



招金礦業股份有限公司

ZHAOJIN MINING INDUSTRY COMPANY LIMITED

(a joint stock limited company incorporated in the
People's Republic of China with limited liability)
(Stock Code: 1818)

2022

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT





*The gold inherits millennium
benevolence and righteousness
knot the world*

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ABOUT THIS REPORT

Zhaojin Mining Industry Company Limited (the “Company” or “Zhaojin”) and its subsidiaries as listed in “Scope of Report” (collectively the “Group” or “we”) are pleased to publish the environmental, social and governance report (the “Report”). This Report truthfully discloses the Group’s practice of fulfilling responsibilities to important stakeholders such as shareholders, customers, partners, employees, the environment and the community, reflecting the Group’s performance in terms of environmental, social and governance (“ESG”) performance. The Report has been reviewed and approved by the board of directors of the Company (the “Board”). This Report can be downloaded from the Company’s website and the website of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”).

Scope of Report

The Report covers the period from 1 January 2022 to 31 December 2022 (the “Reporting Year” or “2022”). Unless otherwise stated, the currency involved in the Report is RMB. The Report focuses on our major businesses, including the Company and 11 subsidiaries. Unless otherwise specified, the scope of data will be the same.

Zhaojin – Xiadian Gold Mine, Dayingezhuang Gold Mine, Jinchiling Gold Mine and Canzhuang Gold Mine;

Zhaoyuan Jintingling Mining Industry Company Limited (“Jintingling”);

Xinjiang Xinhui Copper Company Limited (“Xinhui Copper”);

Tuoli Zhaojin Beijiing Mining Company Limited (“Zhaojin Beijiing”);

Xinjiang Xingta Mining Company Limited (“Xingta Mining”);

JHKAShi Tonghui Mining Company Limited (“Tonghui Mining”);

Fengningjinlong Mining Company Limited (“Fengningjinlong”);

Gansu Hezuo Zaozigou Mining Industry Company Limited (“Zaozigou”);

Zhaoyuan City Zhaojin Jinhe Technical Company Limited (“Zhaojin Jinhe”);

Liaoning Zhaojin Baiyun Gold Mining Company Limited (“Zhaojin Baiyun”);

Gansu Zhaojin Precious Metal Smelting Company Limited (“Gansu Smelting”);

Laizhou Ruihai Mining Industry Company Limited (“Ruihai Mining”).

The Company will continue to review the scope of reporting regularly according to our materiality principles and the key stakeholders’ opinions, and will extend the scope in the future if necessary.

Reporting Standard

The Report has been prepared in accordance with the mandatory disclosure requirements as set out in Part B and the “Comply or Explain” provisions as set out in Part C of the ESG Reporting Guide under Appendix 27 to the Rules Governing the Listing of Securities on the Stock Exchange. If there is any discrepancy between the English and Chinese versions, the Chinese version shall prevail.

Contact & Feedback

The Company values your feedback on this Report and our sustainability performance. If you have any comments or suggestions, please feel free to contact us via:

Zhaojin Mining Industry Company Limited – Secretary to the Board Office

Address: Zhaojin Building, No. 118 Wenquan Road, Zhaoyuan City, Shandong Province, PRC

Phone: 86-535-8256086

Postal Code: 265400

Email: ZJKY_IR@zhaojin.com.cn

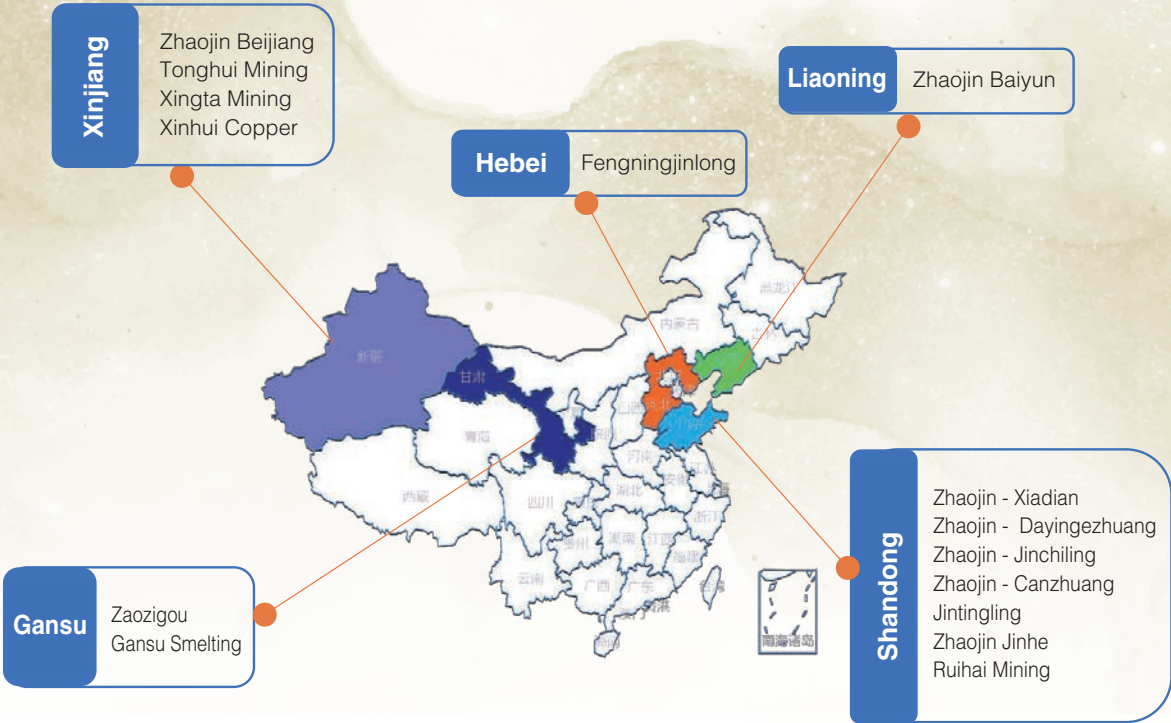
ABOUT ZHAOJIN

Zhaojin was jointly established by Shandong Zhaojin Group Company Limited, Shanghai Fosun Industrial Investment Co., Ltd., Shanghai Yuyuan Tourist Mart (Group) Co., Ltd., Shenzhen Guangxin Investments Co., Ltd. and Shanghai Laomiao Gold Co., Ltd. and has obtained approval from the People's Government of Shandong Province. The Company was incorporated as a joint stock limited company on 16 April 2004 and listed on the Main Board of the Stock Exchange on 8 December 2006. In November 2022, the company introduced Zijin Mining Group Company Limited ("Zijin Mining"), the industry leader, to become the second largest shareholder, bringing the company the superimposed effect of coordinated development and fund sharing, and opening a new chapter of comprehensive strategic cooperation.

The Company is an integrated large-scale enterprise with exploration, mining, processing and smelting operations, focusing on gold production business. The Company is one of the leading gold producers and one of the largest enterprises of gold smelting in the PRC. Principal products of the Company include standard Au9999 and Au9995 gold bullions. The Company's main production technologies and facilities are leading in the PRC and of advanced international standards. The Company is a national high and new technology enterprise.

The Company is based in the Zhaoyuan city in the Jiaodong peninsula of Shandong Province, the PRC, which is well placed with abundant resources and has a long history of gold exploration and production. According to the statistics provided by the China Gold Association, gold resources in Zhaoyuan city account for approximately 10% of the remaining gold resources in the PRC. Zhaoyuan city is named by the China Gold Association as the "Gold Capital of the PRC" and is the largest gold production base and the first gold production city in the PRC.

Recently, the Company insists on focusing on gold mining as well as technology and management innovation in order to strengthen our technologies and cost advantages in the industry. Thus, the Company has achieved remarkable results in increasing gold reserves, production volume and corporate efficiency every year.



Our Culture and Values

It is the core content of Zhaojin’s culture to establish a cultural system with the characteristics of the gold industry and the Company’s own characteristics, facilitate corporate development with culture and shift the corporate management model from institutional management to cultural management. Looking back on our development, we always incorporate environmental and social concerns into our business models and utilise an innovative management approach to work towards our business goals and also society’s wider goals. We value and share common values with our stakeholders, thereby helping us to continuously improve and motivate ourselves and make innovation.

