, operational stability, and financial performance. Through institutional arrangements, climate-related risks and opportunities have been systematically integrated into our strategic planning, investment decision-making, production operations, financial management, and supply chain management, ensuring that climate considerations are fully identified, assessed, and incorporated into key decision-making processes.

### POINT 01 Incorporating climate factors into strategic planning and long-term development decisions

When formulating medium- to long-term development strategies and business plans, the Board of Directors leads management in conducting climate scenario analysis to systematically assess the physical risks, transition risks, and potential opportunities under different climate scenarios.

At a minimum, the analysis covers the carbon peak baseline scenario issued by relevant national authorities and, where feasible, also references more stringent climate scenarios to evaluate the impacts of extreme weather events, energy structure adjustments, carbon pricing policies, and other factors on mining facilities, production capacity planning, and product demand.

Based on the results of our scenario analysis, we have incorporated climate transition objectives, emission reduction pathways, technology development plans, and resource allocation priorities into our overall development strategy. This ensures that our strategic direction supports business growth while maintaining long-term resilience to climate change and evolving policy environments.

### POINT 02 Incorporating climate impact assessment mechanisms into investment decisions

We have established a mechanism to assess climate-related impacts in major investment decision-making. For significant projects such as mining exploration and development, capacity expansion, and technological upgrades, climate-related risk and impact assessments are required at the feasibility study stage.

These assessments focus on evaluating the nature and magnitude of climate risks associated with the project, its carbon emission intensity and decarbonization potential, as well as the potential implications of climate factors for projected returns and overall financial viability.

The results of climate impact assessments serve as an important input to investment decision-making. Projects that present excessive climate risks or fail to meet low-carbon development requirements are advanced with caution or excluded from implementation, thereby mitigating potential adverse impacts on long-term value at the source.

### POINT 03 Integrating climate factors into production and operational management

In day-to-day operational management, we integrate climate considerations into production planning and process decisions. Management and production teams develop advance adjustment plans and contingency measures based on extreme weather alerts, thereby reducing the potential impacts of severe weather events on production safety and operational stability.

At the same time, we continue to advance low-carbon production technologies and energy efficiency initiatives, optimize our energy mix, and reduce carbon emissions per unit of output. We regularly assess the climate resilience of our production facilities and promptly implement reinforcement and technical upgrades for assets exposed to elevated risks, thereby strengthening our overall operational adaptability to climate change.

### POINT 04 Reflecting climate-related impacts in financial management

We incorporate climate-related factors into our financial management framework across budget planning, cost accounting, and capital allocation processes. The finance department separately identifies and reports climate-related capital expenditures, including investments in low-carbon technology research and development and energy efficiency and emission reduction facilities, to ensure adequate funding for climate transition initiatives.

At the same time, we are progressively establishing a framework to assess climate-related financial impacts. This includes identifying and analyzing items such as gains and losses from carbon trading, investments in green research and development, and impairments of climate-related assets.

By conducting carbon cost sensitivity analyses, we evaluate the potential effects of carbon price fluctuations on operating costs and profitability, thereby providing decision support for pricing strategies and cost management.

### POINT 05 Extending climate requirements to supply chain management

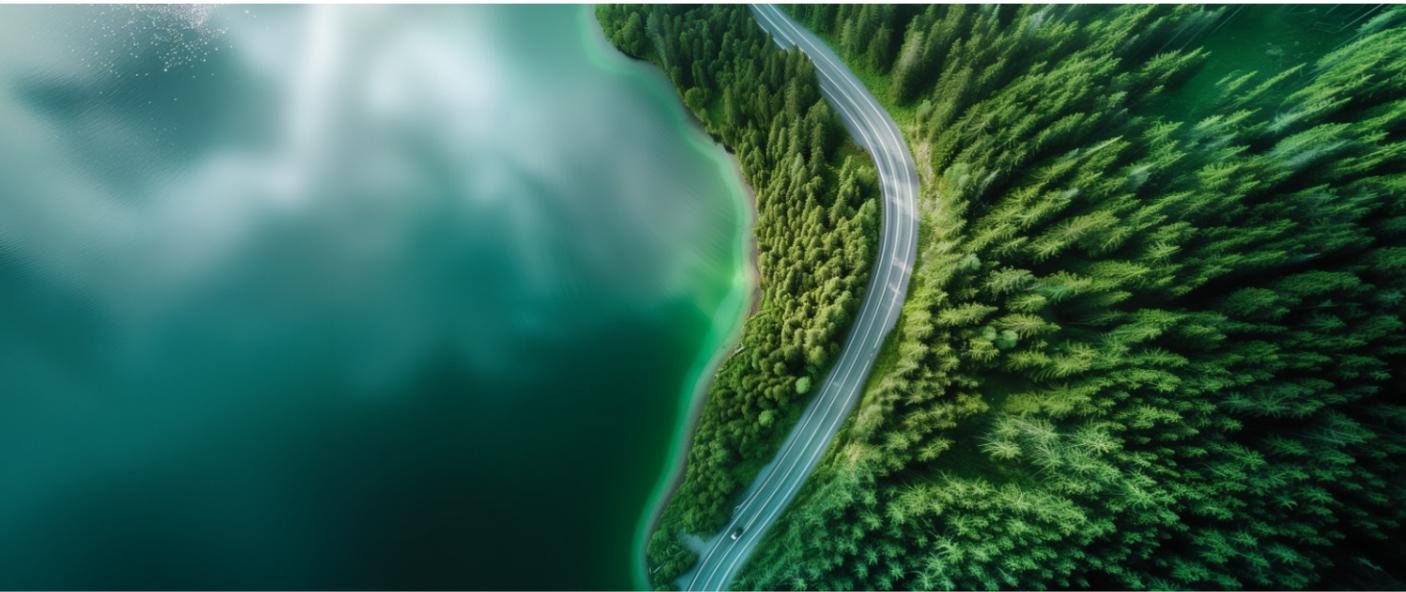
In supply chain management, we incorporate suppliers’ climate governance capabilities as a key evaluation criterion in supplier selection, contract execution, and supply chain optimization processes. We prioritize partners with lower carbon footprints and stronger climate risk management capabilities to strengthen the resilience and sustainability of our supply chain.

We require key suppliers to disclose emissions data by clearly defining their climate-related responsibilities in cooperation agreements. We also collaborate with suppliers on supply chain carbon footprint assessments and climate risk evaluations. Where suppliers fail to meet our climate governance requirements, we adjust cooperation arrangements as appropriate, thereby progressively strengthening the overall climate resilience of our supply chain.

### POINT 06 Decision-making records, feedback and information disclosure

To ensure the effective integration of climate considerations into decision-making, we document and archive climate-related analyses, supporting rationales, and decision outcomes across all levels. Relevant information is incorporated into our climate disclosures in accordance with regulatory requirements, enabling investors and other stakeholders to understand the impacts of climate factors on our decisions and operations, as well as the effectiveness of their implementation.

This approach establishes a comprehensive management mechanism spanning decision-making, execution, and disclosure.



In line with national carbon peaking and carbon neutrality objectives the company has established the following phased climate targets:

**2029**<sub>YEAR</sub> To achieve peak greenhouse gas emissions across operations and the value chain by 2029, while continuing to reduce emissions intensity through energy mix optimization and energy efficiency improvements.

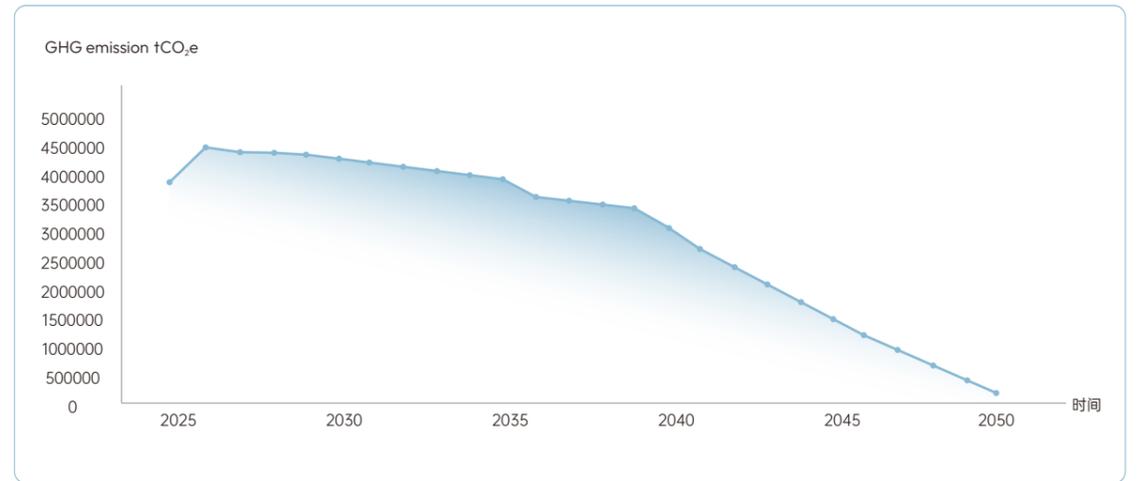
**2050**<sub>YEAR</sub> To achieve net-zero greenhouse gas emissions across operations and the value chain by 2050.

**2030**<sub>YEAR</sub> To reduce market-based Scope 2 emissions by 20% by 2030, compared with the 2024 baseline.

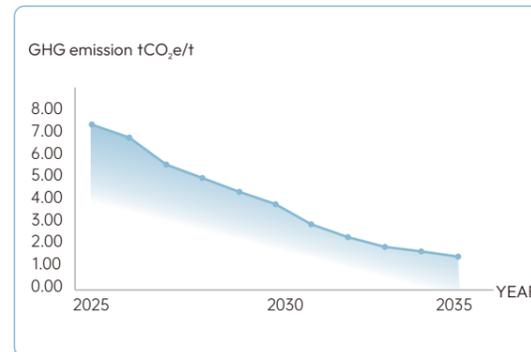
**2030**<sub>YEAR</sub> To reduce emissions intensity in the cobalt downstream processing segment by 45% by 2030.

**2030**<sub>YEAR</sub> To reduce emissions intensity in the nickel downstream processing segment by 30% by 2030.

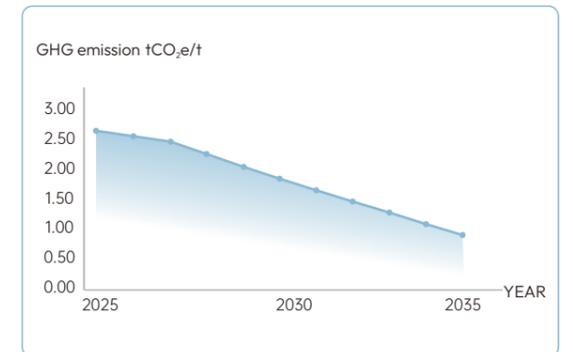
Operational-level emission reduction pathways



GHG intensity of cobalt processing



GHG intensity of nickel processing



## Impacts, Risks and Opportunities

Due to the impacts of climate change, some of our operational sites are already experiencing climate-related pressures such as mudslides caused by heavy rainfall, frequent and intense typhoons, and water scarcity resulting from drought. We must therefore assess our resilience and prepare adaptive responses to ensure the safety and continuity of our operations, as well as the reliability of our value chain.

Our climate risk assessment methodology incorporates scenario analysis based on outputs from Global Climate Models (GCMs) as well as evaluations of the exposure, vulnerability, and adaptive capacity of our operational sites and critical facilities. We adopt a combined top-down and bottom-up approach.

Top-down approach: This component primarily draws on the global climate models and Shared Socioeconomic Pathways (SSPs) outlined in the IPCC Sixth Assessment Report, enabling projections of long-term regional macro-climate trends for key climate variables such as temperature and precipitation under different climate scenarios.

Bottom-up approach: This component evaluates factors including the geographic location of each site, historical meteorological records, existing response capabilities, infrastructure sensitivity, and external exposure (such as landslide-prone areas or high-risk typhoon zones). Through this analysis, we identify the physical risks and resilience gaps that may arise at the operational level.

By combining the site-specific physical risks identified through bottom-up analysis with the projected changes in risk intensity under different climate scenarios derived from the top-down analysis, we assess the future exposure of each operational site to climate-related physical risks.

## Potential Physical Risks and Impacts

Table 2: Overview of Potential Impacts of Physical Climate Risks on Operations and Financial Performance

Types of physical climate risks	Identification method	Operational risks	Financial risks
Extreme Heat	Using ERA5 data from 1995–2014, the 90th percentile (P90) of daily maximum temperatures is calculated as the threshold. After bias correction with CMIP6 scenario data, the number of days exceeding this threshold is projected for future periods.	Increased employee health and safety risks	Higher energy consumption and maintenance costs
		Reduced production efficiency	Revenue losses resulting from production interruptions and efficiency declines
		Increased load on equipment and power systems infrastructure	Additional capital investment required to upgrade cooling and safety infrastructure
		Increased demand for cooling water	
Extreme Cold	Using ERA5 data from 1995–2014, the 10th percentile (P10) of daily minimum temperatures is calculated as the threshold. After bias correction with CMIP6 scenario data, the number of days below this threshold is projected for future periods.	Increased vulnerability of equipment and infrastructure	Higher energy consumption and maintenance costs
		Road and transportation disruptions	Revenue losses due to production interruptions and reduced efficiency
		Increased load on the power system	Additional capital investment required to upgrade facilities
Extreme precipitation	Using ERA5 precipitation data from 1995–2014, the maximum single-day rainfall (R1X) and maximum five-day cumulative rainfall (RSX) are calculated as baseline thresholds. After bias correction with CMIP6 scenario data, changes in the intensity and frequency of extreme rainfall events are assessed for future periods.	Water accumulation at mining and smelting sites	Production losses and reduced sales revenue
		Overflow or instability of pits and tailings dams	Increased operational expenditures
		Overloaded drainage systems	Additional capital investment required to reinforce tailings dams and drainage infrastructure
		Roads and external transportation routes	
Drought and water stress	Using ERA5 data from 1995–2014, the distribution of consecutive dry days (CDD, typically defined as days with precipitation <1 mm) is calculated as the baseline threshold. After bias correction with CMIP6 scenario data, changes in the frequency and duration of drought events are assessed for future periods.	Insufficient process water	Additional investment required to build water treatment and conservation facilities
		Excessive groundwater extraction	Reduced production and revenue
Severe typhoons	Typhoon risk is identified based on whether a facility is located within the Western Pacific typhoon impact zone. For example, the Yangjiang and Zhuhai plants are classified as potentially exposed assets due to their location in a high-frequency typhoon area.	Damage to smelter infrastructure	Significant repair and reconstruction costs
		Personnel safety and supply chain disruptions	Production losses and decreased revenue
		Power outages	Additional capital investment to reinforce storage and critical production facilities
Landslides	Using ERA5 precipitation data from 1995–2014, the maximum five-day cumulative rainfall (RSX) is calculated as the baseline threshold. After bias correction with CMIP6 scenario data, changes in the intensity and frequency of extreme rainfall events are assessed for future periods.	Government-mandated shutdowns	Reduced production and revenue
		Damage to on-site roads	Facility repair and remediation costs
		Damage to production facilities	Production losses impacting revenue
Sea level rise	Identification method for sea level rise: Use NASA's IPCC AR6 sea level projection tool to obtain projected sea level increases under different SSP scenarios, and overlay these projections with the geographic location and elevation of coastal assets to assess potential inundation and compound storm surge risks.	Serious threats to employee safety	Additional capital required for slope stability monitoring and protective engineering
		Flooding and corrosion risks to coastal smelters, ports, and transportation infrastructure	Long-term capital expenditures for facility upgrades and coastline restoration
		Disruptions to raw material and product import/export routes	Production delays, inventory buildup, and reduced revenue
		High tide combined with storm surge exacerbates flooding risks at the facility.	
		Critical power and communication infrastructure at risk	

## Physical Risk Analysis Results

Table: Overview of Measures to Address Physical Climate Risks

Climate hazard category	Climate scenario & trend	Timing of impact	Magnitude of impact
Extreme Heat	Model projections indicate that, between 2015 and 2050, the number of high-temperature days (>35 C) at our assets varies significantly across emission scenarios. Under the low-emission scenario (SSP1-2.6), most sites experience an average of 8–18 high-temperature days per year, with Zhonghe Nickel being the most exposed, averaging up to 26 days annually. Under the medium-emission scenario (SSP2-4.5), high-temperature days increase to 12–22 days for most sites, with Zhonghe Nickel reaching 37 days. The high-emission scenario (SSP5-8.5) presents the most severe conditions, with Zhonghe Nickel averaging 48 high-temperature days per year, while other sites generally remain under 25 days. This trend indicates that, without effective global greenhouse gas mitigation, certain smelters and mines will face prolonged and frequent exposure to extreme heat, posing substantial operational and safety challenges.	Short, medium, and long term	High
Extreme Cold	Model projections indicate that extreme low-temperature events at our operational sites are generally limited, with an average of only 3–5 days per year below 0 C between 2015 and 2050. Chengtun Zinc & Germanium experiences slightly higher counts under SSP2-4.5 and SSP5-8.5 (around 5 days), while Chengtun Zinc & Germanium and Zhonghe Nickel enjoy rainfall; however, in certain years, it may still lead to localized facility icing, transport disruptions, or equipment damage, posing challenges to smelting and logistics operations.	Short-term	Low
Extreme precipitation	Model results indicate that, compared with the baseline period, the maximum single-day precipitation (R1Xday) at our operational sites is generally projected to increase between 2025 and 2050. Under the high-emission scenario SSP5-8.5, KMSA, CCR, and CCM are expected to experience the largest increases in R1Xday, reaching 14–15%, significantly raising the risk of flooding and tailings dam instability in the mining areas. Chengtun Energy, Chengtun Zinc & Germanium and Zhonghe Nickel are projected to see increases of 6–9% under SSP5-8.5, while Kelixin (Zhuhai) and Kelixin (Yangjiang) show little change under low-emission scenarios but rise to 6–7% under SSP5-8.5. Youshan Nickel exhibits the smallest changes, with a slight decrease under SSP1-2.6. The maximum five-day consecutive precipitation (RX5day) for KMSA, CCR, and CCM could increase by up to 9.2% under SSP5-8.5, while Chengtun Zinc & Germanium shows increases of 3.8–7.1% across scenarios. Overall, KMSA, CCR, CCM, and Chengtun Zinc & Germanium may face more frequent prolonged heavy rainfall events in the medium term, posing significant pressure on tailings dams, slope stability, and drainage systems.	Short, medium, and long term	Extremely high
Drought and water stress	Model projections indicate that between 2025 and 2050, the number of consecutive dry days (CDD) at our facilities is generally increasing, with the most pronounced rise under the high-emission scenario SSP5-8.5. Under SSP5-8.5, Chengtun Energy shows a CDD increase of 12.9%, reflecting a clear trend of worsening drought; Zhonghe Nickel rises by 12.3%, and Kelixin (Yangjiang) by 11.3%, all exceeding 10%, indicating significant mid-term extreme drought risk. Youshan Nickel and our subsidiaries in the Congo (KMSA, CCR, and CCM) also show increases of 10% and 8.5%, respectively, under SSP5-8.5. Even under the lower-emission scenario SSP1-2.6, most sites still experience a 2–7% increase in CDD. Overall, drought and water stress are projected to intensify over the medium to long term, posing challenges for smelter cooling water, mining operations, and shared community water resource management.	Short, medium, and long term	High
Severe typhoons	Kelixin (Zhuhai) and Kelixin (Yangjiang) are both located within the high-frequency typhoon impact zone along the South China coast. In 2025, Typhoon “Huajishasha” made landfall in Yangjiang, causing partial equipment damage and production stoppages at Kelixin (Yangjiang), while Kelixin (Zhuhai) also experienced facility damage. This event highlights the existing vulnerability of the sites to severe typhoons. Under future SSP2-4.5 and SSP5-8.5 scenarios, similar intense typhoon events are expected to pose an increased risk of widespread facility damage, port closures, and production interruptions.	Short, medium, and long term	High
Landslides	As Chengtun Zinc & Germanium is the only facility located in a high landslide risk area, this risk analysis focuses solely on it. Between 2025 and 2050, the maximum five-day consecutive rainfall (RX5) at the site shows an overall increasing trend. Under the low-emission scenario SSP1-2.6, RX5 is projected to increase by 3.8%, while under SSP5-8.5 it could rise by 7.1%, indicating a significant intensification of prolonged rainfall and a corresponding increase in landslide risk.	Short, medium, and long term	Extremely high
Sea-Level Rise	Based on projections from NASA AR6, our facilities in South China—Kelixin (Zhuhai) and Kelixin (Yangjiang), as well as Youshan Nickel—are expected to face progressively increasing risks from sea level rise in the future. Under a low-emission scenario (SSP1-2.6), sea levels are projected to rise approximately 0.16–0.21 meters by 2050 and 0.36–0.47 meters by 2100. Under a medium-emission scenario (SSP2-4.5), the projected increase is around 0.17–0.22 meters by 2050, reaching 0.50–0.61 meters by 2100. Under a high-emission scenario (SSP5-8.5), sea levels could rise 0.20–0.25 meters by 2050 and 0.72–0.82 meters by 2100. Overall, these projections indicate that while short- to medium-term exposure for these assets remains limited, they are likely to face heightened risks over the long term.	long term	Low