Corporate Culture



Zhaojin aims to develop people-oriented and harmonious culture, be a world-class enterprise and continuously explore a new form of business

We strive to boost the local economy, sustain and expand our long-established brand, make the most of our limited resources and create values together with our stakeholders

- Comply to create mutual benefits
- Combine everyone’s idea to innovate
- Catch people’s heart to achieve a win-win situation
- Collaborate to improve the business with everyone’s effort

- Practicality
- Innovation
- Honesty
- Dedication



Awards and Recognition

In 2022, we have achieved fruitful results in various areas such as corporate governance, technological innovation, production and operation, and cultural construction, which is a testament to our contribution in environmental, social and governance, corporate development, human resources and innovative development.



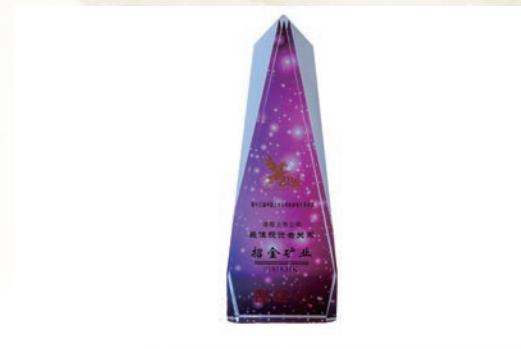
Excellent Board



Golden Stock Award



Most ESG Value Award



Best Investor Relations Award for Hong Kong Listed Companies



Corporate Governance Pioneer Award



Excellent ESG Practice Cases



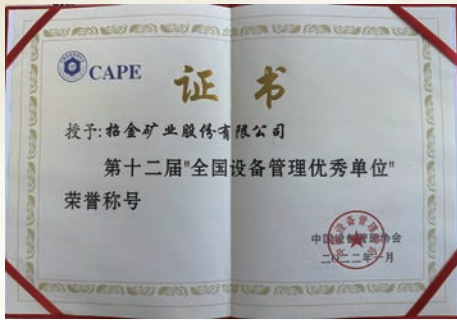
Best Hong Kong Stock IR Team Award



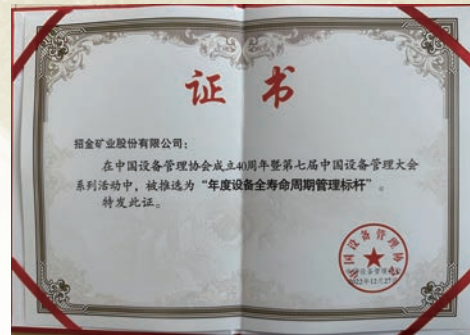
National Quality Award



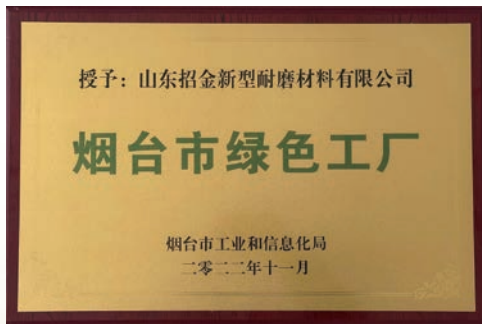
National Advanced Unit of Metallurgical Construction



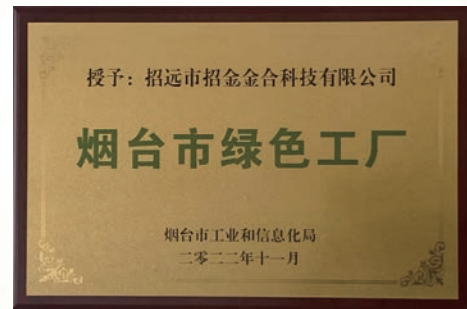
Nationwide Equipment Management Outstanding Unit



Annual Equipment Life Cycle Management Benchmark



Yantai Green Factory



Yantai Green Factory



Geoscience Technology

Geoscience Technology

CHAIRMAN FOREWORD

2022 was a year for Zhaojin Mining to experience phoenix nirvana, transformation and rebirth. As the engagements of the inspection and rectification of safety production in Shandong Province and the clean-up and rectification of non-coal mines in Yantai City were close to completion, the Company has passed various inspections and tests with high standards and has experienced a fire-like refinement and rebirth. Benefiting from the continuous improvement of the development environment of the mining industry, the Company's production and operation activities have been on the right track, the production capacity has been fully released, and the performance has been greatly boosted. We quite cherish the hard-earned development results, because the results benefit from the support and love of our shareholders and the care and support of all sectors of society for the Company.

In 2022, we correctly grasped the relationship between stability and development. While resolutely keeping hold of a series of baseline work such as pandemic prevention and control, safety and environmental protection, stability of complaints and risk management and control, we focused on the core of value creation, adhered to the concept of performance-oriented, and paid close attention to the annual general requirements for work of "achieving a good start, two indicators exceeding 50%, overcoming difficulties, and sprinting". Through organizing various labor competition activities, we stimulated the initiative of major mines from stabilizing production to increasing production and efficiency, overfulfilled the annual operation plan, and maintained the high growth of the annual performance.



Chairman

A handwritten signature in black ink, consisting of stylized Chinese characters, positioned to the right of the word "Chairman".

In 2022, we laid a foundation, planned the overall situation and achieved long-term benefits and strengthened the momentum of development with “dual focus”. The Company gathered its advantageous resources and strength to fight a hard battle for key projects and key issues. Backbone mines and crisis mines achieved new results, laying a foundation for production continuity. A total of 32.6 tons of gold metal was added and 18.93 tons of gold metal was upgraded. Ruihai Mining completed the procedures of a series of major compliance certificates and licenses and entered a comprehensive construction campaign; the capacity expansion of Dayingezhuang Gold Mine and Zaozigou Gold Mine progressed smoothly. Zhaojin Mining commenced comprehensive strategic cooperation with Zijin Mining, and the “five synergies” strategy started a new era of the Company’s development. The Company attached great importance to scientific and technological innovation, newly increasing one project at national platform, 12 projects at provincial and city level platforms. We have been granted 6 scientific and technological awards above the provincial and ministerial level and 94 patents, and we have built a total of 16 high-tech enterprises. Scientific research has become the core force driving the Company’s development. We deepened the excellent performance management model and worked meticulously over the past three years. We successfully passed the mid-term review and acceptance of the National Quality Award.

In 2022, we built the soft strength of corporate culture, deeply implemented the pro-people projects such as caring measures for offsite workers, helping the persons in difficulties, the Golden Autumn Scholarship, showing filial respect for the relatives and elders and health examinations for the family members of employees outside of the city. We spent more than RMB2.7 million out of labor union expenditure throughout the year, actually spent money on the needs and expectations of the employees, and effectively enhanced the sense of gain and satisfaction of employee group. The Company actively fulfilled its social responsibilities, shouldered the responsibility as a state-owned enterprise, actively carried out the construction of community, government and enterprise, and business environment, maintained friendly relationships with local governments, communities and all sectors of society, built a good social image of the Company, and polished the gold brand with the characteristics of Zhaojin. The Company’s ESG cases have been selected as the Excellent ESG Practice Cases of Listed Companies, highlighting its position as an industry pioneer in practicing ESG concepts.

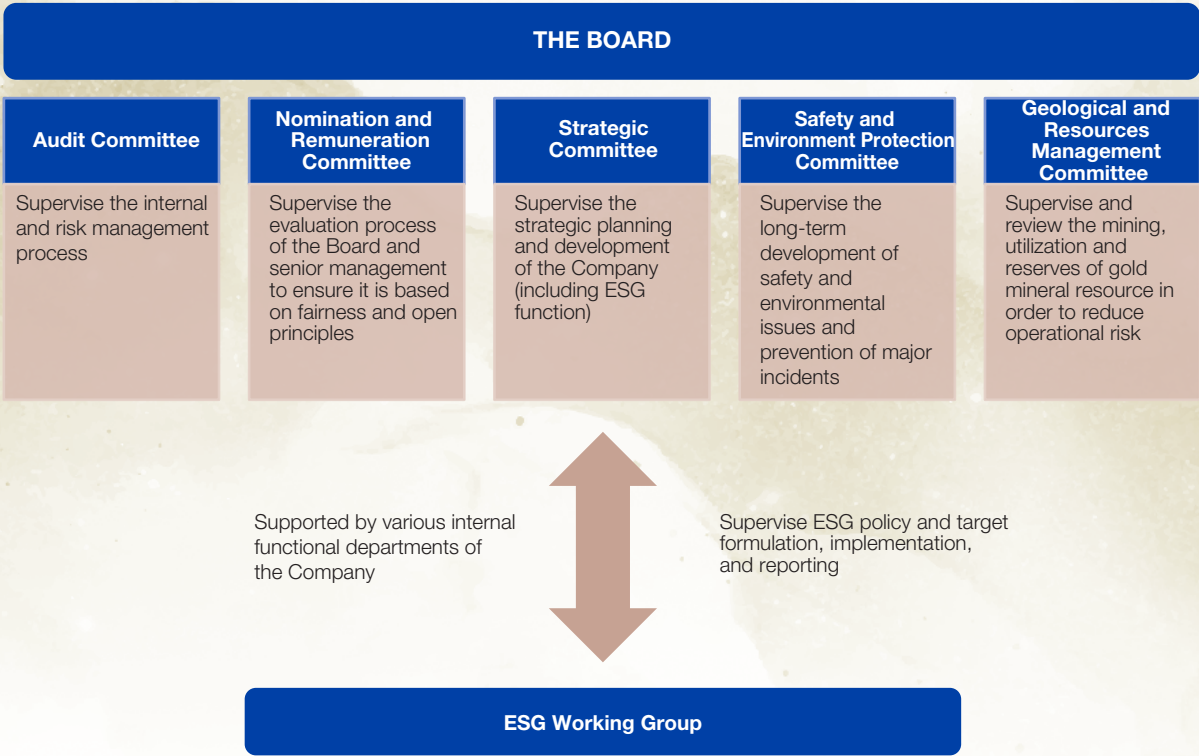
In 2022, we continued to attach importance to the management of domestic and overseas investor relations, adopted various methods to strengthen communication with investors, and disclosed institutional research in a timely and compliant manner. In the face of the adverse impacts on the Company’s share price caused by the safety rectification of non-coal mines and the substantial and frequent reduction of shareholding by the original shareholders, the Company conducted investor strategy meetings, news publicity, reverse roadshows, etc., and at the same time introduced Zijin Mining, an industry leader, as a strategic investor. Through a combination of such measures, we enhanced market confidence and boosted the Company’s share price. The Company won awards such as the “13th Tianma Award for Investor Relations of Listed Companies in China – Best Investor Relations Award for Hong Kong Listed Companies”, “2022 Golden Hong Kong Stocks Company” and “17th Golden Round Table Award for the Board of Directors of Listed Companies in China – Excellent Board of Directors”, reflecting the recognition of investors on the Company’s management level.

The year 2023 is a crucial year for the implementation of the strategic development plan. In the face of the complex and ever-changing internal and external environment, the Company will take the initiative to innovate and seek changes, reload and start again by focusing on the development theme of “Focus, Breakthrough and Improvement”, comprehensively deepen the “five excellence” competition activities, and continue to carry out “six reductions and six ensures” activities, so as to ensure safety and environment protection, stability, compliance, growth, sustainable momentum and value appreciation through reducing risks, liabilities, costs, expenses, stocks and receivables, achieve the “dual improvement” of quality and efficiency of high-quality development, firmly move forward to the grand goal of becoming a world-class gold mining company with international competitiveness. We will deliver an excellent answer sheet to the capital market and investors.



OUR SUSTAINABILITY MANAGEMENT

Sustainability Governance



The above graph only includes the key functions of the Board’s special committees in ESG management.

The main driving force of social development and a major consumer of environmental resources, enterprises play an important role in the process of promoting ecological civilisation and taking up the important task of developing a green economy. We believe that effective sustainability requires a clear hierarchical structure that facilitates an internal cross-departmental division of labour and communicates key messages to all levels of the Company in order to facilitate the Company to achieve the goal of sustainable development through a top-down approach.

The Board oversees the sustainability initiatives, practices and progress as important part of the business strategy and risk management process through the support of the five special committees including audit committee of the Company (the “Audit Committee”), nomination and remuneration committee of the Company (the “Nomination and Remuneration Committee”), strategic committee of the Company (the “Strategic Committee”), safety and environment protection committee of the Company (the “Safety and Environment Protection Committee”) and geological and resources management committee of the Company (the “Geological and Resources Management Committee”). The Board takes responsibility in ESG management, including ESG strategies, initiatives and target formulation, policy and procedures approval etc. Our governance approach incorporates in the daily operations, where different internal functional departments are responsible for their line of responsibility. The functional departments regularly provide a report containing KPIs to the management and the Board for evaluation of effectiveness of the business operations.

The Board of the Company sets up 5 special committees. Every year, at least one special meeting is held for discussing sustainability issues in core aspects such as compensation system, internal risk control, corporate development plan, social responsibility engagement, values of shareholders, safety and environmental protection, resource reserve etc. of the Company. The ESG report is reviewed and approved by the Board before publishing for investors to read.

Audit Committee

The Audit Committee is responsible to oversee the internal control and risk management processes, as well as evaluating the efficiency of risk control measures, including sustainability risks and challenges. The Group's internal management practices and systems are reviewed on a regular basis to ensure risk analysis, optimization and management are performed fairly and independently.

Nomination and Remuneration Committee

Effectiveness of a corporate governance structure can optimize the management success. As such, the Nomination and Remuneration Committee is responsible for supervising the performance appraisal and human resource systems of the senior management to ensure their capability of performing their duties (including ESG-related matters).

Strategic Committee and ESG Working Group

Led by the Board, the Strategic Committee is responsible to determining the Company's strategy, decision-making on major business issues, set forward-looking goals, monitor the implementation effectiveness and timely discuss on the business planning for sustainable development of the Company, identify sustainability opportunities and risks, review the annual ESG work report and report to the Board. We also set up the ESG working group to reinforce the management of relevant issues, aiding to coordinate the policy and procedures implementation, and ESG reporting works. In addition, the working group regularly conduct review and analyze on a variety of sustainability development topics, identify relevant risks and opportunities, and report to the Board in order to establish policies, procedures, strategies, and goals timely.

Safety and Environment Protection Committee

In strengthening the Company's management on the safety and environmental issues, the Safety and Environment Protection Committee is responsible to (1) determine the major investment in environmental and safety project, (2) confirm the annual commitment and targets, (3) formulate long-term and yearly plan, (4) comply with the national laws and regulations, and (5) conduct due diligence and supervision of the implementation progress. The committee will also supplement the Board with information in determining the Company's strategies.

Geological and Resources Management Committee

Geological and Resources Management Committee adjusts and authorizes resource exploration, development, utilization, and reserve plans according to the actual operating conditions. While ensuring the business development and resource reserve are as planned, we can conduct the exploration work in a more environmentally friendly and safer way, as well as to better manage ecological and environmental protection work, in order to minimize our impact on the surrounding environment and local residents.