Indicators and Targets

Indicator	Unit	2024 <sup>[1]</sup>	2025 <sup>[2]</sup>
Group Scope 1 Emissions	tCO <sub>2</sub> e equivalent	3,478,261	3,549,954
Group Scope 2 Emissions (location-based)	tCO <sub>2</sub> e equivalent	347,205	365,235
Group Scope 2 Emissions (market-based)	tCO <sub>2</sub> e equivalent	1,009,313	1,049,688
Group Scope 3 Emissions	tCO <sub>2</sub> e equivalent	4,663,439	5,820,457
Total Group Emissions (location-based)	tCO <sub>2</sub> e equivalent	8,488,905	9,735,646
Total Group Emissions (market-based)	tCO <sub>2</sub> e equivalent	9,151,013	10,420,099
GHG Emissions per Unit of Industrial Value Added (location-based)	tCO <sub>2</sub> e equivalent / RMB 10,000	11.37	11.67
GHG Emissions per Unit of Industrial Value Added (market-based)	tCO <sub>2</sub> e equivalent / RMB 10,000	12.25	12.49
GHG Emissions per Unit of Operating Revenue (location-based)	tCO <sub>2</sub> e equivalent / RMB 10,000	5.12	4.69
GHG Emissions per Unit of Operating Revenue (market-based)	tCO <sub>2</sub> e equivalent / RMB 10,000	6.01	5.51
Emissions Intensity of Cobalt Processing	tCO <sub>2</sub> e equivalent / tonne	7.21	5.85
Emissions Intensity of Nickel Processing	tCO <sub>2</sub> e equivalent / tonne	2.63	2.41

[1] In 2024, the following subsidiaries completed carbon inventory and third-party verification: CCR, CCM, KMSA, Chengtun Zinc & Germanium, Kelixin (Zhuhai), Kelixin (Yangjiang), Youshan Nickel, Chengtun Energy Metals, and Zhonghe Nickel.  
 [2] In 2025, the following subsidiaries completed carbon inventory and third-party verification for the 2024 reporting year: CCR, CCM (included in CCR), KMSA, Chengtun Zinc & Germanium, Kelixin (Zhuhai), Kelixin (Yangjiang), Youshan Nickel, Chengtun Energy Metals, Zhonghe Nickel, Brothers Mining, and Huajin Mining.

Short term

2025–2035  
foundation building and initial low-carbon substitution

Stationary combustion upgrades: implement energy efficiency retrofits for coal-fired boiler systems, prioritizing efficiency improvements and waste heat recovery projects.  
 Flue gas mitigation pilots: launch carbon capture and mineralization pilot projects at major smelting facilities to convert part of the flue gas CO<sub>2</sub> into stable carbonate solids for long-term storage.  
 Process-level neutralizer substitution trials: conduct pilot programs in downstream processing and chemical production to replace carbon-based neutralizing agents (such as ammonium bicarbonate) with non-carbon alternatives (e.g., sodium hydroxide and calcium hydroxide).  
 Enhancement of emissions monitoring and accounting systems: establish a comprehensive energy consumption and emissions database covering all subsidiaries to provide an accurate baseline for future technical upgrades and decarbonization planning.

Medium term

2036–2045  
technology deepening and system optimization

Low-carbon smelting upgrades: introduce lower-carbon reducing agents into core smelting processes as technologies mature, reducing overall carbon intensity.  
 Industrialization of CO<sub>2</sub> mineralization and storage: expand the application of carbonate mineralization and sequestration technologies based on successful pilots, enabling partial permanent storage and utilization of smelting-related flue gas emissions.  
 Full deployment of material and process substitution: complete the replacement of carbonate-based auxiliary materials across operations to further reduce process-related CO<sub>2</sub> emissions.

Long term

2046–2050  
structural decarbonization and net-zero achievement

Transition to low-carbon fuel systems: phase out coal-based fuels and transition primary energy use in smelting and auxiliary facilities toward clean electricity and low-carbon fuels.  
 Integrated carbon capture, utilization, and storage system: establish a company-wide system integrating capture, transport, mineralization, and long-term storage of flue gas CO<sub>2</sub>.  
 Zero-carbon process innovation and circularity: adopt hydrogen-based reduction and other near-zero-carbon smelting technologies, while enhancing high-value utilization of slag and by-products to enable both energy and material circularity.

Phased roadmap for scope 2 emissions reduction

Short term

2025–2030  
energy efficiency coordination and initial clean substitution

Energy efficiency coordination: reduce electricity consumption per unit of output through equipment retrofits, load optimization, and energy efficiency improvement initiatives.  
 Pilot procurement of renewable energy certificates and green power: initiate renewable energy certificate procurement at selected subsidiaries, ensuring compliance with temporal matching requirements (including the 21-month rule) for credible accounting.

Medium term

2031–2040  
large-scale renewable electricity transition

Development of distributed renewable projects: install self-consumption photovoltaic systems at smelting and chemical facilities, and co-develop shared energy storage systems within industrial parks to increase the share of self-generated renewable electricity.  
 Optimization of electricity contract structures: participate in spot and long-term electricity markets and enter into renewable power purchase agreements (PPAs) to secure stable clean electricity supply.  
 Coal-to-electric transition: progressively retire coal-based captive power units and shift toward externally sourced low-carbon electricity, reducing coal use while simultaneously lowering power-related carbon intensity.

Long term

2040–2050  
full renewable electrification and zero-carbon power supply

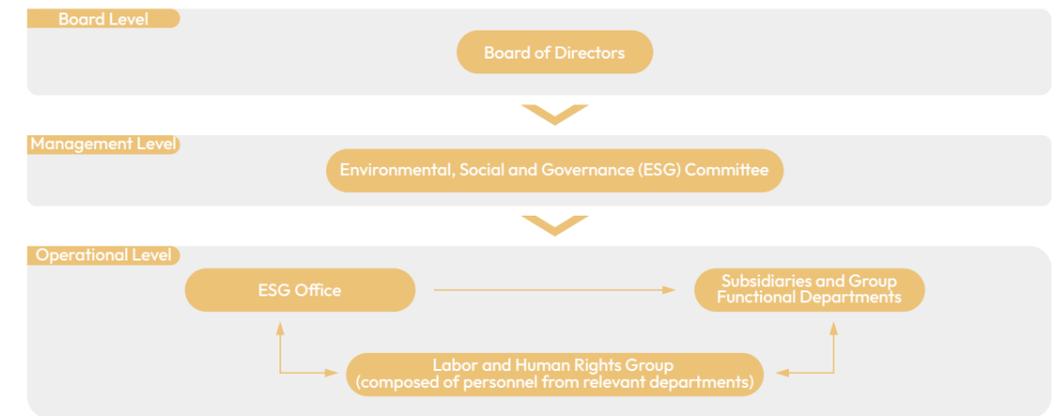
With the continued expansion of renewable energy deployment and declining costs, the company aims to achieve 100% renewable electricity for purchased power. This will be supported not only by renewable electricity contracts but also by large-scale development of owned renewable energy assets, increasing the proportion of self-generated and self-consumed clean electricity.

# CHAPTER EIGHT

## VIII. People-Centered Development Building a Better Society Together

### Employee Management

**Governance:**



Structure of the Labor and Human Rights Group

**Labour and Human Rights Working Group:**

Responsible for formulating and supervising the implementation of policies and procedures that safeguard employees' fundamental rights and address anti-discrimination and anti-harassment.

Indicator	Unit	2025
Total Number of Employees	persons	9372
Employee Age Distribution (Under 30 / 30-50 / Above 50)	persons	2754/5472/1146
Number of Employees from Ethnic Minority Groups	persons	982
Employee Education Level (Bachelor's Degree and Above / High School and Above / Junior High School and Below)	persons	1790/4192/3390
Proportion of Female Managers at Middle Level and Above Among Management Employees	%	11.3%
Number of Foreign Employees	persons	3601

Chengtun Mining focuses on four key management strategies—employee rights protection, compensation and benefits systems, employee development planning, and employee care—to systematically provide employees with multi-dimensional support for growth and development. By establishing an integrated career development platform covering talent recruitment, training, and career advancement, the Company lays a solid talent foundation for its sustainable development.

**01 Employee Rights Protection**

1. We have established comprehensive recruitment policies to ensure that every candidate is treated fairly and without discrimination.
2. We have established comprehensive recruitment policies to ensure that every candidate is treated fairly and without discrimination.

**Employee Rights Protection**

work together, we maintain an open, inclusive, and diverse employment policy. For instance, CCR and KMSA currently employ more than 1,000 staff members, including Chinese employees and employees from the Democratic Republic of the Congo (DRC), including both permanent and temporary workers.

**Diversity**

Workforce diversity is a principle we consistently uphold. Whether in domestic operations involving employees of different genders and age groups, or in overseas facilities where Chinese and local employees work together, we maintain an open, inclusive, and diverse employment policy. For instance, CCR and KMSA currently employ more than 1,000 staff members, including Chinese employees and employees from the Democratic Republic of the Congo (DRC), including both permanent and temporary workers.

**Non-Discrimination**

We consistently uphold the principles of gender equality, racial equality, and freedom of religious belief, protecting employee rights through an open and inclusive approach. We have also signed collective agreements on the protection of female employees' rights and interests.

**Child Labour and Forced Labour**

**Prohibition of Child Labour:** In accordance with the laws of the countries where our projects operate, we strictly prohibit the use of any form of child labour. Contractors, suppliers, and other stakeholders are also required to prohibit the use of child labour in any form.

**Prohibition of Forced Labour:** Employment is based on the principle of voluntariness. No individual may charge referral fees during recruitment or collect deposits after hiring. Management personnel must not force employees to work. Employees' rest periods are protected, overtime work is conducted within legal limits, and overtime compensation is provided accordingly.

**Equality**

**Equal Recruitment:** The Company ensures equal treatment in recruitment and employment, regardless of ethnicity, race, age, gender, marital status, or religious belief.

**Anti-Discrimination**

**Equal Employment Opportunities:** Decisions regarding compensation, training, and promotion are based on individual skills, performance, and job requirements, rather than factors such as race, gender, region or nationality, social status, or political affiliation.

**Freedom of Religion:** The Company neither compels nor discriminates against employees based on their religious beliefs or lack thereof, and respects lawful religious activities.

**Prohibition of Sexual Harassment:** All forms of sexual harassment are strictly prohibited, including sexual coercion, threats, violence, abuse, and inappropriate language, gestures, or physical contact. Serious violations may result in formal disciplinary action and termination of employment contracts.

**Employment of Persons with Disabilities:** The Company provides employment opportunities for persons with disabilities.

**Rights and Benefits Protection**

**Labour Contracts:** Labour contracts are signed with employees to clearly define job responsibilities, salary arrangements, and welfare provisions, thereby safeguarding employees' legitimate rights and interests.

**Salary and Welfare Protection:** The Company pays employees' wages in full and on time, and provides benefits such as holiday allowances and birthday benefits, ensuring that employees' compensation and welfare are fully protected.

**Working Hours and Rest:** The Company provides employees with annual paid leave.

**Social Insurance and Welfare:** In accordance with regulations, the Company provides employees with China's statutory "Five Social Insurances and One Housing Fund" (pension, medical, unemployment, work-related injury, and maternity insurance, as well as the housing provident fund), along with benefits such as annual health examinations.

**Safe Working Environment:** The Company provides a safe working environment, conducts regular safety inspections, and equips employees engaged in risk-related operations with appropriate personal protective equipment (PPE) and safety gear.

**Employee Communication Mechanisms**

**Internal Communication Channels:** The Company has established employee communication groups to provide transparent and open communication channels, including participation from company leadership and administrative staff. Administrative personnel use these groups to communicate information updates, policy announcements, and work instructions to employees.

**One-on-One Communication:** When employees have requests, concerns, or wish to report issues, employee relations personnel conduct one-on-one communication, visiting employees at their residences or workplaces to understand the situation, hold discussions, and address their concerns. For example:

KMSA: Established an employee grievance email: CSRKMSA@600711.com

CCR: Established both an employee grievance email and a supply chain external communication email: csr.ccr2019@gmail.com

Chengtun Zinc & Germanium: Established a trade union organization, which regularly convenes employee representative meetings.

Suggestion boxes are also installed to collect employee feedback on a regular basis and provide responses.

**02 Compensation and Benefits System**

- We have established a comprehensive compensation system to provide effective protection for employees.
- Based on relevant regulations, we have established an employee welfare protection system to ensure that employees obtain decent work.

**Compensation and Benefits System**

To establish a positive incentive mechanism based on job roles and centered on performance, the Company closely links employees' remuneration to job responsibilities and work performance, thereby institutionalizing and standardizing salary management and distribution. In accordance with relevant laws and regulations, and to support the implementation of the Group's global business strategy, the Company has unified overseas compensation and benefits policies to encourage domestic employees to participate in international business development. Relevant management policies have been formulated, including the Performance Management Policy and the Overseas Compensation and Benefits Management Policy of Chengtun Mining Group

**External Competitiveness:** Provide competitive compensation and benefits to attract, motivate, and retain outstanding talent to achieve the Company's business objectives.

**Internal Equity:** Implement a position-based salary grading system linked to individual performance, ensuring that employee remuneration reflects their work performance and achievements.

**Salary Review:** Employee remuneration is reviewed with reference to market salary trends for comparable positions, the Company's operational performance, and employees' individual work performance.

**Employee Salary Structure**

Total monthly salary for employees = fixed salary + position salary/performance salary + various benefits and allowances - applicable deductions

**Performance Management System**

To support the strategic development of the mining group, further improve human resource management efficiency, better motivate employees and unlock their potential, strengthen awareness of competition and responsibility, and enhance overall organizational effectiveness, the Company has established a Performance Management Policy to assess and incentivize employee performance.

This system includes: performance evaluation models, performance indicator setting, performance scoring and rating, assessment procedures, management of evaluation results, and application of assessment outcomes.

**Performance Ratings:** A performance rating framework has been established, defining score ranges, base year-end bonus coefficients, and the proportion of employees within each rating category.

**Performance Reviews and Improvement:** After performance assessments are completed, performance review meetings are conducted with employees.

**Link between Performance and Compensation:** Performance evaluation results serve as an important basis for decisions related to year-end bonuses, salary adjustments, and promotion or demotion of positions.

**Benefits System**

Chengtun Mining is a company that values humanistic care, striving not only to generate profits but also to create broader value. To motivate employees, enhance job satisfaction, and strengthen organizational cohesion, the Company has established a range of employee welfare and benefit mechanisms. At the same time, to accelerate the implementation of the Group's global business strategy, the Company has unified overseas compensation and benefits policies to encourage domestic employees to participate in overseas business development and support the expansion of international operations.

To improve employee satisfaction and well-being and reduce employee turnover, the Company and its subsidiaries provide a comprehensive range of benefits. For example, the Employee Welfare Management Policy for Mining Enterprises applies to subsidiaries such as Yinxin Mining, Aima Mining, Huajin Mining, Hengyuan Xinmao, and Dali Sanxin. Meanwhile, Chengtun Zinc & Germanium has established its own Employee Welfare Management Policy, which consists of statutory benefits, universal benefits, and special benefits.

Allowances and Subsidies	Underground work allowance, shift leader allowance, uphill work allowance, dust exposure allowance, night shift allowance, seniority allowance, high-temperature allowance, overseas assignment allowance, plateau allowance
Daily Benefits	Communication allowance, meal subsidy, accommodation subsidy
Holiday Allowances and Environmental Performance	Dragon Boat Festival allowance, Mid-Autumn Festival allowance, International Women's Day allowance, birthday greetings; condolence money for employees hospitalized due to work-related injuries, employees hospitalized due to serious illness, and assistance for employees in financial hardship
Health	One annual health check-up arranged for employees in service

**03 Employee Development Planning**

- We have established comprehensive recruitment policies and treat every applicant fairly and without discrimination.
- We emphasize gender equality and do not tolerate any form of gender discrimination.

**Employee Development System**

To help the Company optimize its talent structure, Standardized management processes, improve management efficiency, and stimulate employees' initiative and creativity, we have established the Position Management Measures, which clarify the nature, categories, and career development pathways of positions, ensuring that talent development mechanisms are fair and equitable.

The Company and its subsidiaries have also formulated the Training Management Policy to strengthen the corporate training system, achieve talent development objectives, clarify responsibilities for training at all organizational levels, Standardized training procedures, and ensure that training effectively supports business development.

<b>Training Process</b>	Training needs assessment → annual training plan development → implementation of training programmed according to the plan → training effectiveness evaluation → archiving of training records.
<b>Training Levels</b>	Group-level training → company-level training → department-level training.
<b>Training Content</b>	Specialized training, new employee orientation training, talent development programmed, skills enhancement training, and corporate culture training.
<b>Training Formats</b>	Internal training, external training, and self-directed learning.
<b>Training Methods</b>	Offline training and online training. To further enhance the training system and standardized the online learning platform while building a learning-oriented organization, the Company has established Chengtun Cloud Classroom, providing employees with diversified learning opportunities.

**Promotion Mechanism**

Recruitment and appointment follow the principle of open competition. The Group's human resources management department organizes open selection processes, and successful candidates are appointed to the corresponding positions.

Position matching follows the Implementation Rules for Professional and Technical Personnel Qualification and Appointment. The relevant human resources management department conducts annual qualification reviews for professional staff and organizes position evaluation and appointment processes. For employees who do not currently meet the basic qualification requirements, training and guidance are provided to help them achieve the required standards within a specified timeframe.

Position matching is primarily based on skill levels and job characteristics. The relevant human resources department within each company develops its own evaluation framework and conducts regular position assessment processes.

**04 Employee Engagement**

- In areas where conditions permit, we actively build sports facilities to provide employees with enriching leisure time.
- We actively organize various cultural and sports activities to ensure the physical and mental well-being of employees.

Organising employee activities helps strengthen employees' sense of belonging and cohesion, promote communication and interaction among employees, stimulate initiative and creativity, and enhance overall job satisfaction. These initiatives contribute positively to the Company's competitiveness and sustainable development.