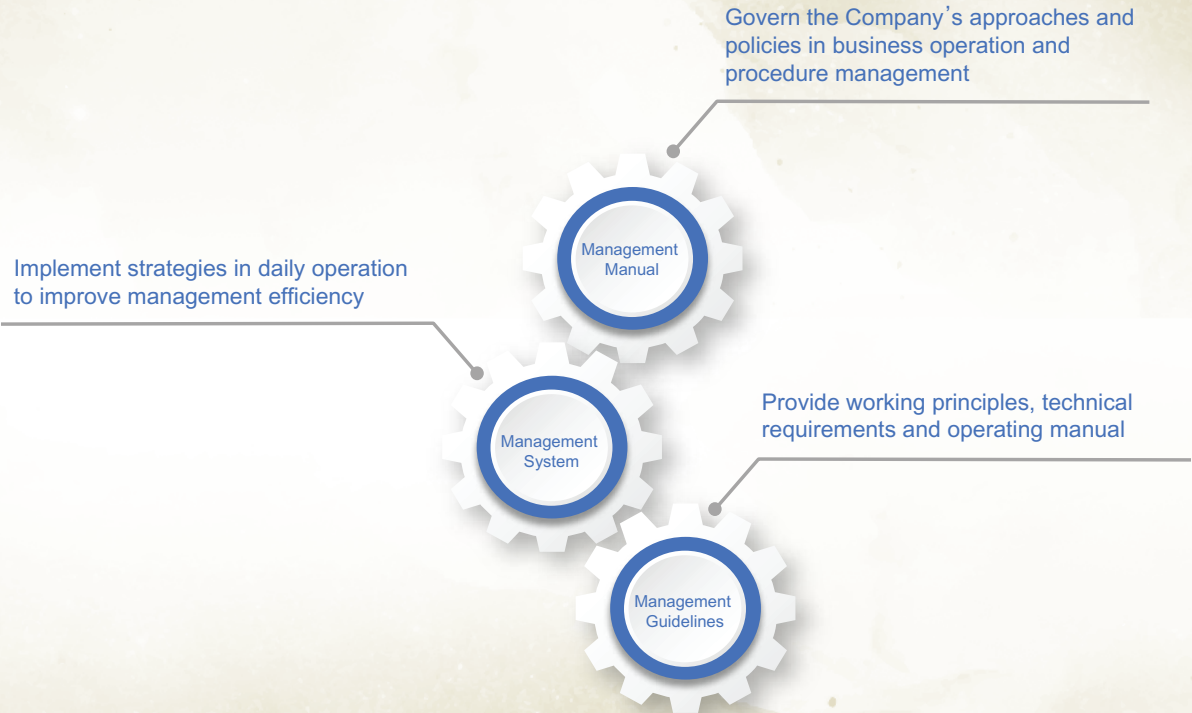
ESG Risk Management

By establishing a comprehensive risk management system, the Company is able to monitor risks in a timely and reliable manner and make every effort to keep them within limits, thus ensuring the orderly operation of its business.

As mentioned above in this Report, the Board of the Company has set up the Audit Committee to supervise the risk management process (including sustainability risks). By adopting enterprise risk management system, the Audit Committee strives to identify, analyze and audit the major issues and risks and report relevant risks to the senior management and the Board when necessary.

Management Framework

The Company implements Integrated Management Manual in defining our principles for various departments and our subsidiaries to design, implement and monitor the entire management process. We apply top-down and bottom-up approach, and adopt the national and international standards as our fundamental management basis, such as ISO 9001:2015, ISO 14001:2015, GB/T 28001-2011 and GB/T 23331-2012.



The Company has established the management manuals with corporate goals and directions which are supplemented with management guidelines and principles so that a consistent work approach can be achieved at site-level.

Megatrends and Changes

The internal and external situation of the Company has undergone profound changes, requiring us to always focus on the general trend and respond to the situation with the right strategy. In order to achieve long-term success and sustainable growth, we carefully assessed the potential difficulties and megatrends of the gold mining industry and determine the strategic direction of business development in long run.

	Reasons	Strategies
Cost of mining increase	Given the increase in cost of manpower and fuel consumption, the cost of mining businesses will increase.	We see the opportunities that technological innovation can bring to the Company and hence invest vastly in automation, digitalization and intelligence mine projects.
Technological innovation	In the future, technology is the key to increase the relative competitiveness, enhance efficiency and lower the operational cost for long-term development.	
More stringent environmental protection requirements	Chinese government has imposed more stringent requirements and regulations on protecting the environment.	Concerns on the environmental conditions in the mining industry are increasing. In response to the concerns, we have the management team and local taskforce to plan and implement various mitigation measures for enhancing the overall environmental performance.
Increasing standards to explore international market	At the same time of grasping opportunities internationally, the social and environmental concerns on the local communities cannot be neglected neither.	Collaboration with different key stakeholders can remain our competitive advantages in the market. Therefore, we maintain constant communication to understand their needs and consideration.

Stakeholder Engagement

In order to understand the needs, concerns and expectations of stakeholders, we continuously improve our social responsibility information disclosure system, establish internal and external communication mechanisms, and proactively understand the expectations and demands of our stakeholders through various means including online channels such as the Company’s website and WeChat public account, different types of announcements, convening of general meetings and participation in activities of various social organisations.

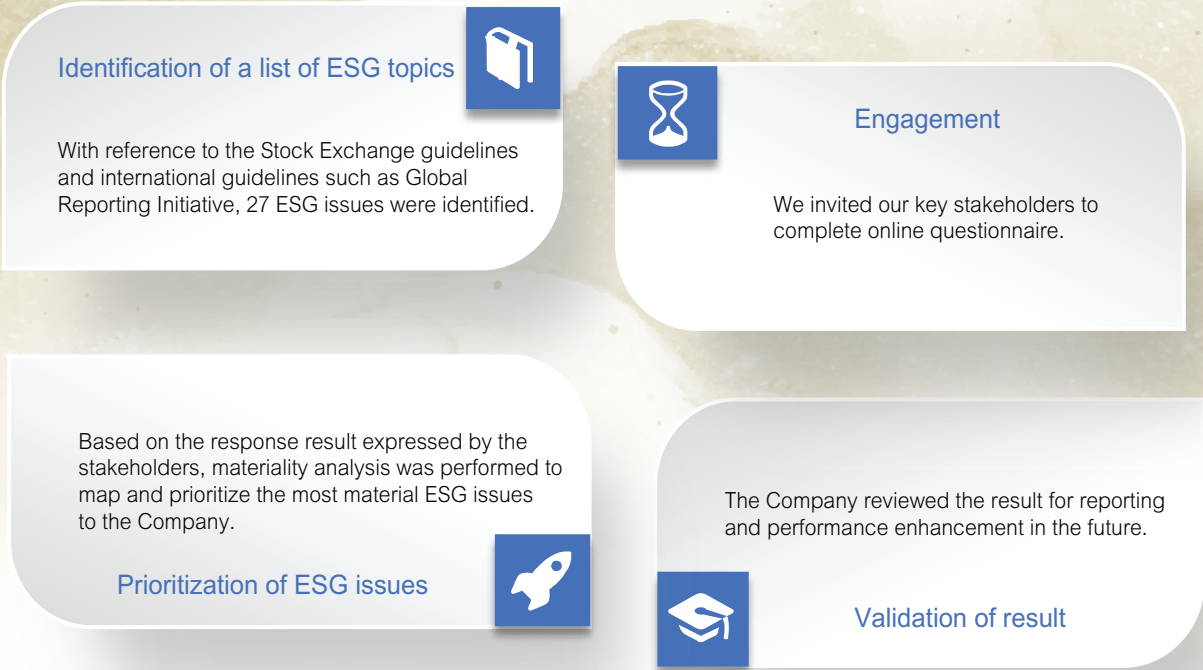
Types of stakeholder group	Communication channels	Stakeholders’ concern	Our response
Investors and shareholders	<ul style="list-style-type: none"> • Company website • Company’s announcements • Annual general meeting • Annual and interim reports • Roadshows and reverse roadshows 	<ul style="list-style-type: none"> • Production quality • Compliance and information disclosure 	<ul style="list-style-type: none"> • Devise policies and procedures to comply with relevant laws and regulations • Timely and systematically disclose the Company’s information
Customers	<ul style="list-style-type: none"> • Company website • Customer direct communication • Customer feedback and complaints • Customer satisfaction surveys 	<ul style="list-style-type: none"> • Product and service quality • Customer satisfaction 	<ul style="list-style-type: none"> • Establish two-way communication channels to collect opinions from our customers and follow-up by relevant functional departments to analyze and provide recommendation for improvement

Types of stakeholder group	Communication channels	Stakeholders' concern	Our response
Employees	<ul style="list-style-type: none"> • Training and orientation and other employee activities • Social networking platform, e.g. WeChat, corporate website, internal communication platforms and emails • Regular meetings, e.g. staff meeting • Employee performance evaluation 	<ul style="list-style-type: none"> • Remuneration package • Working environment • Personal development • Legal employment 	<ul style="list-style-type: none"> • Ensure our employment condition complies with all the legal requirements • Establish a fair and open employment system and promotion ladder • Develop green mine and improve the working environment by installing online monitoring system
Community	<ul style="list-style-type: none"> • Company website • Community activities • Communication platforms, e.g. newspaper, TV 	<ul style="list-style-type: none"> • Compliance of laws • Operational impact to the society 	<ul style="list-style-type: none"> • Deliberately consider the impact of our business operation to the surrounding environment and community before each production plan, and formulate mitigation and improvement plan

Types of stakeholder group	Communication channels	Stakeholders' concern	Our response
Suppliers and business partners	<ul style="list-style-type: none"> • Selection assessment • Procurement process • Performance assessment • Regular communication with business partners (e.g. emails, meetings, on-site visit etc.) 		
Government authorities, industry associations	<ul style="list-style-type: none"> • Documented information submission • Compliance inspections and checks • Regular meetings with local government representatives • Forums, conferences and workshops 		
Nongovernmental Organisations	<ul style="list-style-type: none"> • Emails • Phones • Charity donations and voluntary services 		
Media	<ul style="list-style-type: none"> • Company website • Company's announcements • Social networking platforms 		

Materiality Assessment

The Company engaged an independent consultant to conduct a materiality assessment in the form of an online questionnaire. Our internal and external stakeholders (including employees, the Board or the top management, customers, suppliers, non-governmental organizations, governments, etc.) were invited to complete the questionnaire and finally considered and analyzed based on “importance to stakeholders”, thereby forming the initial assessment results of material topics.



A total of 2,331 survey responses were received in this assessment, and the results of analysis of material topics are presented in tabular form. Based of the results of assessment, we will continue to review and develop corresponding ESG policies and targets in order to pursue continuous improvement in relevant work in the future.

Core Material Topics of 2022

Governance topic	Social topics	Environmental topics
Customer satisfaction	Prevention of child labour and forced labour	Environmental compliance
Customer Health and Safety	Employee Development	Air Emissions
Business ethics	Employee training	Climate change
Intellectual property	Diversity and equal opportunity	Energy efficiency
Customer privacy and data protection	Employee retention	Waste management
Responsible supply chain management	Labour-management relations	Use of water resources and wastewater treatment
Socio-economic compliance	Occupational health and safety	Use of materials
Customer service quality and complaints handling	Community support	Greenhouse Gas Emissions
Compliance with regulations on marketing and labeling of products and services	Non-discrimination	
	Employment rights	

ETHICAL BUSINESS

Integrity is a key component of the Company's core values and culture. As such, we highly emphasize the integrity of our employees during our business operations, and conduct business with professionalism, honesty and integrity in all business transactions and relationships. To this end, we specifically formulated the Opinions on Credit System Construction with a view to establishing a comprehensive credit system, thereby forming a mechanism for conduct monitoring and continuous improvement. There is no legal case regarding corrupt practices brought against the Company or its employees during the Reporting Year.

The Company has formulated clear management manuals and requires our employees to strictly follow such manuals. In addition, we require all personnel in charge to sign an Integrity Responsibility Declaration annually to establish an anti-corruption risk prevention and control structure. For job positions that involve higher integrity risks, integrity agreement will be signed by the employees and job rotation system will be adopted to minimize the risks.

For establishing an external credit system, we establish various communication channels – “One Website, Two Boxes, Three Platforms” for domestic and international stakeholders to report any suspected misconducts, through website, email, telephone and WeChat etc. All reported cases will be investigated and reported to the management and working group for verification. If the case is confirmed, the Company will take necessary disciplinary actions or even file lawsuit according to the relevant laws and regulations. We will keep the identity of the whistle-blowers in high confidentiality to prevent them from any unfair treatment.

In order to effectively audit and supervise our production, business performance, and internal and external affairs, the Company has also set up an Administrative Personnel Accountability System to clearly declare management's responsibility in taking relevant actions. The Company establishes the management manuals with corporate goals and directions which are supplemented with management guidelines and principles so that a consistent work approach can be achieved at mining areas.

In order to create a good environment of working, starting and assuming responsibilities, realize the institutionalization and standardization of discipline inspection and supervision work, promote the integrity and compliance of party members and leading cadres of the Company, promote the construction of clean governance of the Company to a new level, and better guarantee and serve the healthy development of the Company, the Company has formulated the Discipline Inspection and Supervision Management System. At the same time, a leading group for discipline inspection and supervision was established to be responsible for the organization, scheduling, supervision and inspection of this work; a working group for discipline inspection and supervision was established to be responsible for integrity construction, education supervision, discipline enforcement and accountability.

At the same time, the Company has formulated the Discipline Inspection and Supervision Management System of Zhaojin Mining Industry Company Limited, the Regulations on Integrity Management, the Regulations on the Management of Marriage and Funeral Activities Conducted by Leading Cadres, the Regulations on the Management of Participation in Supervision and Operation Activities, the Regulations on the Management of the Use of Overseas (Environment) Licenses, the Regulations on the Management of Inspection Work, the Regulations on the Management of Integrity and Compliance Index Evaluation, and the Regulations on the Management of Gifts and Cash Receipts and Payments to strengthen the discipline inspection and supervision work.



CARE FOR OUR EMPLOYEES

Occupational Health and Safety

“Safety First” is one of the Company’s core values and cornerstone in the process of gold mining. Building a safe working environment for employees and cultivating a safety culture in workplace have always been the top priority of the Company. The month of June 2022 is the 21st Safe Production Month in China. The Company launched the safe production month campaign under the theme of “Complying with the Production Safety Law and being the First Responsible Person” based on the requirements of the government at higher levels and the actual situation of the enterprise. The Company and its subsidiaries actively participated in and organized various activities.



The opening ceremony of the "Safety Culture Month" of Jinchiling Gold Mine



A psychological counseling room for employees was established in Xiadian Gold Mine



Summary of Three-Year Actions for Special Rectification of Safety

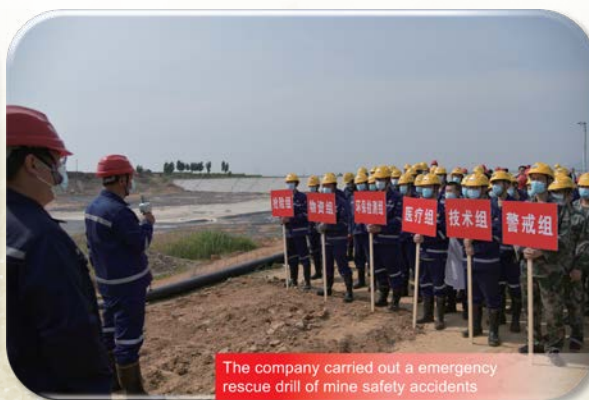
In order to further strengthen the Company's intrinsic safety level, improve safety management, and fundamentally eliminate potential hazards, the Company has completed the three-year action goal of special rectification of safe production in accordance with the work deployment of the superior and the relevant requirements of the three-year action plan for special rectification of safe production in the state, province and city.

Safety Production Targets for 2020-2022

Indicator content	2020	2021	2022
Liability accident with serious injury or above	0	0	0
Rate of minor injury for thousand persons	1.31‰	1.39‰	0.89‰
Withdrawal compliance rate of security measures fee	143.02%	118.25%	100.57%
Employee safety training participation rate and passing rate	100%	100%	100%
Qualification rate of dust	Underground 99.32% Surface 99.72%	Underground 99.6% Surface 99.77%	Underground 99.6% Surface 100%
Mechanization, automation, intelligence	Mining, excavation, support machinery of large enterprises 100%	Automation and intelligence for large mines	Mechanization of small and medium-sized mines 70%



The company held a mine rescue skills competition



The company carried out an emergency rescue drill of mine safety accidents



Strictly implementing the epidemic prevention and control policy

In 2022, the Company's epidemic prevention and control took the protection of employees' health and normal operation of enterprises as the starting point, and the epidemic prevention and control team adjusted its work focus in a timely manner according to the changes in national policies, achieving the goal of zero infection in the entire company during the prevention and control period, temporarily closing the enterprises in the port for management three times throughout the year, completing nucleic acid testing for more than 1.41 million persons, and screening more than 2,300 people coming from key areas. In late 2022, the country optimized the epidemic prevention and control policy, the Company and all enterprises adjusted the prevention and control strategy in a timely manner, arranged staff rotation and standby in an orderly manner, and did not relax or slacken in health supervision, risk screening, standby protection and psychological counseling in order to slow down the spread of the virus and ensure safe production and service protection order.