CCR and KMSA: Indoor sports facilities are provided, including basketball, table tennis, badminton, billiards, and various fitness equipment, offering employees opportunities for leisure and recreation.



**Strategy:**

Chengtun Mining strictly follows the requirements of international conventions such as the International Labour Organization (ILO) Declaration on Fundamental Principles and Rights at Work and the United Nations Global Compact, while also complying with the laws and regulations of the countries where its projects operate. The Company respects local cultural customs, safeguards employees' human rights, and firmly prohibits all forms of child labour and forced labour.

In daily employment practices, the Company promotes equality and anti-discrimination, and practices democratic management through measures such as establishing trade unions, maintaining open communication channels between management and employees, and implementing grievance and whistleblower protection mechanisms. These efforts aim to safeguard the legitimate rights and interests of every employee and foster a fair, diverse, and inclusive working environment.

**Impacts, Risks and Opportunities Management:**

Risk	Opportunity	Response Measures
Employment compliance risks where labour contracts, social insurance, working hours, and remuneration do not comply with regulations, potentially leading to penalties and labour disputes.	Establish a compliant employment system, enhancing corporate governance standards and credibility.	Strictly comply with labour regulations, Standardize labour contracts, compensation and benefits, and social insurance contributions, and improve employment management systems.
Loss of key talent and insufficient talent reserves may affect operational stability and long-term development capacity.	Attract and retain outstanding talent, strengthening organizational competitiveness.	Improve career development pathways, incentive mechanisms, and training systems, and strengthen the development of talent pipelines.
Inadequate protection of employee occupational health and safety may lead to work-related injuries and occupational diseases.	Safeguard employee health and safety, enhancing employee satisfaction and sense of belonging.	Establish and improve the occupational health and safety management system, implement protective measures, and conduct regular health examinations and risk inspections.
Insufficient employee training and slow skills development may constrain corporate efficiency and innovation capacity.	Improve employee skills and strengthen the Company's sustainable development capabilities.	Establish a structured training system by level and category, and provide skills enhancement, safety training, and comprehensive capability development programmed.
Insufficient corporate culture development and employee care may lead to weak cohesion and low employee engagement.	Foster a positive corporate culture and strengthen team stability.	Improve employee care mechanisms, address employee needs, organize cultural and sports activities, and ensure open communication channels.
Inadequate implementation of equal employment practices regarding gender, age, and identity may lead to discrimination and reputational risks.	Build a diverse and inclusive workplace and enhance corporate social image.	Uphold equal employment and equal pay for equal work, prohibit employment discrimination, and safeguard employees' legitimate rights and interests.
Ineffective employee communication and grievance channels may lead to conflicts and public opinion risks.	Build harmonious labour relations and enhance corporate reputation.	Establish and improve employee grievance, democratic management, and information feedback mechanisms to address issues promptly.
Inadequate management of outsourced and dispatched personnel may create compliance and management risks.	Standardize flexible workforce management and enhance integrated workforce management.	Include outsourced and dispatched personnel within unified safety management, training, and employee rights protection frameworks.

Indicators and Targets

Indicator	Unit	2022	2023	2024	2025
Total Annual Employee Training Hours	hours/year	108908.5	280970.83	173507.88	409784.45
Investment in Employee Training	RMB/year	42972	680878.6	530645.28	882105
Number of Training Course Types	number/year	11	21	18	32
Average Training Hours per Employee	hours/person/year	19.83	19.94	18.78	43.72

Indicator	Unit	2022	2023	2024	2025
Labour Contract Signing Rate	%	100%	100%	100%	100%
Social Insurance Coverage Rate	%	100%	100%	100%	100%
Number of Forced Labour Incidents	times	0	0	0	0
Employee Turnover Rate	%	14.54%	11.31%	20.00%	21.01%
Male-to-Female Salary Ratio for the Same Position	/	1:1	1:1	1:1	1:1

Indicator	Unit	2022	2023	2024	2025
Total Number of Employees	persons	7488	9193	9191	9372
Number of Male/Female Employees	persons	6064/1424	7489/1704	7603/1588	7800/1572
Employee Age Distribution (Under 30 / 30-50 / Above 50)	persons	2150/4287/1051	2604/5405/1184	2918/5026/1247	2754/5472/1146
Number of Employees from Ethnic Minority Groups	persons	556	758	1061	982
Number of Employees with Disabilities	persons	49	52	43	41
Employee Education Level (Bachelor's Degree and Above / High School and Above / Junior High School and Below)	persons	825/1230/5433	1277/1604/6312	2203/1731/5257	1790/4192/3390
Proportion of Female Managers at Middle Level and Above Among Management Employees	%	12%	11.3%	11%	11.3%
Number of Foreign Employees	persons	2916	3192	3238	3601

**Caring for Female Employees and Practicing ESG**  
**Chengtun Zinc & Germanium and Shimian County Federation of Trade Unions Organize a Legal Awareness Lecture for Female Employees**

To enhance female employees' legal awareness and their ability to safeguard their rights, on 18 March, Chengtun Zinc & Germanium, in collaboration with the Shimian County Federation of Trade Unions, successfully organized a special legal awareness lecture for female employees under the theme "Caring for Female Employees, the Law by Your Side." The initiative aimed to further improve female employees' legal literacy through legal education and outreach.

The lecture focused on laws and regulations such as the Law of the People's Republic of China on the Protection of Women's Rights and Interests and the Special Provisions on the Labour Protection of Female Employees. It provided detailed explanations of the lawful rights of female employees in areas including employment, social security, and marriage and family life, and, through typical case studies, offered clear and practical guidance on legal issues that female employees may encounter in the workplace and daily life.

After the lecture, a knowledge quiz session was specially organized to further consolidate the learning outcomes. Female employees actively participated and enthusiastically answered questions, creating a lively atmosphere at the event. The lecture received positive feedback from participants and further enhanced the legal literacy and rights protection awareness of female employees, contributing to the creation of a supportive environment that respects and safeguards women's rights.



**Eagles Take Flight for a New Journey, Painting a Bright Future for Chengtun**  
**Successful Completion of the Fourth "Eaglet Programmed" Training Camp**

The centralized training programmed supported campus recruits in transitioning from academic life to the professional workplace through knowledge sharing, capability development activities, and collaborative team projects. At the same time, the Group has established a one-year follow-up development programmed for participants in the Eaglet Programmed, covering both offline and online learning, progressing from intensive training to job rotations, and ultimately to formal role placement.

Participants are encouraged to continue learning, exploring, and innovating, striving to realize their personal potential while contributing new momentum to Chengtun's high-quality development. It is hoped that the Eaglets will quickly grow and evolve into skilled professionals, emerging leaders, and outstanding talents, working together to build a stronger and brighter future for Chengtun.



**01** Chengtun Energy “Celebrating May Day · Welcoming Youth Day” Employee Fun Sports Event Kicks Off with Energy and Excitement!

The “Celebrating May Day & Welcoming Youth Day” Employee Fun Sports Event organized by Chengtun Energy represents an important initiative to promote employee well-being, strengthen team cohesion, and foster a positive corporate culture, effectively demonstrating the Company’s commitment to the social dimension of ESG management.

The Company’s trade union will continue to organize diverse cultural and sports activities, integrating employee care into routine management while gradually establishing a long-term mechanism for health promotion and team development. In the future, such initiatives will form an important component of the Company’s ESG social performance, supporting the sustainable development of its human capital.



**02** In August 2025, BMS Brothers Mining organized a China-Africa Cultural Festival, conducting cultural exchange activities with the local community at the project site.



## Product and Service Safety and Quality Management

### Governance:

Quality management is the cornerstone of production and service delivery within the Company. Chengtun Mining consistently adopts a customer-focused approach, continuously improving products and services to meet customer needs. Through top-level design and meticulous management practices, we ensure that our products and services consistently meet customer requirements.

The core objective of quality management is to enhance customer satisfaction and strengthen the Company’s competitiveness. Through continuous improvement, we aim to reduce waste and improve operational efficiency. Effective quality management helps prevent defects, minimize rework and waste, thereby improving product quality and enhancing the Company’s reputation. Quality management is not only related to product standards but also reflects the Company’s corporate culture and core values.

### Quality Management Process



### 01 Quality Management System Development

Several subsidiaries of Chengtun Mining have established comprehensive quality management systems based on the ISO 9001 Quality Management System standard framework. These systems are continuously improved and refined to enhance product and service quality, strengthen brand reputation, optimize internal processes, improve employee capabilities, and support expansion into international markets.

### 02 Quality System Development

The development of quality management systems is an important approach for ensuring product and service quality and improving management standards. The standardization of policies enables effective quality control across the entire value chain—from raw material extraction, selection and preparation, and incoming material inspection, to smelting and processing, and final product sales.

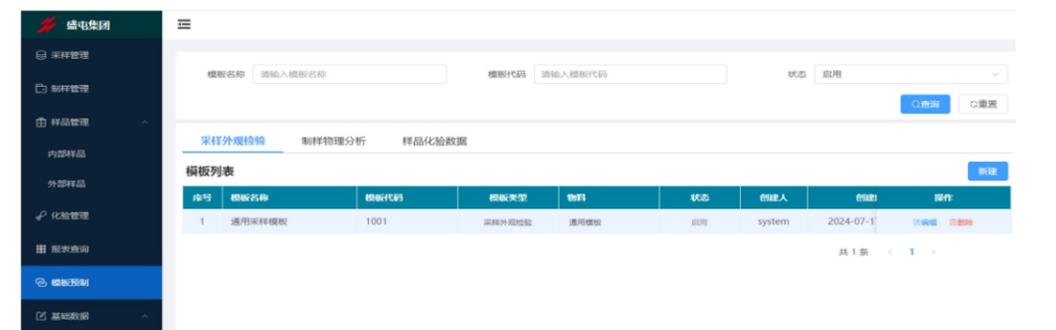
For example, KMSA has established and implemented systematic quality management documents, including the Quality Manual of the Quality Inspection Centre, the Quality Inspection Centre Testing Quality Management Procedures of KMSA Co., Ltd., and the Quality Management Specification for Testing in the Geological and Mineral Laboratory.

Chengtun Zinc & Germanium has established and implemented multiple quality management documents and standards, including the Central Laboratory Analysis Operating Procedures, the Inspection Procedures for Sulphuric Acid and Zinc Ingots, the Internal Calibration Procedures for Laboratory Instruments and Equipment, the Sample Management Policy, and the Instrument and Equipment Management Policy.

### 03 Digital Quality Management Platform

The Company leverages digital technologies to achieve intelligent, refined, and integrated quality management, reducing manual operations and human errors while improving the efficiency of quality management, product quality, and customer satisfaction.

Chengtun Zinc & Germanium continues to utilize its quality management system to collect information on incoming and outgoing materials and various inspection data, thereby enhancing the Company’s data collection and analytical capabilities.



**04 Quality Culture Development**

Improving quality is essential for strengthening the Company's competitiveness, enhancing cost efficiency, increasing customer satisfaction, and driving innovation. To maintain product quality standards, we conduct regular quality training sessions and weekly quality meetings, and establish quality improvement teams to analyze and enhance product quality in a targeted manner.

To further improve the quality of products and services and enhance employees' operational and inspection skills, we organize various quality and technical training programmed. Each company regularly conducts quality training, including induction training for new employees, specialized training for quality management personnel, and training for production operators, ensuring that personnel at all levels acquire and master the latest quality technologies and management practices. These efforts contribute to the continuous improvement and optimization of product and service quality, thereby enhancing customer satisfaction and market competitiveness.

- What is quality and quality management?
- The role and manifestation of quality awareness
- The manifestation and role of quality awareness
- Where does quality come from? How can qualified products be produced?
- A short story about quality awareness

**05 Quality Weekly Meeting Mechanism**

To promote the effective implementation of quality management, strengthen coordination and communication among departments, and enhance employees' quality awareness, the Company has established a quality weekly meeting mechanism, providing a foundation for continuous improvement

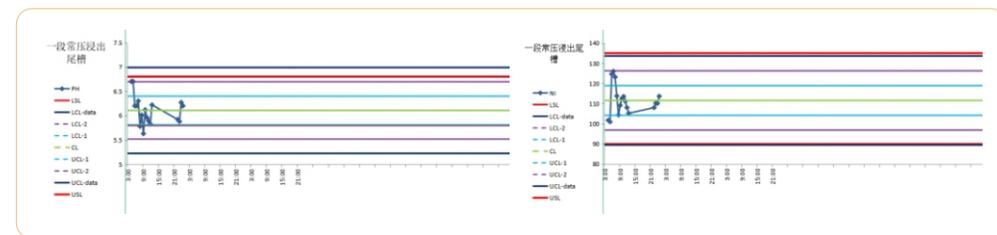
During these meetings, each department reports on quality performance over the past week. Based on identified quality issues, specific improvement measures are formulated, with clearly defined responsible persons, completion timelines, and expected outcomes. After the meetings, corrective actions are tracked and evaluated to ensure that issues are effectively resolved.

**06 Quality Improvement Team Activities**

To strengthen quality management, improve quality standards, and promote continuous quality improvement, the Company has established specialized quality improvement teams. A quality improvement initiative meeting was held to formulate quality enhancement plans and to review relevant quality management documents and standards.

The Company reinforces quality awareness through institutionalized policies and procedures, encouraging active participation from all employees. Employees contribute through discussions, reviews, and summaries, with a focus on continuous follow-up and improvement.

Chengtun Energy applies Statistical Process Control (SPC) tools to monitor production processes. By collecting and analyzing relevant data, potential abnormalities are identified. When anomalies occur, root cause analyzes are conducted and cross-departmental teams are formed to resolve the issues, ensuring that products meet the required standards during manufacturing and further improving the product quality pass rate.



**07 Customer Service**

Customer service is a critical component in establishing and maintaining relationships between the Company and its customers. It encompasses all aspects of customer interaction, including pre-sales consultation, in-sales support, and after-sales service. High-quality customer service enhances customer satisfaction and loyalty, thereby generating long-term value for the Company.

Timely responses to customer needs and concerns are essential in customer service. This requires the establishment of effective communication channels, such as telephone, email, online messaging, and social media platforms, ensuring that customers can easily reach the service team. At the same time, service personnel must possess professional expertise and strong communication skills to accurately understand customer requirements and provide appropriate solutions.

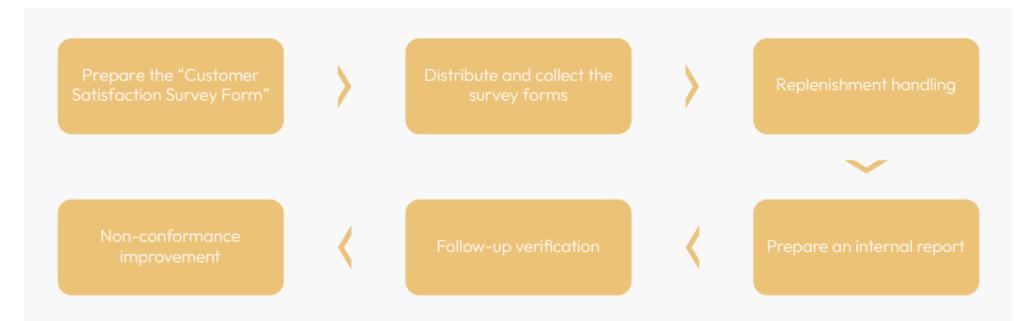
In addition, customer service includes the collection and analysis of customer feedback, which helps the Company improve its products and services and enhance the overall customer experience. Through regular customer satisfaction surveys, feedback collection, and market research, the Company can identify service gaps and implement corresponding improvement measures.

**08 Customer Satisfaction Survey**

Subsidiaries of Chengtun Mining maintain regular contact with customers through their marketing departments, conducting periodic visits to understand customer needs and current market conditions. Based on customer requirements and market trends, and in consideration of the Company's operational conditions, products are manufactured to meet customer expectations. At the same time, the marketing department and quality department maintain regular communication with customers to monitor product usage, promptly respond to feedback, and relay relevant information to the appropriate departments so that product adjustments can be made to better meet customer needs.

Chengtun Mining encourages its subsidiaries to conduct annual customer satisfaction surveys. To ensure the objectivity and effectiveness of these surveys, and to ensure that survey results accurately reflect customer satisfaction levels and support continuous improvement of the customer service system, the Company has established a Customer Satisfaction Control Procedure.

**Customer Satisfaction Survey Process**



**09 Customer Complaints**

Chengtun Mining values feedback from every customer. For customer complaints, the Company requires its subsidiaries to establish standardized complaint handling procedures to ensure that customer feedback is addressed effectively and that reported issues are resolved in a timely manner. Customer complaints can be submitted through multiple channels, including email, telephone, and written documents, and are formally recorded upon receipt.

The Company conducts investigations and analyzes of the reported issues. If a complaint is confirmed to be related to the Company's products, the relevant departments are organized to handle the matter in accordance with internal procedures. For major customer complaints, corrective and preventive measures are identified, and the relevant departments are required to implement remedial actions.

Through this complaint management process, we are able to promptly identify areas where customers are dissatisfied with products or services and take corrective and improvement measures accordingly. This approach helps to enhance customer satisfaction and loyalty, protect the Company's brand reputation, and support long-term business development.

Process	Description
Communication of Complaint Information and Channels	When cooperating with clients, the business department shall inform clients of the complaint methods and available channels.
Initiation of Customer Complaint	Clients submit complaint information to the Company's designated contact personnel.
Understanding and Reporting of Complaint Details	Upon receiving a complaint, the responsible personnel promptly contact the relevant person in charge based on the content of the complaint and provide a complete report of the complaint information to identify the cause. Based on the feedback received, relevant information is verified and the client is contacted. The responsible department proposes corrective measures and a rectification timeline according to the actual situation and provides the corrective plan to the client.
Complaint Handling	The corrective plan is communicated internally to ensure its feasibility. The plan is implemented and follow-up communication is conducted with the client.
Complaint Filing	After the complaint case is resolved, the information shall be archived and properly retained in a timely manner.

### Strategy

The Company regards product and service safety and quality as a core strategic priority, adhering to the principles of regulatory compliance, customer-first orientation, and full life-cycle management. An integrated management system has been established covering research and development, procurement, production, sales, and after-sales services.

The Company strictly benchmarks against international standards such as ISO 9001, strengthens the quality accountability system and risk early-warning mechanisms, enhances supplier qualification management and process audits, and promotes digital quality traceability and risk management. The Company also implements the requirements of 100% product qualification at factory release and closed-loop handling of customer complaints, continuously improving product safety design and testing capabilities, and enhancing information disclosure. Through these measures, we safeguard user rights with high-quality standards, while strengthening brand trust and sustainable competitiveness.

### Impacts, Risks and Opportunities Management:

Risk	Opportunity	Opportunity
Domestic and international product safety regulations and standards are frequently updated. Failure to align with these updates in a timely manner may lead to compliance penalties, product recalls, market access restrictions, and reputational damage.	Establishing a product safety management system that exceeds regulatory requirements can enhance consumer trust, meet international client access requirements, and strengthen market competitiveness.	Establish a full life-cycle product safety management mechanism, track regulatory developments and conduct compliance assessments, and strengthen safety control across R&D, production, sales, and after-sales stages to ensure compliant operations.
The supply chain involves multiple stages and suppliers with varying quality levels, which may lead to unstable raw material quality and inadequate process control, affecting final product quality.	Strengthening quality control across the entire value chain can improve product consistency and reliability, reduce rework and scrap costs, and build a sustainable quality advantage.	Improve supplier admission, auditing, classification, and exit mechanisms; establish a quality traceability system; and promote quality improvement among key suppliers to achieve coordinated supply chain quality management.
Untimely or improper handling of product quality issues or safety incidents may lead to escalating customer complaints, reputational risks, and legal liabilities.	Efficient closed-loop after-sales and crisis management mechanisms can enhance customer satisfaction and brand loyalty while providing a basis for product improvement and iteration.	Establish rapid-response processes for customer feedback and complaints, improve emergency response plans for product safety incidents, and conduct regular reviews and improvements to form a continuous quality improvement loop.
Insufficient or non-transparent disclosure of product safety and quality management information may affect ESG ratings, investor confidence, and the Company's sustainable development image.	Standardized disclosure of quality and safety management performance can enhance stakeholder recognition and contribute positively to ESG performance.	Integrate product safety and quality targets into the Company's ESG strategy and annual performance assessment, systematically disclose management systems, key indicators, and improvement outcomes, and enhance information transparency and accountability.

### Indicators and Targets

Each operational site has established and continues to operate a quality management system.



Indicator	Unit	2022	2023	2024	2025
Product Qualification Rate	%	/	/	/	100
Customer Satisfaction	%	/	/	/	100
Timely Closure Rate of Customer Complaints	%	100	100	100	100

## CHENGTUN MINING

### Outstanding Quality Sets an Industry Benchmark CCR Achieves 100% A-Grade Copper Production for Three Consecutive Months, Reaching a Historic High

As global competition among major economies intensifies and technological and industrial transformations continue to deepen worldwide, the strategic importance of the non-ferrous metals mining industry has become increasingly prominent. Congo Chengtun Resources (CCR) has once again demonstrated the strong production capability and quality management excellence of Chengtun's overseas operations with an outstanding performance record. To date, CCR has achieved a 100% A-grade copper production rate for three consecutive months, setting a new historical record for the project and establishing a new benchmark in quality management.



#### Lean Management and Quality Control as a Benchmark

CCR is currently standardizing this quality control experience into a management manual, with plans to promote it across other similar projects within Chengtun Mining. As global demand for copper products continues to surge—driven by the new energy sector and the power industry—the continuous breakthroughs represented by Chengtun's CCR operations may help reshape the international high-end copper supply chain landscape.



### Quality Inspection

To improve product quality, reduce costs, enhance production efficiency, strengthen corporate competitiveness, and support sustainable development, the Company is committed to establishing comprehensive testing capabilities throughout the entire production process. This ensures that every stage of production complies with quality standards, thereby further improving overall product quality.



Each mining company conducts daily sampling and analysis of conditions prior to mining operations to ensure that extraction can proceed according to the expected requirements. Each smelting company performs material composition analysis on raw materials to ensure that purchased materials meet the required quality and technical specifications.



Mining companies supervise and control the mining process to ensure that mining progress and operational conditions comply with relevant standards and requirements. Smelting companies conduct sampling and laboratory analysis during the production process to ensure that all technical and quality indicators meet the required specifications.



Mining companies conduct ore blending and beneficiation on extracted products to ensure that the final output meets customer requirements. Smelting companies perform sampling and laboratory analysis of produced products to ensure that all technical and quality indicators of finished products comply with the relevant standards and specifications.

### Main Laboratory Equipment of Chengtun Energy

The Company is committed to improving product quality, reducing costs, increasing production efficiency, enhancing corporate competitiveness, and ensuring sustainable development. To achieve this, it strives to establish comprehensive inspection capabilities throughout the entire production process, ensuring that every stage of production meets quality standards and thereby improving overall product quality.



Atomic Fluorescence



Atomic Absorption



ICP



Ion Chromatography



Carbon and Sulfur Analyzer



X-ray Fluorescence

## Data Security and Customer Privacy Protection

The Company has appointed IT information administrators responsible for the security management of computer information systems within the Company.

### Information and Digital Transformation

The Company is advancing information and digital transformation, with the core objective of securing both survival and growth opportunities in the digital era. This transformation is not only an inevitable response to external factors—such as technological advancement, evolving customer demands, and intensified market competition—but also a strategic initiative for proactive corporate evolution.

Its fundamental value lies in digitizing offline processes through information systems to achieve cost reduction, efficiency improvement, and standardized management. Building on this foundation, digital transformation leverages data to reshape business models, drive innovation in products, services, and business operations, ultimately enhance the customer experience, strengthen market competitiveness, and build an agile organization supported by core digital assets.

Based on its existing digital infrastructure, the Company launched and implemented a new Enterprise Resource Planning (ERP) system in 2025.

Software Name	Purpose
Chengtun Cloud Classroom	Training
Sunshine Procurement System	Procurement
I-HR System	Performance Evaluation
Landray OA	Office Administration
Dayee Recruitment System	Recruitment
ERP System	Business and Financial Management

### Information Security

With the accelerating pace of digital transformation, Chengtun Mining handles a large volume of information and data in its daily production and operational processes, including various types of sensitive data and business confidential information related to employees, suppliers, customers, and other stakeholders. Therefore, we place strong emphasis on information security and confidentiality, and have established and implemented a series of management policies, including the Information System Management Policy, the Confidentiality Management Regulations, and the Laptop Configuration and Management Measures, to comprehensively safeguard information security.

• **Employee Security Awareness Training** Information security training courses are conducted to enhance employees' awareness of information security. These courses cover topics such as identifying phishing emails and avoiding the use of unauthorized software. During new employee orientation, relevant company information security management policies are also introduced.

• **Institutional Framework** Strict information security policies have been established to clearly define employees' responsibilities in information processing, storage, and transmission, standardize operational practices, and implement corresponding disciplinary measures for violations.

• **Data Security Management** Data Classification and Grading Management: Data are classified and graded according to their importance and sensitivity, with corresponding levels of security protection applied to different categories of data. Data Backup and Recovery Strategy: A comprehensive data backup mechanism has been established, with important data backed up regularly.

Technical Controls	Type	Description
	Firewall	Blocks unauthorized access and data exchange to protect the Company's networks and systems.
	Document Encryption	Encrypts and protects important documents and data.

### Strategy

The Company regards data security and customer privacy protection as a core ESG strategic priority, adhering to the principles of compliance first, privacy protection, full-process management, and continuous improvement. Privacy protection is integrated into the entire business process to balance data utilization with security management.

The Company conducts regular cybersecurity attack-defense drills, improves management systems and accountability frameworks, strengthens specialized employee training, and enhances overall awareness of data security across the workforce.

### Impacts, Risks and Opportunities

Risk	Response Measures
<p><b>External Attack Risks</b></p> <p>Malware intrusion: including viruses, trojans, worms, etc. Employees may accidentally click links in phishing emails or download attachments containing malware, causing the Company's systems to become infected and resulting in internal information leakage or damage.</p>	<p>Install firewalls and intrusion detection/prevention systems: firewalls block unauthorized external network access; intrusion detection systems monitor and alert suspicious network activities in real time; intrusion prevention systems actively intercept potential attacks. Conduct regular cybersecurity assessments and vulnerability scans: regularly inspect network systems and software applications to identify vulnerabilities and apply patches in a timely manner. Carry out employee cybersecurity awareness training to strengthen staff awareness.</p> <p>Strengthen internal control and access management mechanisms, enhance employee awareness and operational standards, and implement strict confidentiality and data protection policies.</p> <p>Establish data backup and recovery mechanisms, strengthen encryption management for storage devices and data transmission, and implement strict management and protection measures for data storage equipment.</p>
<p><b>Internal Risks</b></p> <p>Employee errors: employees may inadvertently send sensitive files to the wrong recipient or use unencrypted portable storage devices, leading to data loss.</p> <p>Malicious internal data theft: some employees may deliberately steal the Company's trade secrets for financial gain or other purposes and sell them to competitors.</p>	
<p><b>Data Storage and Transmission Risks</b></p> <p>Failure or loss of data storage devices: if the hard drive storing data is damaged and no backup exists, data may be lost. In addition, the loss of devices such as laptops or portable hard drives may lead to data leakage risks.</p>	

### Indicators and Targets

Indicator	Unit	2022	2023	2024	2025
Information Security Drills	times	/	/	/	1
Information Security Training	times	/	/	/	1

## Innovation-Driven Development

### Governance

We consistently regard technological innovation as the core competitive advantage and driving force behind the Company's sustainable development. The Company places strong emphasis on investment in research and development, continuously optimizing and improving innovation management mechanisms, increasing incentives for R&D innovation, and ensuring the stability of the innovation talent pool while enhancing R&D capabilities.

#### 01 R&D Innovation Mechanism

We have established and implemented a series of technology management systems, including the Scientific Research Management Policy, the Intellectual Property Management Policy, the Research Institute R&D Incentive Mechanism, and the R&D Innovation Project Management Process. These policies Standardize the entire R&D process, including project management, financial accounting, results evaluation, and performance incentives, thereby promoting efficient and orderly technological innovation activities.

#### 02 R&D Innovation Platform

We have established a two-tier R&D management platform. Chengwei Xingke serves as the Mining Group's research institute, primarily responsible for strategic and forward-looking research, while major subsidiaries have established their own R&D centers focusing on applied research related to their respective business operations.

Chengwei Xingke serves as the central platform for R&D and innovation activities. It was formally established in December 2019, covering an area of 1,100 square meters with a total investment of approximately RMB 12 million. Its primary focus is the research and development of new energy metal materials and optoelectronic materials, including lithium, nickel, cobalt, copper, zinc, and germanium.

In terms of R&D team development, Chengwei Xingke has built a stable research team of 20-30 members, consisting of senior engineers with extensive industry experience as the core, supported by doctoral and master's degree researchers. Team members possess strong R&D experience and professional expertise, enabling them to efficiently undertake various research projects.

The R&D centers of subsidiaries mainly conduct three categories of research based on existing product lines:

- Development and application of new technologies for the preparation of new energy materials and environmental protection;
- Industrialisation research on key technologies for improving smelting quality, reducing energy consumption, and promoting cleaner production;
- Development and engineering demonstration of high-efficiency smelting and preparation technologies for new energy materials.

In terms of R&D equipment configuration, Chengwei Xingke currently possesses advanced domestic integrated R&D and analytical equipment for lithium battery materials, high-purity materials (such as germanium and copper), and non-ferrous metal materials including cobalt, nickel, and zinc. Major equipment includes triple quadrupole inductively coupled plasma mass spectrometry (ICP-MS/MS), laser particle size analyzers, scanning electron microscopes (SEM), X-ray diffraction instruments (XRD), and thermogravimetric-differential thermal analyzers (TG-DTA).



Triple Quadrupole Inductively Coupled Plasma Mass Spectrometer (ICP-MS/MS)    FScanning Electron Microscope (SEM)    Electrochemical Workstation    X-ray Diffractometer (XRD)    Thermogravimetric-Differential Thermal Analyzer (TG-DTA)

**POINT 03 R&D Project Management**

To Standardize the management of the Company's R&D and innovation projects and promote their effective implementation, while encouraging all R&D personnel to actively participate in scientific research and innovation activities, the Company has established and continuously improved its R&D innovation system. A well-structured and scientifically organized framework has been put in place to ensure the effective advancement of research and innovation initiatives.

**POINT 04 Project Management**

Chengwei Xingke and the R&D centers of each subsidiary conduct research and development activities through a project-based management approach, establishing comprehensive project management systems and processes, as well as team collaboration mechanisms and communication channels. Team members work closely together to address challenges encountered during the R&D process, thereby improving both the efficiency and quality of research activities.

**POINT 05 R&D Incentives**

To stimulate the enthusiasm and innovative spirit of R&D personnel and enhance the efficiency and quality of research outcomes, the Company has established the Research Institute R&D Incentive Mechanism. This mechanism aims to comprehensively motivate R&D personnel through five types of incentives: project bonus incentives, stock option incentives, intellectual property incentives, employee promotion incentives, and training and development incentives. These measures promote technological advancement and the sustainable development of the research institute.

**POINT 06 Commercialization of R&D Achievements**

We have established a comprehensive process for the commercialization of research outcomes, including technology evaluation, market research, and product development. The effectiveness of R&D commercialization is regularly assessed and analyzed to promptly identify and resolve issues. In addition, Chengwei Xingke and the R&D centers of each subsidiary have established incentive mechanisms and policy support systems to encourage and support the transformation and application of R&D achievements.

**POINT 07 Intellectual Property Management**

Chengtun Mining places great importance on the protection of intellectual property and strictly complies with relevant laws and regulations, including the Patent Law of the People's Republic of China, the Anti-Unfair Competition Law of the People's Republic of China, and the Intellectual Property Management Standards. The Company has established procedures such as the Intellectual Property Management Policy to ensure the strict protection of its intellectual property rights. During the reporting period, the Company further strengthened its intellectual property management system through measures including the formulation of IP-related policies, the management of IP risks, and the protection of trade secrets, thereby promoting the commercialization of innovation achievements. The Company also conducts strict reviews of suppliers' and partners' intellectual property ownership and authorized scope of use, signs standardized licensing agreements to prevent infringement risks, and establishes external intellectual property registers to track authorization terms and usage boundaries while conducting regular compliance reviews. At the same time, confidentiality arrangements and ownership of research outcomes are clearly defined to safeguard the Company's rights and enable the compliant, efficient, and secure use of external intellectual property.

**Strategy**

The Company adheres to an innovation-driven development strategy, with technological innovation, management innovation, and green innovation at its core. Innovation is integrated throughout the entire process of sustainable development to drive industrial upgrading and high-quality growth. Focusing on green and low-carbon development, intelligent efficiency, and operational safety and reliability, the Company continues to increase R&D investment, improve industry-academia-research collaboration mechanisms, strengthen the development of key core technologies, and enhance independent innovation capabilities.

The Company has established sound innovation incentive and commercialization mechanisms to encourage both internal and open innovation, facilitating the large-scale application of innovative outcomes. Through innovation, the Company aims to support energy conservation and emission reduction, efficiency improvement, product upgrading, and digital transformation, contributing to the achievement of the "dual carbon" goals and broader sustainable development objectives, while continuously strengthening its core competitiveness and long-term value.

**Impacts, Risks and Opportunities Management**

Risk	Opportunity	Response Measures
Rapid technological updates, long R&D cycles, and high investment requirements may lead to mismatches between input and output or errors in technology pathway selection.	Continuous R&D investment can create technological barriers and enhance core competitiveness and industry leadership.	Formulate scientific R&D planning, establish project evaluation and dynamic adjustment mechanisms, and allocate innovation resources appropriately.
Dependence on external sources for key core technologies may lead to risks such as technological dependency and intellectual property disputes.	Mastering proprietary core technologies can enhance risk resilience and long-term profitability.	Strengthen research on key technologies and improve the system for intellectual property layout, application, and protection.
Shortage of high-end innovation talent and insufficient incentives may lead to weak innovation capability and unstable teams.	Outstanding innovation talent is a core asset that can significantly enhance R&D efficiency and the transformation of research outcomes.	Improve talent recruitment, training, incentive, and promotion mechanisms to build a strong innovation-oriented talent team.
High investment in low-carbon and environmental technologies, along with rapidly changing policy standards, may create pressure on transformation costs.	Green innovation aligns with carbon neutrality goals, enabling access to policy support and improved ESG ratings.	Focus on the development of green and low-carbon technologies and promote the green upgrading of products and processes.
Rigid mechanisms, complicated procedures, and insufficient tolerance for errors may suppress organization-wide innovation.	A strong culture of innovation can improve efficiency, stimulate vitality, and build sustained competitive advantages.	Establish innovation incentive systems, fault-tolerance and correction mechanisms, and open collaboration frameworks to foster an innovative culture.

**Indicators and Targets**

Indicator	Unit	2022	2023	2024	2025
R&D Personnel	persons	204	219	208	173
Number of PhD Holders	persons	4	3	2	1
Number of Master's Degree Holders	persons	7	8	13	10
Number of Patents Granted	cases	13	10	3	27
Number of Patent Applications	cases	11	15	15	15
R&D Investment	RMB 10,000	3899.0021	3890.4692	5414.4107	5275.93
R&D Investment as a Percentage of Operating Revenue	%	0.15	0.16	0.21	0.18%

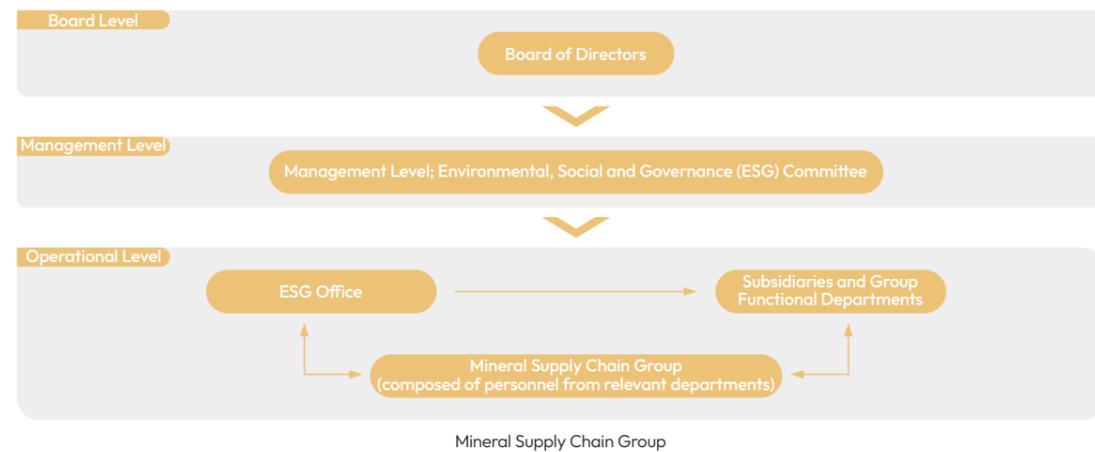


## Technology Ethics

The Company currently does not engage in business activities directly related to technology ethics, such as artificial intelligence applications or large-scale data processing. Accordingly, it has not yet been involved in R&D, application, or management activities related to technology ethics, nor have any technology ethics-related risk incidents occurred. Looking ahead, the Company will continue to monitor policy developments and industry standards in the field of technology ethics and gradually strengthen awareness in this area in line with its business development. Should future operations involve activities related to technology ethics, the Company will promptly establish and improve an appropriate ethics management framework, regulate relevant practices, fulfil corresponding social responsibilities, and ensure that business development advances in alignment with ethical standards and societal values.

## Supply Chain Security

### Governance



### POINT 01 Mineral Supply Chain Team

The mineral supply chain team conducts due diligence to trace the compliance of mineral sources, organizes community and social responsibility activities, and manages environmental, social, and governance risks within the supply chain.

### POINT 02 Supply Chain Management

Chengtun Mining places strong emphasis on responsible supply chain management, requiring suppliers to conduct their business in a responsible manner. During the reporting period, the Company strictly followed internal policies such as the Supplier Selection and Evaluation Policy, Procurement Contract Management Policy, Tendering and Bidding Management Policy, Measures for the Management of the Mineral Supply Chain Due Diligence Committee of KMSA Co., Ltd., and the Mineral Supply Chain Risk Management Procedure of KMSA Co., Ltd..

Suppliers are also required to sign documents including the Quality Agreement, Environmental Agreement, and Declaration of Non-Use of Conflict Minerals, promoting responsible business cooperation with the Company in compliance with environmental and social requirements.

### POINT 03 Supplier Access

Chengtun Mining advocates establishing long-term, stable, and trustworthy cooperative relationships with suppliers and maintains regular communication mechanisms to enhance suppliers' awareness of fulfilling social responsibilities. Through the implementation of a green procurement policy, in addition to meeting basic supplier qualification requirements, suppliers are required to provide a Material Composition Declaration List and relevant environmental management substance testing reports, such as those related to RoHS compliance. Only suppliers whose raw material composition passes the required inspections are eligible to be included in the Company's approved supplier list.