Implementing the security responsibility of the main entity and establishing a sound chain of responsibility for all employees

The Company and its enterprises further tightened the chain of safety responsibilities by focusing on the production safety responsibility system for all employees, using the production safety management system, production safety operation procedures and other basic production safety documents as the basis for daily management, establishing a list of responsibilities for all employees, emphasizing assessment and strict rewards and punishments, and launching a series of activities such as reporting on hidden sufferings and anti-"three violations" for all employees. The Company and its enterprises have made comprehensive revisions to the management system for blasting materials, the management system for leaders to lead shifts in wells, and the management of construction teams in accordance with the new "Safety Production Law", the "Safety Regulations for Metal and Non-metal Mining" and the "Notice on the Issuance of the Work Plan for Enhancing Safety Production in Key Areas of Non-Coal Mining". In accordance with the regulations of Shandong Province, the Company has set up eight safety directors in eight high-risk enterprises in mining, smelting and road transportation, who are specifically in charge of safety. Jinchiling Gold Mine revised and organized the study of the enterprise's "One Post, One Book" and was awarded the title of "2022 Safe Production Demonstration Post for Young Employees in Yantai City"; Xadian Gold Mine implemented the "Personal Safety Point System" with a total of over 6,000 details on safety points assessment, and the review coverage rate of all staff was over 80%.



Promoting the handling of compliance procedures for construction projects in accordance with the law

In 2022, the Company intensified its efforts to promote the “Double Focus” engagement, in which all of the nine engagements such as the safety procedures project for the procurement engineering of Ruihai Mining Industry, the project for height increase and capacity expansion of Zhaojin Baiyun Songjiagou Tailings Storage completed the annual plan targets. Four tailings storages located in the city successfully passed the number-cancellation inspection, which reduced the safety and environmental risks. Zhajin Jinhe and Shandong Zhaojin New Wear-Resistant Materials Company Limited* (山東招金新型耐磨材料有限公司) were selected as “Green Factory” of Yantai City. The number of “green factories” in the Company’s green mines increased to 20. The safety facilities for the technical transformation project of improving the transportation system of Xia Dian Gold Mine successfully passed the project acceptance and were officially put into operation. The Canzhuang Gold Mine (Consolidation) project smoothly passed the environmental assessment and received approval, facilitating the orderly progress of the mine consolidation project.



Launching certificates and license management subsystem

Promoting dual prevention mechanism subsystem

Application goals and statements subsystem

Certificates and licenses management

This module completed the development and testing and was applied online at the end of March 2022, mainly including 4 parts: enterprise certificates and licenses, personnel certificates (including construction teams), equipment inspection reports, environmental inspection reports, etc. It can realize the unified management and display of various licenses (certificates) information, and enables real-time inquiry, preview and export of statistical information table for various licenses (certificates). So far, 30 entities inside and outside the city have used this module, and a total of 347 corporate certificates and licenses, 2,611 personnel certificates (including 120 registered safety engineers, 418 qualification certificates for safety management personnel, 1,811 qualification certificates for special operators, 125 qualification certificates for blasting operators, 204 qualification certificates for special equipment operators), 571 equipment inspection reports, and 82 environmental inspection reports have been recorded in the platform.

Prevention Mechanism

The development was completed in May 2022 and the trial operation was conducted at the pilot entity, Dayingezhuang Gold Mine. The mechanism mainly included four sub-functions of risk hierarchical control, potential hazards investigation and management, basic information management and potential hazards database, which can realize information entry of various corporate personnel post information and risk points (units), import of checklist of potential hazards of the posts, generation and execution of the potential hazards plan, and statistical aggregation of potential hazards investigation and improvement information; the whole process of potential hazards investigation and management can be realized through an independent mobile APP. The Company has organized application trainings for nearly 20 times through on-site training, video conference training and online learning, and has conducted comprehensive promotion in batches in all production enterprises inside and outside the city under the Company. By the end of 2022, a total of 17 production-type enterprises used the dual prevention mechanism subsystem, and a total of 668 risk units (risk points) were recorded. The total number of risk units (risk points) recorded is 668 (288 for low risk, 208 for normal risk, 108 for greater risk, and 64 for major risk). The total number of inspections carried out in the year was over 464,000, with a total of 8,679 potential hazards found and all of them were rectified, and the rectification rate of potential hazards reached 100%.

Target Statements

Target statements completed the development and testing and launched for application at the end of September 2022. They mainly include 7 sub-functions such as annual work targets, safety statements filling, safety statements auditing, corporate statements viewing, Company statements filling, Company statements viewing, and leading a shift down the well by a leader, which can realize filling and auditing of corporate annual targets, conduct filling, auditing and summarizing of 14 daily statements, maintain the information related to the corporate leaders and shift leaders, the information related to planning and appraisal, and conduct inquiries on the history of shift leading and etc.



Safe production month

The enterprises vigorously launched publicity campaigns and utilized various forms such as safety meetings, pre-shift meetings, electronic screens, banners, posters, blackboards and WeChat groups to conduct publicity, produced more than 600 banners with slogans such as the “Deeply Conducting the 21st National Safe Production Month” and “Complying with the Law on Production Safety, Being the First Responsible Person”, so as to create a strong atmosphere for the campaign.

The Company’s security performance for the period 2019 to 2022	Number of work-related deaths	Headcount ratio of work-related deaths	Number of working days lost due to work-related injuries
2019	0	0%	0
2020	0	0%	0
2021	0	0%	0
2022	0	0%	0

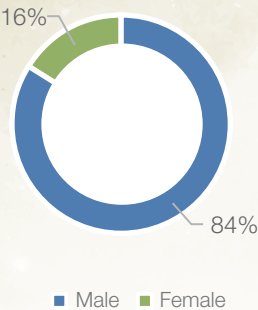
Compliant employment

The Company adheres to the concept of “people-oriented” human resources management, and has formulated the “Human Resources Plan” to clarify the Company’s objectives and implementation plans in terms of organization management, performance management, compensation and benefits management, and training and development, effectively promoting the common development of our employees and the Company.

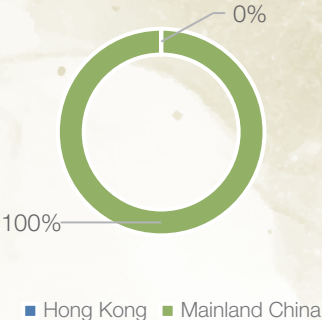
The employees are important assets to the Company and we strive to provide an inclusive and equitable work environment for all employees. The Company strictly complies with all national and regional laws and regulations regarding labor and employment, including the Labor Law of the People’s Republic of China and the Labor Contract Law of the People’s Republic of China. In accordance with the human resources management policies developed by the Company, we have implemented a series of standards to regulate various employment issues and protect the rights of our employees on different issues, including the establishment of employee obligations, recruitment procedures, employee benefits and remuneration, resignation and trainings.

The Company encourages healthy competition among its employees based on the principles of openness and equality. We ensure that all employees are treated equally in terms of age, gender, race, disability, marital status or other non-work related factors. All decisions regarding recruitment, promotion, performance evaluation and salary adjustments are based on qualifications, experience, competencies and performance. Prior to each year's recruitment process, we conduct a survey of employment needs to determine the number and type of talents required. In addition, the Company will analyze the position appointment standards of employees at different levels in accordance with the Position Descriptions in terms of the nature of the positions, the scope of duties, the qualifications and competency requirements, etc. to serve as the basis of the Company for recruiting and attracting talents.

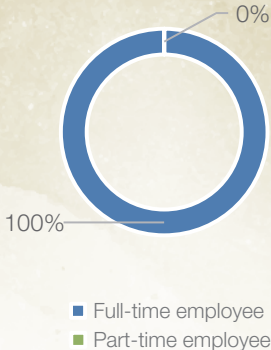
Gender Type*



Area Classification

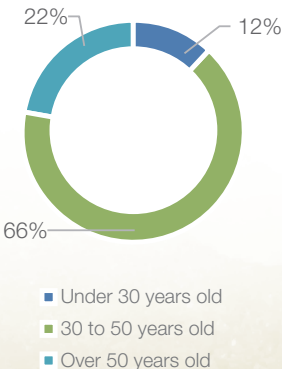


Employment Type

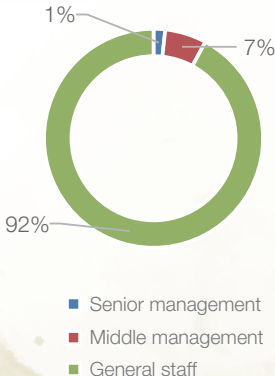


* Note: including senior management

Age Distribution



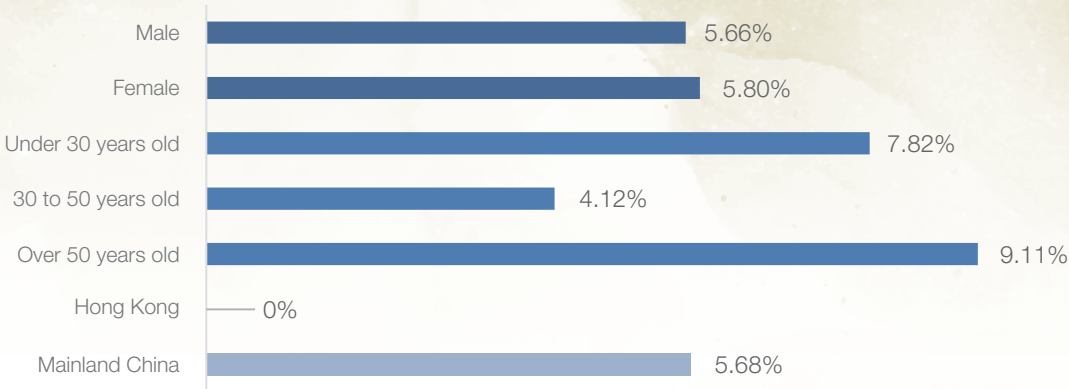
Position Classification



Remuneration and Benefits and Employee Protection

The Company adheres to its established employee recruitment policy to ensure that all employees are hired in an open and fair manner. Salaries, vacations and statutory holidays enjoyed by employees are governed by their labor contracts. We have actively established a fair, equitable and open system of compensation and benefits management. All full-time employees are entitled to various paid leave (including annual leave, sick leave, home leave, marriage leave, maternity leave, paternity leave and funeral leave) and social insurance (including pension insurance, medical insurance, work injury insurance, unemployment insurance and maternity insurance). We also provide various allowances (including housing allowance, business travel allowance and telephone allowance for those who work abroad) and education subsidies to our eligible employees. We adopt various ways to retain talents, strive to create a working environment where “people are talented”, promote a proactive work philosophy, and enhance employees’ sense of belonging. During this year, the turnover rate of our employees was 5.68%.

Total employee turnover rate in 2022



Care for our Employees

In 2022, Zhaojin adhered to the Company's core values and launched a series of employee care activities based on the needs of employees in various forms, at multiple levels and through multiple channels to fully mobilise their passion.

Holiday Activities and Benefits

Activity I: the activity of caring for female employees



Activity II: the activity of caring for the children of the employees outside the city



Activity III: the activity of ideological and faith education



Activity IV: the activity of caring for the parents of the employees outside the city



Activity V: the activity of caring for employees during the epidemic



Development and Training

The Company insists on people-oriented, and all engagements are always carried out around the overall development of employees. The Company has formulated a strategic plan for human resources, established a management system with the headquarters as the core and based on vertical management of professional lines.



Conducting talent demand analysis to identify the required employees

In accordance with the strategic human resources planning, the Company conducted a full-scale human resources inventory analysis, and determined the type and number of employees currently required by the Company and adjusted the indicators on an annual basis based on the enterprise's labor demand.

Overview table of the Company’s position system based on strategic talent analysis and talent inventory

Position Level	Management Talent Team			Technical Talent Team	Operation Skill Talent Team	
	Executive Sequence	Management Sequence	Professional Sequence	Technical Sequence	Support Sequence	Operation Sequence
Level 19	B3 Chairman of the Board					
Level 18	B2 President					
Level 17	B1 Vice President			T9 Chief Engineer		
Level 16		M5 Assistant to the President		T8 Deputy Chief Engineer		
Level 15		M4 Department General Manager		T7 Specialist Engineer		
Level 14					T6 Chief Engineer	
Level 13		M3 Vice President of Department	P6 Business Director	T5 Deputy Chief Engineer		
Level 12						
Level 11		M2 Senior Manager	P5 Senior Business Manager	T4 Senior Engineer		
Level 10						
Level 9		M1 Manager	P4 Business Manager	T3 Engineer		
Level 8						
Level 7			P3 Senior Business Specialist		B4 Administration Director	04 Senior Technician
Level 6			P2 Business Specialist	T2 Assistant Engineer	B3 Administrative Commissioner	03 Technician
Level 5			P1 Business Director	T1 Engineer Assistant	B2 Administrative Assistant	
Level 4					B1 Clerk	02 Senior Worker
Level 3						
Level 2						01 Junior Worker
Level 1						

Identifying a path to implementation

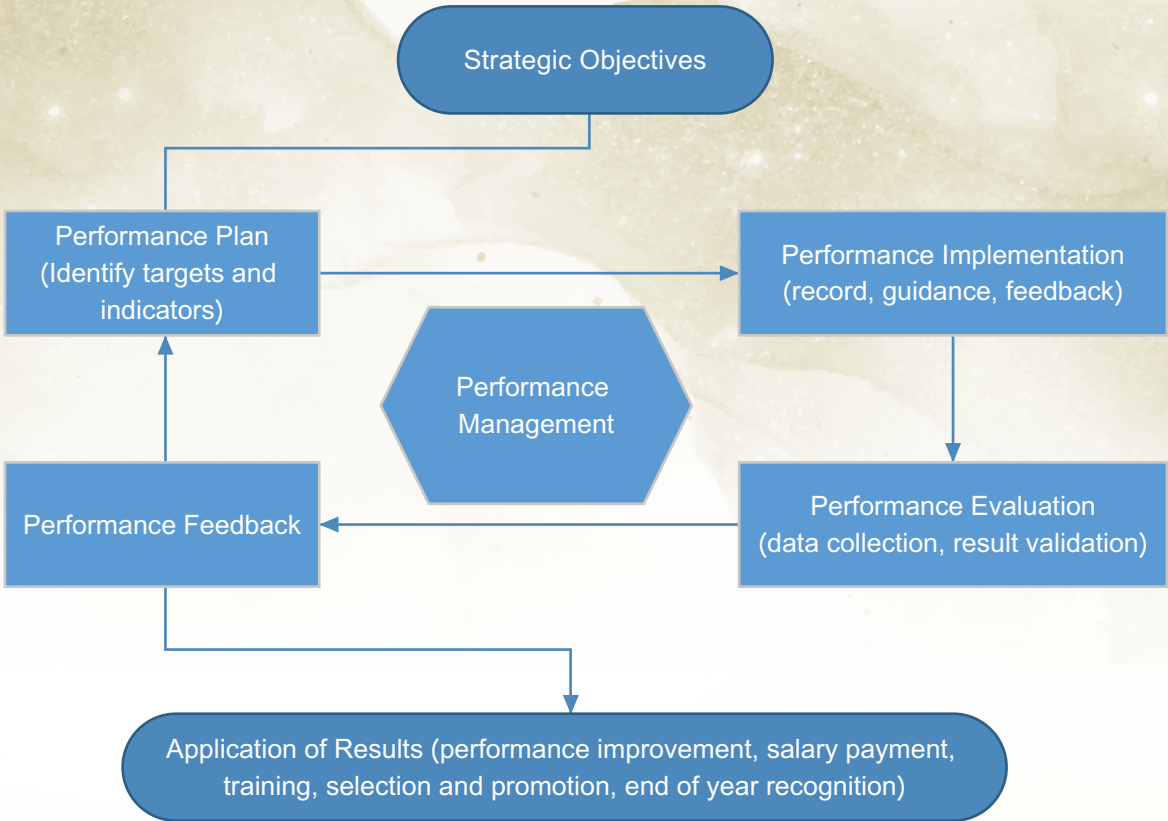
The Company draws on the experience and strengths of third-party companies to help build the Company’s human resources system. The three P factors of Position, Person and Performance are organically integrated through collaborative mechanism to promote the achievement of the Company’s human resources management objectives. Through conceptualization and organizational upgrading, we have complemented and strengthened the professional functional skills of the human resources department.