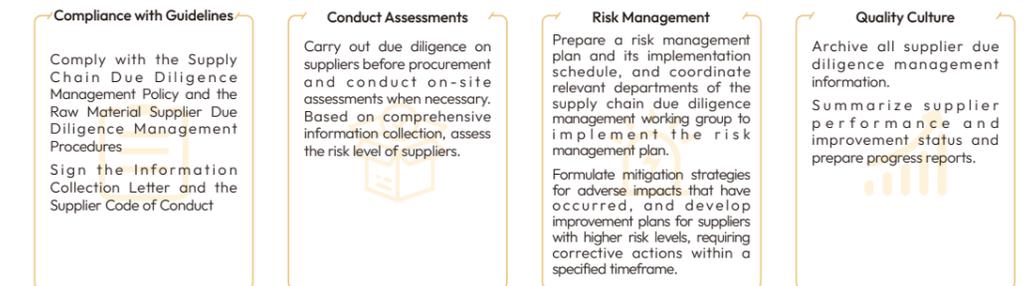
### POINT 04 Supplier Evaluation and Assessment

Chengtun Mining conducts annual reviews and evaluations of suppliers' responsible practices, assessing potential risks related to environmental protection, safety, and social responsibility, and takes corresponding measures where necessary. Suppliers that fail to meet assessment requirements and do not complete rectification within the specified timeframe, or that are involved in major quality incidents or significant contractual or legal violations, will have their supplier qualification revoked.

### POINT 05 Building a Responsible Supply Chain

To strengthen due diligence management of suppliers and prevent, identify, and mitigate supply chain risks, Chengtun Mining guides and supports suppliers in establishing and implementing supply chain due diligence management systems. The Company regularly monitors suppliers' risk mitigation outcomes and adopts management strategies of continued cooperation or suspension of cooperation depending on the progress made in reducing risks.

We believe that responsible supplier management ensures the quality and safety of products and services, helps reduce environmental and social responsibility risks, and enhances the Company's corporate image and reputation. The Company's subsidiary, KMSA, has established the Supply Chain Due Diligence Management Policy and the Risk Implementation and Monitoring Procedure, committing to identifying and managing risks in supply chain operations.



In addition, subsidiaries of Chengtun Mining have formulated the Supply Chain Due Diligence Management Policy with reference to the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas. The Company also requires its suppliers to adopt consistent policies and actions to identify, prevent, and mitigate risks related to human rights, armed conflict, and corruption in supply chain operations.

We have observed that stakeholders are paying increasing attention to the social and environmental risks associated with the extraction and supply chains of key new energy minerals, such as cobalt, nickel, and copper. The internal and external drivers for upstream and downstream companies in the industry chain to adopt responsible business practices are steadily increasing. Chengtun Mining firmly believes that the development and utilization of mineral resources in complex and fragile regions involves not only the respect for and protection of human rights, but also the protection of the ecological environment and the response to climate change. At the same time, it contributes to improving local public governance, promoting economic and social development, and supporting community well-being.

Strategy

To enhance the Group's ESG governance level and broaden its governance platform, Chengtun Mining Group Co., Ltd. has joined the Responsible Critical Minerals Initiative (RCI). As a member of RCI, the Company recognizes the mission and objectives of the initiative and fully acknowledges the importance of standards such as the China Mineral Supply Chain Due Diligence Management Guidelines, the Guidelines for Social Responsibility in China's Mining Investments, the Cobalt Refinery Supply Chain Due Diligence Management Standard, and the ESG Management Framework for Artisanal Cobalt Mining in promoting responsible mineral supply chain management.

The Company also endorses the principles and vision of the Joint Action Initiative for Promoting High-Quality Development of Critical Mineral Supply Chains. Through strengthened supply chain due diligence management, Chengtun Mining aims to improve governance standards and enhance collaboration with upstream and downstream enterprises in the mineral supply chain, thereby contributing to the development of a responsible, resilient, and sustainable critical mineral supply chain.

Impacts, Risks and Opportunities Management

Risk	Opportunity	Response Measures
Sudden factors such as natural disasters, geopolitical events, and pandemics may disrupt raw material supply and logistics, affecting the continuity of production and operations	Optimizing supply chain layout can enhance the Company's risk resilience, improve operational stability, and strengthen market confidence.	Establish a diversified supply chain system, develop alternative suppliers, and establish emergency response plans for supply chain disruptions.
Suppliers failing to meet ESG compliance, product quality, or environmental and safety requirements may result in compliance penalties, product quality issues, and reputational damage.	Promoting ESG alignment with suppliers can build a high-quality and sustainable supply chain, enhancing overall industry chain competitiveness.	Improve supplier admission, auditing, classification, and exit mechanisms, and conduct regular sustainability-related supplier audits.
Significant fluctuations in raw material prices, logistics costs, and labour costs may increase operating expenses and compress profit margins.	Optimizing supply chain cost management can improve profitability and create cost competitiveness.	Establish cost monitoring and early-warning mechanisms, sign long-term cooperation agreements with key suppliers, and promote digital supply chain solutions to reduce costs.
Stricter environmental policies and insufficient green production capacity among suppliers may slow the Company's green supply chain transformation, leading to compliance and reputational risks.	Advancing green supply chain upgrades can align with carbon neutrality goals, access policy support, and enhance ESG ratings and brand value.	Guide suppliers to implement green production practices, prioritize suppliers with green certifications, and implement supply chain carbon footprint management.
International trade frictions, tariff adjustments, and technology restrictions may disrupt cross-border supply chains and affect import and export operations.	Optimizing regional supply chain layout and expanding domestic and diversified overseas markets can reduce geopolitical risks.	Develop localized supply chains, expand into non-restricted markets, and establish monitoring and response mechanisms for trade barrier risks.

Indicators and Targets

Indicator	Unit	2022	2023	2024	2025
Closure Rate of Reported Supply Chain Security Issues	%	100	100	100	100
Number of Major Supply Chain Safety Incidents	cases	0	0	0	0

Building a Sustainable Mining Future  
Chengtun Mining Participates in the  
2025 OECD Forum on Responsible Mineral Supply Chains

From 5 to 9 May 2025, Chengtun Mining Group, as a representative of China's mining industry, attended the 2025 OECD Forum on Responsible Mineral Supply Chains in Paris, France.

This forum focused on governance of critical mineral supply chains in the context of the energy transition, the protection of human rights and community interests, and support for artisanal and small-scale mining (ASM). It attracted participation from global policymakers, international organizations, and representatives of mining enterprises. During the event, Chengtun Mining joined other Chinese companies—including the China Chamber of Commerce of Metals, Minerals & Chemicals Importers & Exporters (CCCME), Zijin Mining, Tsingshan Holding Group, and CATL—to share China's practical experience and promote mutual recognition of international standards and international cooperation.

Focusing on Key Issues to Enhance Supply Chain Resilience and Human Rights Protection



RCI

On 11 June 2025, the China Chamber of Commerce of Metals, Minerals & Chemicals Importers & Exporters successfully hosted the Preparatory Meeting for the Expansion and Upgrade of the Responsible Critical Minerals Initiative (RCI) in Changsha, Hunan Province. Upstream and downstream enterprises in the mineral supply chain are encouraged to take collective action, continuously enhance their due diligence



RCI

To support enterprises in addressing overseas investment and trade risks, implementing the assessment practices outlined in the China Mineral Supply Chain Due Diligence Management Guidelines, improving internal compliance and sustainable development management, and continuously strengthening the capabilities of corporate internal auditors, the China Chamber of Commerce of Metals, Minerals & Chemicals Importers & Exporters organized the "2025 Mineral Supply Chain Due Diligence Management Capacity Training Programmed" from 11 to 13 March 2025.



## Equal Treatment of Small and Medium-sized Enterprises (SMEs)

### Governance

A dedicated governance mechanism has been established to ensure the fair treatment of SMEs, with clear responsibilities assigned to relevant departments and equal cooperation incorporated into the Company's ESG governance framework. Management systems for cooperation with SMEs have been improved, discriminatory clauses are strictly prohibited, and complaint and feedback channels have been established to safeguard the legitimate rights and interests of SMEs. Regular inspections are conducted to ensure the effective implementation of these measures.

### Strategy

Guided by the principle of "collaborative development and mutual benefit," the Company integrates SMEs into its supply chain ecosystem and formulates differentiated cooperation strategies. Leveraging its own resources, the Company provides partner SMEs with technical guidance, compliance training, and other forms of support, promoting the enhancement of SMEs' ESG capabilities and fostering a mutually beneficial and sustainable industrial ecosystem.

### Impacts, Risks and Opportunities Management

The primary risks relate to insufficient compliance capabilities and limited fulfilment stability among SMEs, which may affect supply chain efficiency. However, cooperation with SMEs also presents opportunities, including bringing innovative vitality, reducing supply chain costs, fulfilling social responsibility, and enhancing the Company's ESG ratings and brand reputation.



## Community Management

The Company has established a structured governance framework for community management:



### Board of Directors

CHENG TUN MINING

Responsible for setting overall policies and directions for community engagement and contributions to rural revitalization, and for making decisions on major matters;



### Management Level

CHENG TUN MINING

The ESG Office coordinates community management activities and supervises and guides subsidiaries in implementing community-related initiatives;



### Execution Level

CHENG TUN MINING

Each subsidiary is responsible for implementing community management activities and reporting progress to the ESG Office in a timely manner. Management systems such as the External Donation Management Policy have been formulated to ensure the effective implementation of community engagement activities.

### Strategy

The Company's development relies on the support of local governments and communities. While pursuing corporate growth, we remain committed to giving back to society, contributing to community development, and advancing shared progress with local stakeholders. The Company actively participates in community co-creation and joint development initiatives, recognizing that giving back to society also enhances employees' sense of belonging and loyalty.

On 28 November 2025, KMSA signed the Social Responsibility Commitment (2024–2029) with surrounding communities, committing USD 1.52 million to projects in education, drinking water supply, and other public welfare areas. These initiatives aim to alleviate shortages in local healthcare and education resources, fulfil social responsibilities, and foster a new chapter of mutually beneficial development between mining operations and local communities.

### Impacts, Risks and Opportunities Management

Risk	Opportunity	Response Measures
Community complaints, NIMBY conflicts, and negative public opinion may affect production operations and corporate reputation.	Build harmonious community relations, obtain social licence to operate, and ensure stable project operations.	Establish regular communication mechanisms (such as meetings, public notices, and hotlines), implement closed-loop complaint management, and conduct prior communication on major matters.
Failure to meet local regulatory requirements and non-standard information disclosure may lead to compliance risks.	Improve compliance standards, enhance government trust, and obtain policy support and facilitation in approvals.	Comply with local governance requirements, regularly disclose community responsibility information, and proactively accept supervision.
Improper handling of issues such as land acquisition, relocation, employment, and compensation may trigger disputes and project disruptions.	Reduce resistance during project development and operations, improving project implementation efficiency.	Improve stakeholder identification and consultation mechanisms, properly address reasonable demands, and handle issues in a transparent manner.
Environmental disturbances to nearby communities (such as dust, noise, emissions, and traffic) may cause dissatisfaction.	Reduce environmental disturbance at the source and improve corporate reputation and ESG ratings.	Strengthen environmental management, optimize operating schedules and transportation routes, and minimize impacts on community life.

### Indicators and Targets

Indicator	Unit	2022	2023	2024	2025
Public Welfare Donations and Rural Revitalization	RMB 10,000	572.32	1086.34	2438.54	248.66

**ESG Action | Groundbreaking Ceremony for the Kalongwe Village Primary School and Handover Ceremony for the Medical Centre under the KMSA Social Responsibility Project Successfully Held**

On the morning of 26 February (local time in the Democratic Republic of the Congo), KMSA Co., Ltd. (KMSA) successfully held the groundbreaking ceremony for the Kalongwe Village Primary School construction project and the handover ceremony for the Medical Centre, both key initiatives under its social responsibility programmed.

The ceremony was attended by the Minister of Mining of Lualaba Province, the Provincial Minister of Education, the Provincial Minister of Health, the Administrator of Mutshatsha Territory, the Administrator of Lufupa Sector, and the Director of the Public Health Department, along with representatives from various government departments. Also present were representatives from KMSA, representatives of the contractor BPS Company, the village chief of Kalongwe Village, as well as village chiefs and community representatives from eight surrounding villages benefiting from the Kalongwe social responsibility project.



The construction of the medical centre and community primary school has provided the community with improved healthcare and educational facilities, effectively addressing the long-standing shortage of medical resources and inadequate educational conditions in the area. In the future, these facilities will better meet the healthcare and educational needs of local residents, significantly contributing to the improvement of community infrastructure and supporting long-term, healthy community development.

These two key projects—the Kalongwe Village Primary School and the Medical Centre—not only represent a vivid demonstration of KMSA Co., Ltd.'s active fulfilment of corporate social responsibility, but also reflect the Company's concrete efforts in implementing environmental, social, and governance (ESG) principles. They highlight the Company's firm commitment and practical actions toward sustainable development.



CHENGTUN MINING

## Occupational Health and Safety

Effectively preventing and mitigating major safety risks and ensuring a stable safety environment constitute a fundamental foundation for the high-quality development of Chengtun Mining. In order to implement China's policy of "safety first, prevention foremost, and comprehensive management", uphold a people-oriented approach, fulfil safety production responsibilities, eliminate major accidents, and reduce the occurrence of general accidents, Chengtun Mining has established and continuously improved its occupational health and safety management system in accordance with the Work Safety Law of the People's Republic of China, the Opinions of the CPC Central Committee and the State Council on Promoting Reform and Development in the Field of Work Safety, as well as relevant laws and regulations of the countries in which it operates.

The Company has implemented a safety management system across Chengtun Mining and its subsidiaries, establishing a dual prevention mechanism consisting of risk-based safety control and hazard identification and rectification. A series of safety management and assessment systems tailored to the Company's operational characteristics have also been formulated to ensure the continuous stability of workplace safety and effectively prevent safety risks.

### Governance

**01 Occupational Health and Safety Management Structure**

To better fulfil safety responsibilities and effectively implement the overall safety requirements of Chengtun Mining, the Company has established a Safety Committee and implemented a graded safety management system. The main structure is as follows:

Group Level		Management Level	Execution Level
Decision-Making Level	Board of Directors / Safety Committee	Operations Department (Dedicated Safety Management Personnel)	Subsidiaries

**Board of Directors / Safety Committee:** Responsible for formulating overall safety policies and directions and making decisions on major safety matters.

**Management Level:** The Operations Department of Chengtun Mining coordinates the implementation of safety management activities. Dedicated safety management personnel are assigned within the Operations Department to supervise and guide subsidiaries in carrying out workplace safety management.

**Execution Level:** Each subsidiary establishes and maintains a sound safety management structure, with the General Manager of each company serving as the primary person responsible for safety management, while the Safety and Environmental Protection Department assists in implementing specific safety management activities.

**Subsidiary Level:**

Management Level: Subsidiary Heads / Safety Committee	Supervisory Level: Subsidiary Safety Management Departments
Execution Level: Production Workshops and On-site Operations	

**Management Level:** The General Manager of each company serves as the primary person responsible for environmental protection and safety, and a Safety Committee is established to coordinate the implementation of safety management activities and determine the annual safety management objectives of each company.

**Supervisory Level:** Each company establishes a dedicated safety management department (or designated personnel) responsible for supervising the implementation of safety management activities and regularly inspecting on-site safety management practices.

**Execution Level:** Production workshop leaders and on-site supervisors implement the safety management requirements of Chengtun Mining and their respective companies. Dedicated or part-time safety management personnel are appointed at workshop and site levels to conduct routine inspections and monitoring.

**POINT 02** Development of Occupational Health and Safety Management Systems

To establish a long-term safety management mechanism and achieve standardized safety operations, the Company continuously improves its safety management practices in accordance with national laws and regulations, the ISO 45001 management system, and the dual prevention mechanism, while taking into account its own operational safety risks.

In line with the overall safety management requirements of Chengtun Mining, each subsidiary has established and continuously improved its own safety management system and compiled the relevant policies into formal documentation.

Group Occupational Health and Safety Management Policies: Provide the overarching framework for the Company's occupational health and safety management.

Subsidiary Occupational Health and Safety Policies: Process-oriented documents covering various modules and elements of occupational health and safety management.

Subsidiary Occupational Health and Safety Work Instructions or Standards: Operational guidance documents supporting the implementation of occupational health and safety management.

The Group has issued multiple management policies, including the Safety Production Responsibility Management Measures, Occupational Health Management Measures, Fire Safety Management Measures, and Change Management Measures.

Chengtun Zinc & Germanium has developed systems such as the Safety Management Policy Compilation, Occupational Health Management Policy Compilation, Safety Production Responsibility Checklist System, Emergency Response Plan for Production Safety Incidents, and Safety Operation Procedures, using these policies as the foundation for continuous innovation in health and safety management.

Chengtun Energy has formulated systems including the Post Safety Operation Procedures, Labour Protection Equipment Management Measures, and Occupational Disease Hazard Prevention Responsibility System.

**POINT 03** Comprehensive Safety Management

The Company places great importance on safety management and has established a six-in-one safety management model.



**POINT 04** Supervision and Inspection Mechanism

To establish a long-term mechanism for identifying and managing potential safety hazards in production, strengthen the primary responsibility for workplace safety, enhance the supervision and management of potential accident risks, prevent and reduce accidents, and safeguard both corporate assets and the personal safety of employees, the Company has formulated the Measures for the Inspection and Management of Safety and Environmental Protection Accident Hazards. These measures clearly define the classification, rectification, and management requirements for potential safety hazards in production.

In 2025, Chengtun Mining issued the Notice on Conducting Special Inspections of Special Operations, requiring all subsidiaries to actively organize and implement comprehensive safety hazard inspections in an orderly manner.

Level	Category	Key Content	Frequency
Chengtun Mining	Routine Inspection	Conduct regular comprehensive EHS inspections of affiliated companies	4 times/year
	Cross Inspection	Conduct mutual cross-inspections with sister groups to carry out comprehensive EHS inspections.	2 times/year
Subsidiaries	Holiday Inspection	Conduct inspections before major holidays such as National Day and Spring Festival to ensure safe production during the holiday period.	Before holidays
	Special Inspection	Carry out targeted and professional inspections for specific areas such as electrical systems and production operations.	At least once per year for each special inspection
	Comprehensive Inspection	Company management and site managers conduct comprehensive EHS inspections across the company.	Once per month
	Shutdown Inspection	Conduct EHS hazard inspections before shutdown or suspension of operations to ensure compliance with EHS requirements.	Before shutdown
	Resumption Inspection	Conduct EHS hazard inspections after resumption of work and production to ensure compliance with EHS requirements.	Upon resumption of operations
	Daily Patrol	Carry out daily EHS patrols at operational sites to promptly identify hazards and resolve issues.	Daily

**POINT 05** Safety Digitalisation Platform

The digitalization of safety management represents an important trend in improving safety governance and is an effective means of reducing risks associated with human factors. The Company places strong emphasis on the development of digital safety management platforms and actively encourages subsidiaries to establish systematic safety supervision systems.

Case Study: To strengthen safety supervision and reduce the occurrence of "three violations" (violations of regulations, procedures, and discipline) among employees, Chengtun Energy has established a dedicated safety supervision platform. In addition, electronic fences have been installed in high-risk areas. If any unauthorized personnel approach these restricted zones, the safety platform immediately triggers an alarm, effectively preventing potential hazards.



**POINT 06** Equipment and Facilities

The Company actively adopts advanced equipment to safeguard the health and safety of on-site employees. When procuring or upgrading equipment, priority is given to automation systems equipped with protective devices to ensure intrinsic equipment safety.

During daily operations, equipment is subject to daily, monthly, quarterly, and annual inspections and maintenance, ensuring that all equipment remains in good operating condition and protects employees' interests.

**POINT 07** Warning Signage

For work areas or equipment involving operational risks, the Company places clear warning signs in prominent locations and organizes employee training and awareness activities to ensure that employees understand the risks associated with their positions and equipment.

**POINT 08** Contractor Safety

To strengthen and Standardize contractor safety management, implement the primary safety responsibilities of operating entities, improve contractors' safety management capabilities, and prevent production safety incidents, the Company has established management policies such as the Contractor Management Measures and the Contractor (Outsourcing Unit) Safety Management Policy to regulate contractor activities.

**POINT 09** Chemical Management

Hazardous chemicals used by the Company mainly include hydrochloric acid, sulfuric acid, ammonia solution, kerosene, diesel, gasoline, and civil explosive materials. Each subsidiary has formulated policies such as the Hazardous Chemicals Management Measures in accordance with regulations including the Regulations on the Safety Management of Hazardous Chemicals and the Measures for the Management of Emergency Response Plans for Production Safety Incidents, as well as their own operational conditions.

These policies clearly define departmental responsibilities and operational requirements, including procedures and precautions for the procurement, use, storage, transportation, and disposal of hazardous chemicals, as well as emergency response procedures in the event of chemical leaks. Subsidiaries also strengthen employee training and regularly conduct emergency drills for hazardous chemical incidents to protect employee health and safety and prevent personal injury and environmental pollution.

**POINT 10** Change Management

The Company has established a change management process to control modifications, new projects, and expansion activities.

Before change: Conduct EHS assessments to ensure that proposed changes comply with EHS requirements and legal regulations.

During change: Monitor the change implementation process, including construction and installation activities, to ensure that no EHS hazards occur.

After change: Conduct acceptance inspections and evaluations to ensure that EHS protective equipment and facilities meet required standards.

## POINT 11 Safety Emergency Drills

Each subsidiary formulates emergency management systems such as the Emergency Rescue Management System for Sudden Safety and Environmental Incidents and Emergency Response Plans, based on potential environmental or occupational health and safety incidents that may occur during operations. These systems Standardize emergency management practices and enhance the Company's ability to respond to and prevent risks and accidents.

Emergency management organizations and rescue teams have been established in accordance with the plans. Regular emergency rescue training and drills are conducted, and necessary emergency facilities, equipment, and supplies are prepared.

Although the Company continues to improve its safety management system to minimize the likelihood of emergency incidents, it maintains a high level of emergency response capability. Subsidiaries are required to equip professional emergency rescue personnel and equipment and regularly conduct capability training and drills to respond effectively to various emergency situations.

During the reporting period, the Company conducted 597 emergency drills covering all operating projects, with 9,617 employee participations. The drills covered a wide range of emergency scenarios, including fire emergencies, tailings accidents, first aid for personal injuries, and emergency evacuation.

## POINT 12 Emergency Response to Climate-related Disasters

With climate change becoming an increasingly important source of safety risk for mining operations—such as extreme weather events affecting production and safety—the Company has taken proactive response measures. Emergency plans have been developed for floods, typhoons, lightning, heavy rain and snow, freezing conditions, and extreme heat.

Regular inspections are arranged during periods of high meteorological risk. For example, during flood seasons the Company conducts advance inspections to ensure proper flood control and drainage measures, including checking whether drainage ditches along mining roads, tailings storage facilities, and waste dumps are properly cleared and maintained. Infrastructure improvements and equipment safety measures are also strengthened.

In addition, the Company has established emergency supply assurance management measures for critical materials, ensuring supply continuity and minimizing supply disruption risks caused by sudden climate disasters, thereby improving the Company's capacity to respond to such events.

## POINT 13 Occupational Health Management

Chengtun Mining attaches great importance to employees' occupational health and safety. In accordance with the Law of the People's Republic of China on the Prevention and Control of Occupational Diseases and the Regulations on the Supervision and Administration of Occupational Health in Workplaces, and based on its own operational circumstances, the Company has formulated the Occupational Health Management Measures.

Subsidiaries have developed supporting systems such as the Occupational Disease Hazard Prevention Responsibility System, Occupational Disease Hazard Warning and Notification System, Occupational Disease Prevention Training System, and Occupational Health Prevention Work Plans and Implementation Measures.

## POINT 14 Control of Occupational Hazard Factors

In production and operations, the Company prioritizes the prevention of dust exposure, toxic substances, and noise, while also incorporating emerging occupational risks—such as improper working methods and work-related stress—into daily management.

Employees exposed to occupational health risks receive regular occupational health examinations, as well as comprehensive health support including health monitoring, emergency medicines, medical insurance, chronic disease support, on-site first aid, and psychological counselling, providing a solid safeguard for employee health.

The control of occupational hazard factors directly affects employees' well-being and the Company's sustainable development. The Company therefore places great emphasis on mitigating occupational health risks and implements various measures to protect workers' health.

Technological Innovation and Upgrading: Outdated processes that pose occupational disease risks—such as dust and toxic gas exposure—have been phased out, with continuous improvements made to working conditions and environments. For example, Chengtun Zinc & Germanium uses hydrogen peroxide instead of sulfuric acid in smelting processes, and Huqin Mining uses mist cannons to reduce dust generation at ore conveyor discharge points.

Equipment Automation: Where feasible, production equipment is automated to reduce direct exposure of operators to occupational hazards.

Equipment modification: Protective upgrades are implemented for equipment, including the installation of vibration-reduction pads and other measures to reduce noise and related hazards.

Process optimization: By adjusting and optimizing process parameters, the generation of occupational hazard factors is reduced.

Personal protective equipment (PPE): Employees working in environments with occupational hazard factors are provided with PPE such as masks and earplugs.

Occupational disease prevention awareness: External experts are invited to subsidiaries to deliver lectures on laws, regulations, and knowledge related to occupational disease prevention and occupational health.

## POINT 15 Monitoring of Occupational Hazard Factors and Health Examinations

The Company strictly implements the "three simultaneous" principle for occupational health in new, renovated, and expanded projects. All construction projects conduct occupational hazard pre-assessments, design occupational health protection facilities, carry out effectiveness evaluations of occupational hazard control measures, and complete final acceptance procedures. Based on evaluation reports, monitoring of occupational hazard factors and occupational health examinations for employees are conducted.

Occupational Health Surveillance: Occupational hazard factor testing, evaluation, and occupational health examinations are conducted in accordance with laws and regulations, and comprehensive occupational health monitoring records are maintained.

Pre-employment / Job transfer: Employees newly recruited or transferred to positions involving occupational hazards undergo occupational health examinations before starting work.

During employment: Occupational health examinations are arranged annually during employment.

Pre-departure: Occupational health examinations are conducted before employees terminate or end their employment contracts.

The Company informs employees of their occupational health examination results and monitors them accordingly. If employees are found to have occupational contraindications, they will be reassigned in accordance with regulatory requirements to ensure both employee well-being and corporate compliance.

Employee Health: The Company regards the health of all employees—including contractors—as a core component of daily management. It is committed to establishing and maintaining a risk-controlled, safe, and healthy working environment for employees and contractors. Occupational disease risks arising from internal operational factors and infectious disease risks from external factors are managed in an integrated manner.

Through continuous health care initiatives and regular health examinations, the Company can promptly identify changes in employees' health conditions and provide appropriate support, including health advice, medical assistance, and emergency referral when necessary.

Adhering to the principle of "prevention first, with prevention and treatment combined," the Company strives to prevent and minimize work-related health damage and ensure a safe and healthy working environment for employees and contractors.

## POINT 16 Infectious Disease Management

Protecting employee health and well-being is the core objective of infectious disease management. The Company follows the International Health Regulations, host country regulations, and guidance from the World Health Organization (WHO) to establish an infectious disease management system based on health information reporting and emergency management. The system is adapted to address the major infectious disease risks faced by different projects.

Overseas projects have experienced outbreaks of dengue fever and malaria, but thanks to the effective operation of the Company's infectious disease management mechanism—supported by high vaccination coverage among employees and adequate reserves of epidemic prevention materials—project operations have not been significantly affected.

## POINT 17 Safety Culture Development

The Company consistently upholds the principle of "safety first" in all business activities. Through various safety initiatives and training programmed, it continuously enhances safety awareness among employees at all levels.

## POINT 18 Safety Month Activities

Each year, subsidiaries organize a variety of Safety Month activities, encouraging broad participation and increasing awareness of safety practices. These activities help employees understand the importance of safety and integrate safety principles into their daily work.

## POINT 19 Safety Education and Training

Safety and environmental protection are the foundation of production and operations, and success ultimately depends on them. Chengtun Mining continues to strengthen the consensus on safe development, guiding employees to recognize that they themselves are the primary beneficiaries of workplace safety. This fosters a shift in mindset from "I am required to be safe" to "I want to be safe," encouraging proactive risk prevention. Subsidiaries regularly organize safety education and training programmed to enhance employees' safety awareness and professional skills and create a safe and stable working environment.

## POINT 20 Safety and Environmental Responsibility Commitment Management

At the beginning of each year, the Operations Department of Chengtun Mining organizes subsidiaries to sign Safety and Environmental Protection Target Responsibility Agreements. Company leaders and employees subsequently sign layered Safety and Environmental Responsibility Statements, ensuring that safety production responsibilities are effectively fulfilled at all levels. Safety performance is also incorporated into management performance assessments and reviewed monthly.

## Strategy

### 1 Establishment of an Occupational Health and Safety Management System

To further strengthen its occupational health and safety governance system and promote effective implementation of occupational health and safety initiatives, some subsidiaries of Chengtun Mining have adopted the ISO 45001 Occupational Health and Safety Management System and safety production standardization requirements, applying the PDCA management approach. Several subsidiaries have obtained occupational health and safety management system certifications and safety production standardization certificates.

During the reporting period, the number of work-related injury incidents occurring during normal production operations was significantly lower than the average of the previous three years, and the number of injured employees continued to decline despite steady growth in major product output. Each incident was analyzed using a comprehensive accident root cause analysis table, enabling a thorough examination of potential weaknesses in the safety management system and safety culture. In the future, the Company will continue to increase investment in safety protection facilities, hazard rectification, and safety education and training programmed.

### 2 Occupational Health and Safety Targets for the Next Three Years

No.	Work Objective
1	Zero fire incidents.
2	Zero cases of acute industrial poisoning, zero newly diagnosed occupational diseases, and a 100% occupational health examination rate for employees exposed to occupational hazards.
3	Zero traffic accidents within the plant and zero traffic accidents involving company administrative vehicles.
4	Full implementation of safety hazard identification and remediation throughout the year, with a problem rectification rate of 100%.
5	Zero petitions and complaints related to safety, occupational health, and fire safety throughout the year; no administrative penalties imposed by national or local competent authorities for safety, occupational health, or fire safety; not listed as a typical case in municipal-level safety inspections; and not included in the joint disciplinary list or "blacklist" for dishonesty in the field of production safety.
6	A 100% inspection rate for special equipment and a 100% compliance rate for equipment in operation.
7	A 100% completion rate for three-level safety education for new employees; a 100% certification rate for personnel in the three key positions; and a 100% participation rate in annual safety refresher training for all employees.
8	Zero work-related fatalities due to production safety responsibility; serious injury rate due to responsibility Ⅲ (classified as disability grades 1-6 or with direct medical expenses exceeding RMB 50,000); minor injury rate due to responsibility Ⅳ (classified as disability grades 7-10 or with direct medical expenses between RMB 3,000 and RMB 50,000); minor injury cases Ⅱ (direct medical expenses below RMB 3,000); excluding cases caused by force majeure or natural disasters.
9	For new, renovated, and expanded projects, strictly implement the "Three Simultaneities" requirements and complete relevant procedures and permits related to safety, occupational health, and fire protection in accordance with the project schedule.

## Impacts, Risks and Opportunities Management

### Risk Assessment and Management

Use advanced technologies and methods to assess and manage potential risks in the workplace in order to develop effective control measures.

### Continuous Improvement

Continuously optimize and improve workplace safety and health management through the adoption of continuous improvement approaches to ensure ongoing enhancement.

### Reward and Incentive Mechanisms

Establish reward and incentive mechanisms to encourage employees to actively participate in and comply with safety and health regulations, thereby improving workplace safety and employee health.

### Establish Clear Policies and Procedures

Develop clear safety and health policies and procedures to ensure that employees understand and comply with relevant requirements, safeguarding workplace safety and health.

### Data Analysis and Forecasting

Collect and analyze workplace-related data to identify potential safety and health risks and carry out prediction and prevention.

### 01 Risk Identification

To fully implement the primary responsibility for work safety, further Standardize occupational health and safety management at Chengtun Mining, and advance the establishment of the dual prevention mechanism for safety risk classification control and hazard identification and rectification, the Company requires all subsidiaries to establish risk identification and control mechanisms in accordance with the Work Safety Law of the People's Republic of China and relevant regulations issued by the Ministry of Emergency Management on the development of the "dual system".

To further enhance the Company's capabilities in risk management and hazard identification, subsidiaries continuously carry out risk identification and management activities based on the requirements of dual prevention mechanism development, risk identification and assessment, risk classification control, and hazard inspection and rectification.

### 02 Risk Management

The Company focuses on systems and operational areas with significant risks and high accident potential, taking seasonal characteristics into account and working jointly with internal and external experts to conduct quarterly comprehensive safety inspections. In addition, specialized safety inspections are organized for areas such as flood season safety, lightning protection safety, shaft construction, lifting equipment and facilities, tailings storage facilities, and contractor safety management.

These inspections focus on verifying compliance with production site regulations and standards, safety facility design requirements, construction organization plans, and specialized construction schemes. In accordance with the principles of risk control planning, the Company follows the hierarchy of elimination, prevention, reduction, isolation, personal protection, and warning, comprehensively identifying and rectifying potential risks and hazards.

To further strengthen the management of occupational health and safety risks during operations, each company has established risk management mechanisms tailored to its own operational characteristics.

Chengtun Zinc & Germanium has formulated the Dual Prevention Mechanism Management Plan and established a dual prevention mechanism leadership group and specialized working groups responsible for related tasks.

Chengtun Energy has established policies such as the Safety Risk Management Policy and the Risk Assessment Management Policy to conduct comprehensive risk assessments for production safety.

Guizhou Huajin has developed hazard identification and risk analysis tables, conducting detailed inspections and listings of potential accident-inducing factors in operations such as exploration activities and pipeline installation. Each identified risk is evaluated individually, and corresponding prevention and control measures are formulated.



**03 Impacts, Risks and Opportunities**

Through safety supervision services, the Company maintains periodic identification of risk factors across its operating entities. Safety supervision provides supportive services for subsidiary safety management by engaging external experts in safety, occupational health, and fire protection, together with internal specialists, to conduct safety management system assessments and targeted inspections of subsidiaries. These evaluations identify existing issues and provide recommendations for improvement, with the frequency of inspections determined based on the safety risk levels of each subsidiary. In daily operations, risk management is primarily implemented through regular internal inspections, combined with the identification of risk factors during non-routine operations, enabling the continuous updating and refinement of the Company's internal risk register and ongoing risk management. The Company has also established a Safety Monitoring and Emergency Dispatch Centre, integrating safety monitoring video systems from key operational locations such as mines and smelting facilities. This system enables centralized monitoring and control of high-risk operations, critical equipment and facilities, and major risk areas, thereby enhancing the Company's capabilities in risk monitoring and early warning.

**Identified Risks and Opportunities**

Risk	Opportunity	Response Measures
Work-related injuries and production safety incidents may cause personnel injury, production shutdowns, and legal liabilities.	Reduce accident-related losses, ensure continuous and stable production, and enhance operational resilience.	Establish an ISO 45001 occupational health and safety management system, implement risk classification control, and form a closed-loop mechanism for hazard identification and rectification.
Occupational hazards caused by dust, noise, and toxic or harmful substances may lead to occupational diseases.	Reduce the incidence of occupational diseases, lower long-term labor risks, and improve employees' health levels.	Implement source control, hazard monitoring, occupational health examinations, and maintain comprehensive occupational health surveillance records.
Insufficient safety training, uncertified personnel performing special operations, and non-standard operating practices.	Improve personnel safety skills, reduce human error, and enhance production efficiency.	Implement the three-level safety education system, ensure certification for special operations personnel, and conduct regular training and assessments.
Weak safety management of outsourced personnel or contractors may lead to accidents and joint liabilities.	Standardize safety management across the supply chain and reduce overall operational risks.	Strictly implement contractor access requirements, safety briefings, on-site supervision, performance evaluation, and exit mechanisms.
Insufficient safety investment and aging facilities may reduce intrinsic safety levels.	Enhance intrinsic safety, reduce repeated rectifications, and achieve long-term safety improvements.	Allocate adequate safety funds, promote equipment upgrades, implement intelligent safety protection systems, and optimize production processes.
Inadequate emergency response plans and insufficient drills may weaken the ability to respond to emergencies.	Improve emergency response capability, reduce the risk of accident escalation, and enhance corporate resilience.	Improve specialized emergency response plans, ensure adequate emergency supplies, and conduct regular practical emergency drills.
Inadequate labor protection, unreasonable working hours, and employee mental health issues.	Improve employee satisfaction and sense of belonging, reduce turnover, and enhance organizational cohesion.	Standardize the provision and use of personal protective equipment, arrange reasonable work schedules, and strengthen employee physical and mental health support.
Work-related injuries and production safety incidents may cause personnel injury, production shutdowns, and legal liabilities.	Reduce accident-related losses, ensure continuous and stable production, and enhance operational resilience.	Establish an ISO 45001 occupational health and safety management system, implement risk classification control, and form a closed-loop mechanism for hazard identification and rectification.

**04 Indicators and Targets**

Indicator	Unit	2022	2023	2024	2025
Employee Occupational Health Examination Coverage	%	100%	100%	100%	100%
Number of Work-related Fatalities	persons/year	0	2	0	0
Number of Contractor Fatalities	persons/year	0	1	1	3
Accident Rate	Lost working hours per million hours	4168	14872	2462	7951
Number of Occupational Disease Cases	cases/year	0	0	0	0
Total Safety Investment	RMB 10,000	5,184	3,745	4,276	5886
Total Investment in Safety Education and Training	RMB 10,000	254.16	281.34	345.08	117.958
Total Safety Training Hours	hours	1986	2430	3842	7101
Number of Safety Education and Training Sessions	sessions	271	313	425	6874
Total Number of Participants in Training	person-times	3559	4127	5185	17775
Number of Emergency Drills Conducted	times	168	303	475	597
Number of Participants in Emergency Drills	person-times	5063	5758	7735	9635
Number of Fire Incidents	times	0	0	0	0
Certification Rate of Safety Management Personnel	%	100%	100%	100%	100%
Certification Rate of Special Operations and Special Equipment Personnel	%	100%	100%	100%	100%
Number of Special Safety Inspections	times	4	4	4	804

Note 1: The Lost Time Injury Frequency Rate per million working hours = Lost working hours due to work-related injuries ÷ Total working hours × 1,000,000.  
 Note 2: Statistics for special safety inspections in 2025 include data from subsidiaries.

**Chengtun Zinc & Germanium Signs 2025 Safety, Environmental Protection and Business Target Responsibility Agreements**

Recently, Chengtun Zinc & Germanium held a signing ceremony for the 2025 Safety and Environmental Protection Target Responsibility Agreement and the Business Target Responsibility Agreement. The Company's Chairman Long Shuang, General Manager Zhu Yongxiang, along with vice presidents in charge of various business segments, the assistant to the general manager, and heads of each operating unit, gathered together to participate in and witness this important occasion.



In his remarks, Zhu Yongxiang emphasized the critical importance of safety and environmental protection, noting that safety is the cornerstone of corporate development, while environmental protection serves as a safeguard for sustainable growth. He also provided an in-depth interpretation of the Company's 2025 business objectives, clarifying the key roles and responsibilities of each department and operational unit in achieving these goals.



**Group Safety and Environmental Supervision Office Conducts Safety Production Inspection and Research at Kelixin (Zhuhai)**

To thoroughly implement safety production requirements and ensure the orderly and stable resumption of operations after the holiday period, Zhou Xianjin, Vice President of Chengtun Group, led an inspection team from the Safety and Environmental Supervision Office to Kelixin (Zhuhai) Co., Ltd. in 2025 to carry out post-holiday production safety inspections and on-site guidance.



**Zhonghe Nickel Conducts Plant Fire Safety Inspection to Strengthen Summer Production Safety Protection**

To further strengthen the Company's fire safety management, effectively prevent and mitigate potential fire hazards, and enhance employees' awareness of fire safety, the General Administration Department, together with the Safety, Environmental Protection and Production Department, organized a fire safety inspection across the plant area in July 2025.





Xingan Aima completed the upgrade and commissioning of its underground personnel positioning system, safety and environmental monitoring system, video surveillance system, communication system, mining broadcast system, underground entry identification system, and large-screen monitoring system. The implementation of these systems has significantly enhanced the level of safety management and operational intelligence.



### Strengthening Preparedness Through Drills Kelixin (Zhuhai) Conducts Fire Emergency Drill

To further enhance employees' awareness of fire safety and improve emergency response capabilities, Kelixin (Zhuhai) organized a comprehensive fire emergency drill in April 2025. Through careful planning, realistic scenario simulations, and post-drill reviews, the activity effectively tested the effectiveness and practicality of the emergency response plan while strengthening the overall safety awareness and preparedness of all employees.



# CHENGTUN MINING

### Training for Readiness, Preventing Risks Before They Occur Chengtun Energy Conducts Confined Space Emergency Drill

To strengthen safety management for confined space operations, prevent and control production safety incidents such as poisoning and suffocation, and further enhance emergency response capabilities, Chengtun Energy organized a confined space operation emergency rescue drill in June 2025. The practical drill aimed to improve the company's emergency preparedness and response capability through scenario-based training.



### Strengthening Preparedness Through Drills Kelixin (Zhuhai) Conducts Fire Emergency Exercise

To further enhance employees' fire safety awareness and improve their emergency response capabilities in handling unexpected incidents, Kelixin (Zhuhai) organized a comprehensive fire emergency drill in April 2025. Through careful planning, realistic simulation, and post-drill evaluation, the exercise effectively tested the practicality of the emergency response plan and improved the overall safety awareness and preparedness of all employees.



**Eliminating Safety Hazards and Strengthening Safety Defenses  
CCR Launches Comprehensive “Safety Production Month” Activities**

Careful Planning, Enhanced Communication, Increased Awareness, and a Strong Safety Culture

June 2025 marked the 24th National “Safety Production Month” in China. The theme for this year was “Everyone Talks About Safety, Everyone Knows Emergency Response — Identifying Safety Hazards Around Us.” In alignment with this theme, CCR adopted the guiding principle of “eliminating safety hazards, strengthening safety defenses, and enhancing overall employee awareness of production safety.”

The initiative aimed to foster company-wide participation, improve employees’ safety awareness and risk prevention capabilities, and promote the Company’s safe and sustainable development. On 31 May, CCR held the launch ceremony for the Safety Production Month campaign, during which the activity plan was introduced and detailed arrangements for its implementation were communicated.



**Precision in Action, Excellence in Skill  
Chengtun Energy’s Warehouse Security Department  
Successfully Hosts Forklift Skills Competition**

In November 2025, the Warehouse Security Department of Chengtun Energy successfully organized the “Precision Control, Skill Enhancement” Forklift Skills Competition. The event aimed to strengthen practical operational capabilities and promote the spirit of craftsmanship characterized by precision and continuous improvement.

Through the design of multiple challenge stations, the competition comprehensively assessed forklift operators’ professional skills and overall competencies. It also provided a valuable platform for employees to exchange expertise, refine their skills, and progress together.



CHENGTUN  
MINING

**Baoshan Hengyuan Xinmao Launches  
the 2025 “Safe Production Month” Campaign**

On June 3, 2025, Baoshan Hengyuan Xinmao Mining Co., Ltd. held the launch ceremony for the 2025 “Safe Production Month” campaign. The ceremony was chaired by Mr. Guo Jianwen, Deputy General Manager in charge of safety. All company employees and members of the hydrogeological and environmental exploration project team in the mining area attended the event.



# Appendix 1: Independent Assurance Statement for the Sustainability Report



**INDEPENDENT ASSURANCE STATEMENT**

**Objectives of Work**

Bureau Veritas Certification (Beijing) Co., Ltd. ("Bureau Veritas") has been engaged by CHENGTUN MINING GROUP CO., LTD. to conduct an independent assurance of its 2025 Sustainability Report. This assurance statement applies to the related information included within the scope of work described below.

This information and its presentation in the report are the sole responsibility of the management of CHENGTUN MINING GROUP CO., LTD. Our sole responsibility was to provide independent assurance on the accuracy and reliability of information included, and on the underlying systems and processes used to collect, analyse and review it.

**Scope of work**

CHENGTUN MINING GROUP CO., LTD. requested Bureau Veritas to verify the accuracy and reliability of the following:

- Data and information included in the 2025 Sustainability Report for the report period from January 1, 2025 to December 31, 2025.

Excluded from the scope of our work is any assurance of information relating to:

- Activities outside the defined assurance period;
- Positional statements (expressions of opinion, belief, aim or future intention by CHENGTUN MINING GROUP CO., LTD. and statements of future commitment);
- Financial data and information that has been audited by a third party.

**Level of assurance:** reasonable assurance level

**Assurance standard**

- Shanghai stock exchange listed company self-regulatory guide No. 14 -sustainability report (Trial Implementation)
- Shanghai stock exchange listed company self-regulatory guide No. 4 -preparation of sustainability report (Revised in Jan 2026)
- The Global Commission on Sustainability Standards (GSSB) GRI standards
- The International Sustainability Standards Board (ISSB) -IFRS Sustainability Disclosure Standards
- International standard for assurance engagements other than audits or reviews of historical financial information ("ISAE 3000 (Revised)"), developed by the international auditing and assurance standards board

**Methodology**

As part of its independent assurance, Bureau Veritas undertook the following activities:

- Interviews with relevant personnel of CHENGTUN MINING GROUP CO., LTD.
- Review of documentary evidence produced by CHENGTUN MINING GROUP CO., LTD.
- Evaluation of information against global reporting initiative (GRI) principles of materiality, accuracy, completeness, balance, clarity and comparability
- Review of performance data, tracing and checking the sample data according to the sampling principle
- Review of CHENGTUN MINING GROUP CO., LTD. data and information systems for collection, aggregation and analysis

Our work was conducted against Bureau Veritas' standard procedures and guidelines for external assurance of non-financial reports, based on current best practice in independent assurance. The work was planned, carried out and concluded based on reasonable, rather than absolute assurance, as determined by Bureau Veritas.

Certification body address: Room 02, 9 / F, West Office Building 1, Oriental Economic and Trade City, Oriental Plaza, No.1 East Chang'an Street, Dongcheng District, Beijing, China. 100738  
Further clarifications regarding the verification scope of this statement may be obtained by consulting the organization.  
To check this statement validity please call: +86 021-23190306

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Bureau Veritas Certification



**Assurance Conclusion**

On the basis of our methodology and the activities described above, it is our opinion that:

- The information and data included in the scope of our assurance are accurate, reliable and free from material mistake or misstatement.
- The information is presented in a clear, understandable and accessible manner.
- The information of the report provides a fair and balanced representation of related sustainability management activities during the reporting period.
- CHENGTUN MINING GROUP CO., LTD. has established appropriate systems for the collection, aggregation and analysis of relevant information. The performance data for 2022~2025 has been disclosed and be with Comparability.

**Accuracy**

The information and data disclosed in the report are objective and reliable. CHENGTUN MINING GROUP CO., LTD. has established appropriate systems for the collection and disposal of quantitative data on organizational governance, environmental and social management. Through on-site assurance, the evidence provided by CHENGTUN MINING GROUP CO., LTD. is relatively reliable, and the report is of objectivity.

**Materiality**

CHENGTUN MINING GROUP CO., LTD. identified and disclosed material ESG issues and related information in accordance with Shanghai stock exchange listed company self-regulatory guide No. 14 -sustainability report (Trial Implementation), Shanghai stock exchange listed company self-regulatory guide No. 4 -preparation of sustainability report (Revised in Jan 2026), The Global Commission on Sustainability Standards (GSSB) GRI standards, The International Sustainability Standards Board (ISSB) -IFRS Sustainability Disclosure Standards.

**Completeness**

The report of CHENGTUN MINING GROUP CO., LTD. focuses on the aspects of "Chairman's message", "Chengtun Mining: company overview", "Materiality assessment and stakeholder engagement", "Corporate governance for sustainable development", "Green and low-carbon development", "Future outlook: creating long-term sustainable value", "People-centred development and social responsibility". The report discloses data and information related to product responsibility, social responsibility, environmental responsibility, and employee responsibility, which are of concern to the stakeholders. The disclosed is of relative completeness.

**Statement of independence, impartiality and competence**

Bureau Veritas is an independent professional services company that specialises in quality, environmental and occupational health and safety, social responsibility with more than 190 years history in providing independent assurance services. Members of the assurance team have no interests or conflicts of relationship with CHENGTUN MINING GROUP CO., LTD. We have conducted this assurance independently and impartially. Bureau Veritas has implemented a code of ethics across the business to maintain high ethical standards among staff in their day-to-day business activities.



**Fanny Zou**  
Director of Greater China Region  
Bureau Veritas Certification (Beijing) Co., Ltd.  
2026-03-12

**ROGER HU**  
Assurance Team Leader  
Bureau Veritas Certification (Beijing) Co., Ltd.  
2026-03-06

Certification body address: Room 02, 9 / F, West Office Building 1, Oriental Economic and Trade City, Oriental Plaza, No.1 East Chang'an Street, Dongcheng District, Beijing, China. 100738  
Further clarifications regarding the verification scope of this statement may be obtained by consulting the organization.  
To check this statement validity please call: +86 021-23190306

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## Appendix 2: Key Performance Indicators

### Composition and Operation of the Board of Directors

Indicator	Unit	2022	2023	2024	2025
Number of Board Members	persons	7	7	7	7
Number of Female Directors on the Board	persons	0	0	0	0
Proportion of Female Directors on the Board	%	0	0	0	0
Number of Independent Directors on the Board	persons	3	3	3	3
Proportion of Independent Directors on the Board	%	42.86	42.86	42.86	42.86
Number of Shareholders' Meetings Held	times	6	7	4	3
Number of Board Meetings Held	times	21	15	9	9
Number of Supervisory Board Meetings Held	times	16	10	7	5

### Company Performance (Economic Indicators)

Indicator	Unit	2022	2023	2024	2025
Operating Revenue	RMB 10,000	2,583,352	2,445,581	2,573,046	3,000,268
Revenue Growth Rate	%	-42.51	-5.33	5.21	16.60
Net Profit Attributable to Shareholders of the Parent Company	RMB 10,000	-209	26,469	200,539	196,142
Taxes Paid	RMB 10,000	97,289	92,628	103,086	150,973
Cobalt Products	metal tonnes	10,902	12,370	13,258	9,203
Copper Products	metal tonnes	57,757	102,217	176,530	207,383
Nickel Products	metal tonnes	39,729	41,615	32,853	49,418
Zinc Products	metal tonnes	264,822	332,197	322,723	326,297
Germanium Products	metal tonnes	6.75	6.88	11.09	15.2

### Business Ethics Management

Indicator	Unit	2022	2023	2024	2025
Confidentiality Agreement Signing Rate	%	/	100%	100%	100%
Confidentiality Agreement Signing Rate for New Employees	%	/	/	100%	100%
Number of Lawsuits Related to Unfair Competition with Third Parties	cases	0	0	0	0
Number of Lawsuits Related to Business Ethics with Third Parties	cases	0	0	0	0
Number of Business Ethics and Anti-corruption Reports	cases	0	0	0	0
Internal Audit Reports	reports	6	7	11	10
Integrity Commitment Signing Rate of Senior Management	%	/	100%	100%	100%
Integrity Commitment Signing Rate of New Employees	%	/	/	100%	100%
Number of Business Ethics Training Sessions	times	0	6	6	10

## Environmental Performance

### Pollutant Emissions Management and Water Resource Management

Environmental Indicator	Unit	2022	2023	2024	2025
Environmental Protection Investment	RMB 10,000/year	6,529	16,877	11,156	4502
Wastewater Discharge	tonnes/year	141158.67	217274.92	540583.06	1194429.28
Wastewater COD Discharge	tonnes/year	6.70	9.10	12.81	48.7
Wastewater Ammonia Nitrogen Discharge	tonnes/year	1.20	1.47	2.67	2.46
Total Copper Discharge in Wastewater	tonnes/year	0.00	0.00	0.00	0.094
Total Zinc Discharge in Wastewater	tonnes/year	0.09	0.04	0.08	0.088
Wastewater Treatment Compliance Rate	%	100	100	100	100
Exhaust Gas Emission Compliance Rate	%	100	100	100	100
Nitrogen Oxides Emissions	tonnes/year	45.81	105.35	134.63	897.546
Sulfur Dioxide Emissions	tonnes/year	34.15	32.78	68.92	4516.912
Particulate Matter Emissions	tonnes/year	24.14	19.53	36.08	119.94
General Waste Generation (Excluding Tailings)	tonnes/year	247092.41	252105.43	302069.68	366633.41
Total General Waste Disposal	tonnes/year	138443.46	122624.00	136678.31	300869.5
Hazardous Waste Treated	tonnes/year	279225.24	353635.06	349947.86	402335.396
Total Tailings Generated	10,000 tonnes	106972	62206.26	90877.54	6150021.42
Tailings Comprehensively Utilized	10,000 tonnes	43620	8340.21	24006.21	136578.2
Tailings Stockpiled	10,000 tonnes	63352	53866.05	66871.33	10150150.8
Freshwater Consumption	tonnes/year	3,404,137	6,054,866	8,037,995	8014820
Water Reuse Volume	tonnes/year	798825.73	1354636.54	1594461.13	6583753.44

Carbon Emissions

Indicator	Unit	2024	2025
Group Scope 1 Emissions	tCO <sub>2</sub> e equivalent	3,478,261	3,549,954
Group Scope 2 Emissions (location-based)	tCO <sub>2</sub> e equivalent	347,205	365,235
Group Scope 2 Emissions (market-based)	tCO <sub>2</sub> e equivalent	1,009,313	1,049,688
Group Scope 3 Emissions	tCO <sub>2</sub> e equivalent	4,663,439	5,820,457
Total Group Emissions (location-based)	tCO <sub>2</sub> e equivalent	8,488,905	9,735,646
Total Group Emissions (market-based)	tCO <sub>2</sub> e equivalent	9,151,013	10,420,099
GHG Emissions per Unit of Industrial Value Added (location-based)	tCO <sub>2</sub> e equivalent / RMB 10,000	11.37	11.67
GHG Emissions per Unit of Industrial Value Added (market-based)	tCO <sub>2</sub> e equivalent / RMB 10,000	12.25	12.49
GHG Emissions per Unit of Operating Revenue (location-based)	tCO <sub>2</sub> e equivalent / RMB 10,000	5.12	4.69
GHG Emissions per Unit of Operating Revenue (market-based)	tCO <sub>2</sub> e equivalent / RMB 10,000	6.01	5.51
Emissions Intensity of Cobalt Processing	tCO <sub>2</sub> e equivalent / tonne	7.21	5.85
Emissions Intensity of Nickel Processing	tCO <sub>2</sub> e equivalent / tonne	2.63	2.41

Energy Utilization

Energy Type	Unit	2022	2023	2024	2025
Gasoline	liters	67,038	115,529	176,969	229,972
Diesel	liters	36,948,875	48,937,821	96,297,048	143,821,596
Natural Gas	m <sup>3</sup>	81,664	480,495	7,557,680	3,449,282
Liquefied Petroleum Gas	kg	10,343	9,080	9,669	9,032
Standard Coal	kg	180,183,142	190,270,423	180,487,465	162,141,731
Anthracite	kg	29,744,642	32,817,820	21,588,902	40,010,305
Semi-coke	kg	28,601,434	9,336,279	38,020,689	44,834,539
Bituminous Coal	kg	341,719,454	351,536,338	355,109,871	374,410,471
Thermal Coal	kg	978,052,038	1,080,760,578	1,300,460,179	1,304,388,961
Pulverized Coal	kg	-	34,400	89,730	7,791,550
Lump Coal	kg	-	-	4,771,760	27,999,640
Purchased Electricity	kWh	1,463,308,902	1,733,760,022	1,911,860,088	1,775,537,374
Purchased Heat	GJ	139,193	182,615	72,922	40,489
Self-generated Electricity (Waste Heat Power Generation)	kWh	1,981,000	16,804,148	61,216,410	96,864,633
Self-generated Solar Power	kWh	-	4,456	1,300,406	18,524,692
Emission Reduction from Waste Heat / Solar Power	tCO <sub>2</sub> e	/	/	/	69000

Note: The data covers production-oriented enterprises under the Company's operational control that were in operation during the reporting period, including mines and smelting plants.

Social Performance

Innovation-driven Development

Energy Type	Unit	2022	2023	2024	2025
R&D Personnel	persons	204	219	208	173
Number of PhD Holders	persons	4	3	2	1
Number of Master's Degree Holders	persons	7	8	13	10
Patents Granted	cases	13	10	3	27
Patent Applications	cases	11	15	15	15
R&D Investment	RMB 10,000	3899.0021	3890.4692	5414.4107	5275.93
R&D Investment as % of Revenue	%	0.15	0.16	0.21	0.18%

Occupational Health and Safety

Energy Type	Unit	2022	2023	2024	2025
Occupational Health Examination Coverage for Employees	%	100%	100%	100%	100%
Work-related Fatalities	persons/year	0	2	0	0
Contractor Fatalities	persons/year	0	1	1	3
Incident Rate	lost work hours / million hours worked	4168	14872	2462	7951
Number of Occupational Disease Cases	cases/year	0	0	0	0
Total Safety Investment	RMB 10,000	5,184	3,745	4,276	5886
Total Investment in Safety Education and Training	RMB 10,000	254.16	281.34	345.08	117.958
Safety Training Hours	hours	1986	2430	3842	7101
Safety Training Sessions Conducted	sessions	271	313	425	6874
Total Training Participants	person-times	3559	4127	5185	17775
Emergency Drill Sessions	times	168	303	475	597
Participants in Emergency Drills	person-times	5063	5758	7735	9635
Number of Fire Incidents	times	0	0	0	0
Certified Safety Management Personnel Ratio	%	100%	100%	100%	100%
Certification Rate of Special Operations and Special Equipment Personnel	%	100%	100%	100%	100%
Number of Special Safety Inspections	times	4	4	4	804

Note 1: The Lost Time Injury Frequency Rate (LTIFR) per million working hours = total lost work hours due to work-related injuries ÷ total working hours × 1,000,000.  
Note 2: The 2025 statistics for special safety inspections include data from subsidiaries.

Employee Management

Indicator	Unit	2022	2023	2024	2025
Total Employees	persons	7488	9193	9191	9372
Male/Female Employees	persons	6064/1424	7489/1704	7603/1588	7800/1572
Age Distribution (<30 / 30-50 / >50)	persons	2150/4287/1051	2604/5405/1184	2918/5026/1247	2754/5472/1146
Ethnic Minority Employees	persons	556	758	1061	982
Employees with Disabilities	persons	49	52	43	41
Education Level (Bachelor+ /High School+ /Junior High and Below)	persons	825/1230/5433	1277/1604/6312	2203/1731/5257	1790/4192/3390
Female Managers at Middle Level and Above	%	12%	11.3%	11%	11.3%
Foreign Employees	persons	2916	3192	3238	3601

Training

Indicator	Unit	2022	2023	2024	2025
Total Annual Employee Training Hours	hours/year	108908.5	280970.83	173507.88	409784.45
Employee Training Investment	RMB/year	42972	680878.6	530645.28	882105
Number of Training Course Types	types/year	11	21	18	32
Average Training Hours per Employee	hours/person/year	19.83	19.94	18.78	43.72

Employee Rights and Interests

Indicator	Unit	2022	2023	2024	2025
Labor Contract Signing Rate	%	100%	100%	100%	100%
Social Insurance Coverage Rate	%	100%	100%	100%	100%
Incidents of Forced Labor	times	0	0	0	0
Employee Turnover Rate	%	14.54%	11.31%	20.00%	21.01%
Male-to-Female Pay Ratio for the Same Position	/	1:1	1:1	1:1	1:1

Community Management

Indicator	Unit	2022	2023	2024	2025
Public Welfare Donations and Rural Revitalization	RMB 10,000	572.32	1086.34	2438.54	248.66

Product and Service Safety and Quality Management

Indicator	Unit	2022	2023	2024	2025
Product Qualification Rate	%	/	/	/	100
Customer Satisfaction	%	/	/	/	100
Timely Closure Rate of Customer Complaints	%	100	100	100	100

Product and Service Safety and Quality Management

Indicator	Unit	2022	2023	2024	2025
Closure Rate of Reported Supply Chain Security Issues	%	100	100	100	100
Number of Major Supply Chain Safety Incidents	cases	0	0	0	0

Data Security and Customer Privacy Protection

Indicator	Unit	2022	2023	2024	2025
Information Security Drills	times	/	/	/	1
Information Security Training	times	/	/	/	1

### Appendix 3: Cross-Reference Index to the Guidelines No. 14 of the Shanghai Stock Exchange for Self-Regulation of Listed Companies – Sustainability Report (Trial)

Dimension	No.	Topic	Relevant Section
Environment	1	Climate Change Response	Looking Ahead Creating Sustainable Value Together
	2	Pollutant Emissions	Pollutant Emission Management
	3	Waste Treatment	Pollutant Emission Management
	4	Ecosystem and Biodiversity Protection	Biodiversity
	5	Environmental Compliance Management	Environmental Compliance Management
	6	Energy Utilization	Energy Utilization
	7	Water Resource Utilization	Water Management
	8	Circular Economy	Water Management
Social	9	Rural Revitalization	Community Management
	10	Social Contribution	Community Management
	11	Innovation-driven Development	Innovation
	12	Technology Ethics	Technology Ethics
	13	Supply Chain Security	Supply Chain Security
	14	Fair Treatment of SMEs	Fair Treatment of SMEs
	15	Product and Service Safety and Quality	Product and Service Safety and Quality Management
	16	Data Security and Customer Privacy Protection	Data Security and Customer Privacy Protection
	17	Employees	Employee Management
Sustainable Development Governance	18	Due Diligence	Stakeholders
	19	Stakeholder Communication	Stakeholders
	20	Anti-bribery and Anti-corruption	Business Ethics Management
	21	Anti-unfair Competition	Business Ethics Management

### Appendix 4: GRI Standards Index

- **Instructions for Use:** During the period from 1 January 2025 to 31 December 2025, the Company reported the information referenced in this GRI Content Index in accordance with the GRI Standards.
- **GRI 1 Used:** GRI 1: Foundation 2021

GRI Standard	Disclosure Item	Location
GRI 2: General Disclosures 2021	2-1 Organizational Details	About Shengton Mining
	2-2 Entities Included in the Organization's Sustainability Reporting	About This Report
	2-3 Reporting Period, Frequency and Contact Point	About This Report
	2-4 Restatements of Information	About This Report
	2-5 External Assurance	Appendix 1
	2-6 Activities, Value Chain and Other Business Relationships	About Shengton Mining
	2-7 Employees	Employee Management
	2-8 Workers Who Are Not Employees	Employee Management
	2-9 Governance Structure and Composition	Governance: Building a Solid Foundation for Development
	2-10 Nomination and Selection of the Highest Governance Body	Governance: Building a Solid Foundation for Development
	2-11 Chair of the Highest Governance Body	Governance: Building a Solid Foundation for Development
	2-12 Role of the Highest Governance Body in Overseeing Impact Management	Governance: Building a Solid Foundation for Development
	2-13 Delegation of Responsibility for Managing Impacts	Governance: Building a Solid Foundation for Development
	2-14 Role of the Highest Governance Body in Sustainability Reporting	Governance: Building a Solid Foundation for Development
	2-15 Conflicts of Interest	Stakeholders
	2-16 Communication of Critical Concerns	Stakeholders
	2-17 Collective Knowledge of the Highest Governance Body	Governance: Building a Solid Foundation for Development
	2-18 Evaluation of the Performance of the Highest Governance Body	Governance: Building a Solid Foundation for Development
	2-19 Remuneration Policies	Employee Management
	2-20 Process to Determine Remuneration	Employee Management
	2-21 Annual Total Compensation Ratio	Not disclosed due to confidentiality policies

GRI Standard	Disclosure Item	Location
GRI 2: General Disclosures 2021	2-22 Statement on Sustainable Development Strategy	Chairman's Statement
	2-23 Policy Commitments	Chairman's Statement
	2-24 Embedding Policy Commitments	Sustainable Development Governance System
	2-25 Processes to Remediate Negative Impacts	Business Ethics Management
	2-26 Mechanisms for Seeking Advice and Raising Concerns	Stakeholders
	2-27 Compliance with Laws and Regulations	Environmental Governance System, Occupational Health and Safety
	2-28 Membership in Associations	Group Honors 2025
	2-29 Approach to Stakeholder Engagement	Stakeholders
	2-30 Collective Bargaining Agreements	Employee Management
	GRI 3: Material Topics 2021	3-1 Process to Determine Material Topics
3-2 List of Material Topics		Materiality Assessment
3-3 Management of Material Topics		Materiality Assessment
GRI 201: Economic Performance 2016	201-1 Direct Economic Value Generated and Distributed	Key Performance Indicators
	201-2 Financial Implications and Other Risks and Opportunities Due to Climate Change	Looking Ahead: Creating Sustainable Value Together
	201-3 Defined Benefit Plan Obligations and Other Retirement Plans	Employee Management
	201-4 Financial Assistance Received from Government	/
GRI 202: Market Presence 2016	202-1 Ratios of Standard Entry Level Wage by Gender Compared to Local Minimum Wage	/
	202-2 Proportion of Senior Management Hired from the Local Community	Group Governance Structure
GRI 203: Indirect Economic Impacts 2016	203-1 Infrastructure Investments and Services Supported	Key Performance Indicators
	203-2 Significant Indirect Economic Impacts	Materiality Assessment

GRI Standard	Disclosure Item	Location
GRI 204: Procurement Practices 2016	204-1 Proportion of Spending on Local Suppliers	Supply Chain Security
GRI 205: Anti-corruption 2016	205-1 Operations Assessed for Risks Related to Corruption	Business Ethics Management
	205-2 Communication and Training about Anti-corruption Policies and Procedures	Business Ethics Management
	205-3 Confirmed Incidents of Corruption and Actions Taken	Business Ethics Management
GRI 206: Anti-competitive Behavior 2016	206-1 Legal Actions for Anti-competitive Behavior, Anti-trust and Monopoly Practices	Business Ethics Management
GRI 207: Tax 2019	207-1 Approach to Tax	ESG Risk Management
	207-2 Tax Governance, Control and Risk Management	ESG Risk Management
	207-3 Stakeholder Engagement and Management of Concerns Related to Tax	ESG Risk Management
	207-4 Country-by-Country Reporting	/
GRI 301: Materials 2016	301-1 Materials Used by Weight or Volume	/
	301-2 Recycled Input Materials Used	Product and Service Safety and Quality Management
	301-3 Reclaimed Products and Their Packaging Materials	Product and Service Safety and Quality Management
GRI 302: Energy 2016	302-1 Energy Consumption within the Organization	Energy Utilization
	302-2 Energy Consumption outside the Organization	Energy Utilization
	302-3 Energy Intensity	Energy Utilization
	302-4 Reduction of Energy Consumption	Energy Utilization
	302-5 Reductions in Energy Requirements of Products and Services	Energy Utilization
GRI 303: Water and Effluents 2018	303-1 Interactions with Water as a Shared Resource	Water Management
	303-2 Management of Water Discharge-related Impacts	Water Management
	303-3 Water Withdrawal	Water Management
	303-4 Water Discharge	Water Management
	303-5 Water Consumption	Water Management

GRI Standard	Disclosure Item	Location
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	Biodiversity
	304-2 Significant impacts of activities, products and services on biodiversity	Biodiversity
	304-3 Habitats protected or restored	Biodiversity
	304-4 IUCN Red List species and national conservation list species with habitats in areas affected by operations	Biodiversity
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	Looking Ahead: Creating Sustainable Value Together
	305-2 Energy indirect (Scope 2) GHG emissions	Looking Ahead: Creating Sustainable Value Together
	305-3 Other indirect (Scope 3) GHG emissions	Looking Ahead: Creating Sustainable Value Together
	305-4 GHG emissions intensity	Looking Ahead: Creating Sustainable Value Together
	305-5 Reduction of GHG emissions	Looking Ahead: Creating Sustainable Value Together
	305-6 Emissions of ozone-depleting substances (ODS)	No ODS are generated during our operations
	305-7 Nitrogen oxides (NOx), sulfur oxides (SOx) and other significant air emissions	Pollutant Emission Management
GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts	Pollutant Emission Management
	306-2 Management of significant waste-related impacts	Pollutant Emission Management
	306-3 Waste generated	Pollutant Emission Management
	306-4 Waste diverted from disposal	Pollutant Emission Management
	306-5 Waste directed to disposal	Pollutant Emission Management
GRI 308: Supplier Environmental Assessment 2016	308-1 New suppliers screened using environmental criteria	Supply Chain Security
	308-2 Negative environmental impacts in the supply chain and actions taken	Supply Chain Security
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	Employee Management
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	Employee Management
	401-3 Parental leave	Employee Management
GRI 402: Labor/Management Relations 2016	402-1 Minimum notice periods regarding operational changes	/

GRI Standard	Disclosure Item	Location
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	Occupational Health and Safety
	403-2 Hazard identification, risk assessment and incident investigation	Occupational Health and Safety
	403-3 Occupational health services	Occupational Health and Safety
	403-4 Worker participation, consultation and communication on occupational health and safety	Occupational Health and Safety
	403-5 Worker training on occupational health and safety	Occupational Health and Safety
	403-6 Promotion of worker health	Occupational Health and Safety
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Occupational Health and Safety
	403-8 Workers covered by an occupational health and safety management system	Occupational Health and Safety
	403-9 Work-related injuries	Occupational Health and Safety
	403-10 Work-related ill health	Occupational Health and Safety
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	Key Performance Indicators
	404-2 Programs for upgrading employee skills and transition assistance programs	Employee Management
	404-3 Percentage of employees receiving regular performance and career development reviews	Employee Management
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	Employee Management
	405-2 Ratio of basic salary and remuneration of women to men	/
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	Employee Management
GRI 407: Freedom of Association and Collective Bargaining 2016	407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	Employee Management
GRI 408: Child Labor 2016	408-1 Operations and suppliers at significant risk for incidents of child labor	Employee Management
GRI 409: Forced or Compulsory Labor 2016	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	Employee Management
GRI 410: Security Practices 2016	410-1 Security personnel trained in human rights policies or procedures	Employee Management
GRI 411: Rights of Indigenous Peoples 2016	411-1 Incidents of violations involving rights of indigenous peoples	Employee Management
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments and development programs	Community Management
	413-2 Operations with significant actual and potential negative impacts on local communities	Community Management

GRI Standard	Disclosure Item	Location
GRI 414: Supplier Social Assessment 2016	414-1 New suppliers screened using social criteria	Supply Chain Security
	414-2 Negative social impacts in the supply chain and actions taken	Supply Chain Security
GRI 415: Public Policy 2016	415-1 Political contributions	/
GRI 416: Customer Health and Safety 2016	416-1 Assessment of the health and safety impacts of product and service categories	Product and Service Safety and Quality Management
	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	Product and Service Safety and Quality Management
GRI 417: Marketing and Labeling 2016	417-1 Requirements for product and service information and labeling	Product and Service Safety and Quality Management
	417-2 Incidents of non-compliance concerning product and service information and labeling	Product and Service Safety and Quality Management
	417-3 Incidents of non-compliance concerning marketing communications	Product and Service Safety and Quality Management
GRI 418: Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	Data Security and Customer Privacy Protection

## Appendix 5: International Financial Reporting Sustainability Disclosure Standards (IFRS) Index

Topic	Topic Description	Disclosure Requirements	Index
Governance	Oversight and management of sustainability-related risks and opportunities	The objective of sustainability-related financial disclosures on governance is to enable users of general-purpose financial reports to understand the governance processes, controls and procedures an entity uses to monitor, manage and oversee sustainability-related risks and opportunities.	Double Materiality Analysis
		To achieve this objective, the entity shall disclose the following information: (a) the governance body(s) (which can include a board, committee or equivalent body charged with governance) or individual(s) responsible for oversight of sustainability-related risks and opportunities. (b) management's role in the governance processes, controls and procedures used to monitor, manage and oversee sustainability-related risks and opportunities.	Group Governance Structure; Sustainable Development Governance System
Strategy	Managing sustainability-related risks and opportunities	(a) The objective of sustainability-related financial disclosures on strategy is to enable users of general purpose financial reports to understand an entity's strategy for managing sustainability-related risks and opportunities; (b) the sustainability-related risks and opportunities that could reasonably be expected to affect the entity's prospects; (c) the current and anticipated effects of those sustainability-related risks and opportunities on the entity's business model and value chain; (d) the effects of those sustainability-related risks and opportunities on the entity's financial position, financial performance and cash flows for the reporting period, and their anticipated effects on the entity's financial position, financial performance and cash flows over the short, medium and long term; (e) the resilience of the entity's strategy and its business model to those sustainability-related risks.	ESG Risk Management
Risk Management	Processes used to identify, assess, prioritize and monitor sustainability-related risks and opportunities	(a) The objective of sustainability-related financial disclosures on risk management is to enable users of general purpose financial reports to understand an entity's processes to identify, assess, prioritize and monitor sustainability-related risks and opportunities; (b) The extent to which, and how, the processes for identifying, assessing, prioritizing and monitoring sustainability-related risks and opportunities are integrated into and inform the entity's overall risk management process.	ESG Risk Management
Metrics and Targets	Progress toward achieving targets related to sustainability-related risks and opportunities	The objective of sustainability-related financial disclosures on metrics and targets is to enable users of general purpose financial reports to understand an entity's performance in relation to sustainability-related risks and opportunities, including progress towards any targets the entity has set, and any targets it is required to meet by law or regulation.	Key Performance Indicators

Topic	Topic Description	Disclosure Requirements	Index
Governance	In terms of governance, the objective of climate-related financial disclosures is to enable users of general-purpose financial reports to understand the governance processes, controls and procedures used by the entity to monitor, manage and oversee climate-related risks and opportunities.	The governance body(s) (which can include a board, committee or equivalent body charged with governance) or individual(s) responsible for oversight of climate-related risks and opportunities	Looking Ahead: Creating Sustainable Value Together
		Management's role in the governance processes, controls and procedures used to monitor, manage and oversee climate-related risks and opportunities.	Looking Ahead: Creating Sustainable Value Together
Strategy	In terms of strategy, the objective of climate-related financial disclosures is to enable users of general-purpose financial reports to understand the strategy adopted by the entity to manage climate-related risks and opportunities.	The climate-related risks and opportunities that could reasonably be expected to affect the entity's prospects.	Looking Ahead: Creating Sustainable Value Together
		The current and anticipated effects of those climate-related risks and opportunities on the entity's business model and value chain.	Looking Ahead: Creating Sustainable Value Together
		The effects of those climate-related risks and opportunities on the entity's strategy and decision-making, including information about its climate-related transition plan.	Looking Ahead: Creating Sustainable Value Together
		The effects of those climate-related risks and opportunities on the entity's financial position, financial performance and cash flows for the reporting period, and their anticipated effects on the entity's financial position, financial performance and cash flows over the short, medium and long term.	Looking Ahead: Creating Sustainable Value Together
		The climate resilience of the entity's strategy and its business model to climate-related changes, developments and uncertainties.	Looking Ahead: Creating Sustainable Value Together
Risk Management	In terms of risk management, the objective of climate-related financial disclosures is to enable users of general-purpose financial reports to understand the processes used by the entity to identify, assess, prioritize and monitor climate-related risks and opportunities.	The climate resilience of the entity's strategy and its business model to climate-related changes, developments and uncertainties.	Looking Ahead: Creating Sustainable Value Together
		The processes and related policies the entity uses to identify, assess, prioritise and monitor climate-related risks.	Looking Ahead: Creating Sustainable Value Together
		The extent to which, and how, the processes for identifying, assessing, prioritizing and monitoring climate-related risks and opportunities are integrated into and inform the entity's overall risk management process.	Looking Ahead: Creating Sustainable Value Together
Metrics and Targets	In terms of metrics and targets, the objective of climate-related financial disclosures is to enable users of general-purpose financial reports to understand the entity's performance in managing climate-related risks and opportunities.	Information relevant to the cross-industry metric categories.	Looking Ahead: Creating Sustainable Value Together
		Industry-based metrics that are associated with particular business models, activities or other common features that characterize participation in an industry.	Looking Ahead: Creating Sustainable Value Together
		Targets set by the entity, and any targets it is required to meet by law or regulation, to mitigate or adapt to climate-related risks or take advantage of climate-related opportunities, including metrics used by the governance body or management to measure progress towards these targets.	Looking Ahead: Creating Sustainable Value Together

## Feedback Form

Dear Readers,  
Hello!

Thank you very much for reading this report. We sincerely welcome your evaluation of this report and invite your valuable comments and suggestions to help us continuously improve our ESG practices and further enhance the quality and impact of our work.

### Please select the appropriate option (tick "✓" where applicable)

• Regarding Chengtun Mining, your identity is:

Employee     Consumer     Supplier     Regulatory Authority     Media     Other (please specify)

• Your overall impression of this report is:

Employee     Good     Average     Fair     Poor

• In your opinion, the quality of ESG information disclosed in this report is:

Very High     High     Average     Low

• The structure of this report is:

Very Reasonable     Reasonable     Average     Fair     Poor

• The design and presentation format of this report is:

Employee     Good     Average     Fair     Poor

### Open-ended Questions

1. Which aspects of this report do you find most satisfactory?

2. What additional information would you like to see disclosed in this report?

3. Do you have any comments or suggestions regarding our ESG initiatives?

### If convenient, please provide your contact information

Name: \_\_\_\_\_ Contact Number: \_\_\_\_\_

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