Key Steps and Impacts of Human Resources System

	Key Steps	Key impacts
Position, Person, Performance	Establishing a standardized post ranking system	Establishing a position ranking system for fair development through position value assessment
	Establishing medium and long-term strategic talent planning strategy	Compiling management and echelon construction based on systematic business thinking
	Optimizing performance operation system and performance indicator system	Promoting the long-term virtuous cycle of closed-loop performance management
	Establishing a fair and competitive salary system	Adjusting the standardized salary structure to align with the market to enhance the level
	Establishing a standardized and process-oriented capability management system	Realizing gradual improvement based on the capacity system and human and financial mobility mechanism

Improving employee performance management

The Company has established a performance management system based on its strategic objectives, and the performance objectives of the Company are divided from top to bottom in terms of the overall performance of the Company, the departments of the headquarters and branches and subsidiaries. Performance management at each level includes links such as performance planning, performance implementation, performance evaluation and feedback, performance improvement and application of results and has formed a closed-loop management process.



Performance Management Relationship Based on Strategic Objectives

Strengthening employee education and training

The Company actively responds and conducts online learning and training through various ways such as the Quantum Education • Cloud-based Learning Platform* (量見•雲學習平臺), DingTalk live streaming* (釘釘直播) and Ke Tang Pai* (課堂派). The Company encourages its employees to learn and grow on their own, and has launched the “Five-Year Improvement Plan for All Employees” to encourage the employees to improve their academic, job and professional qualifications through self-study, and provides them with corresponding rewards.



Zhaojin Mining held the "First Class to Start Work"

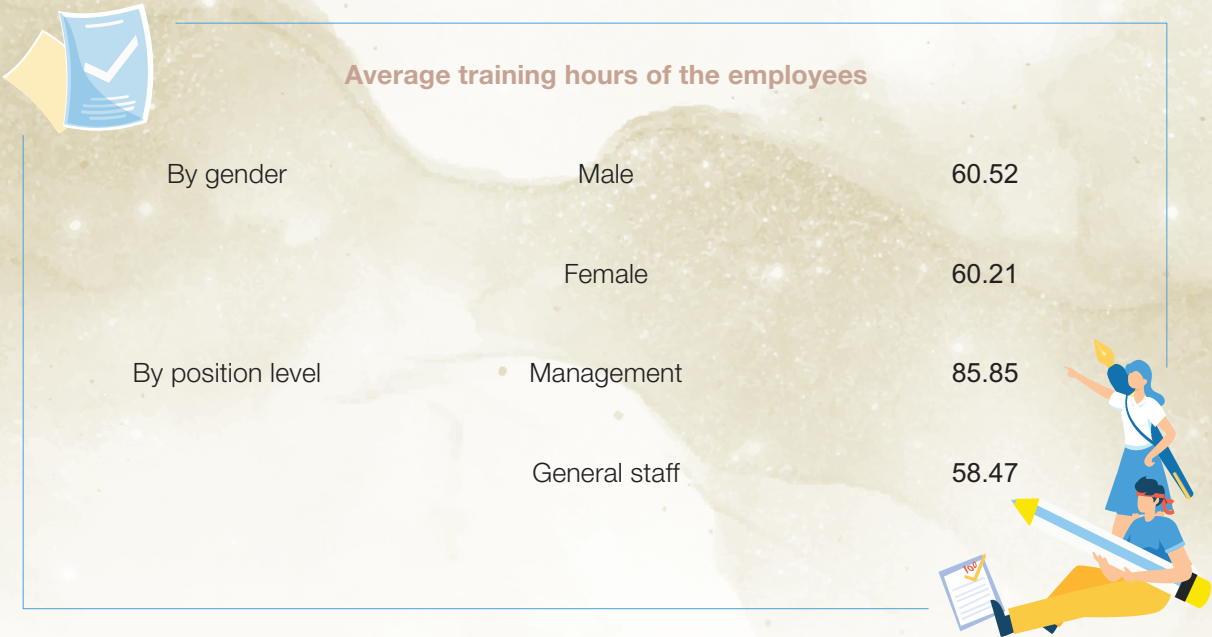
Training Program for Three Teams and 100 Persons

The Company has formulated the implementation plan of the “Training Program for Three Teams and 100 Persons”, which specifies the establishment of three reserve talent training teams, namely management talent team, professional and technical talent team and professional team, the establishment of reserve talent training for key positions and the development of personalized plans, and the reasonable exploration, development and cultivation of reserve talent team.



Water prevention and treatment technology training of Zhaojin Mining

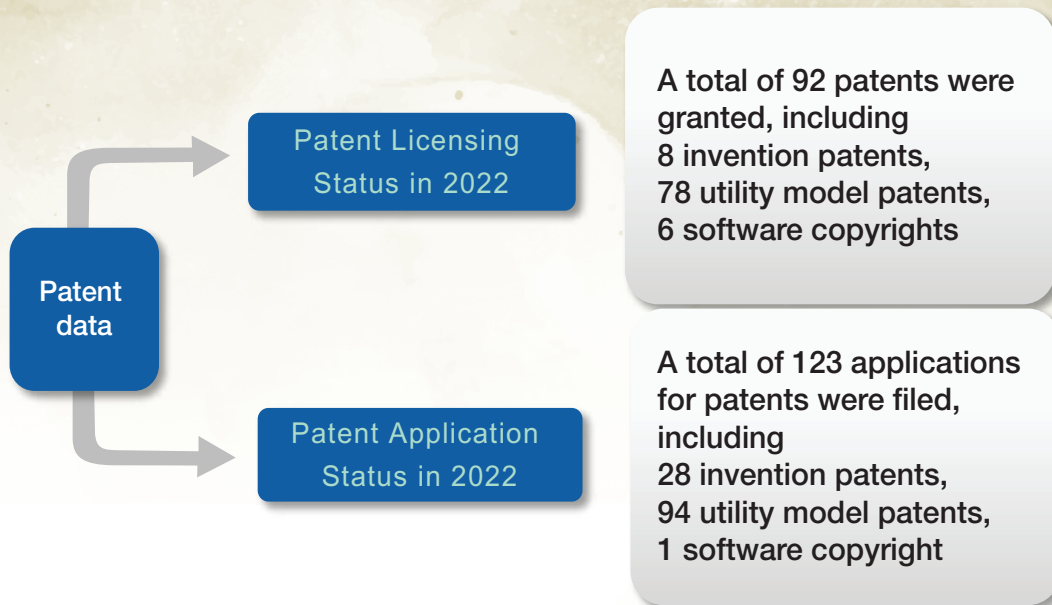
As of 31 December 2022, the Company has organized 361,705 hours of training, with an average training time of 60.47 hours per employee. The training coverage rate for male and female employees was 94.04% and 99.25% respectively. The training rate of senior management, middle management and general staff was 100%, 100% and 94.40%.



PRODUCT RESPONSIBILITY

The Company's products fulfil the national requirement (GB/T4134-2015) and Regulations of the PRC on the Control of Gold and Silver. In the entire project lifecycle from infrastructure construction, exploration, mining, smelting, refining and tail management, we implement certified ISO 9001:2015 quality management system and internal guidelines on each production processes for comprehensive management. In addition, the Company also ensure the product quality through internal and third party testing. The gold is processed into standard gold ingots and transported to the designated warehouse of Shanghai Gold Exchange directly. During the Reporting Year, the Company did not receive any complaints or notices of violations of laws and regulations related to product quality.

Technological Innovation



Patent Licensing and Application Status in 2022

Achievements in the implementation of key task fulfilment projects

Through efficient cooperation and joint research between the Company, enterprises and cooperation entities, the key projects have been smoothly promoted with remarkable results. In particular, after the technical transformation of Xiadian Gold Mine's sand warehouse No. 1, the intensity of shallow filling reached over 1MPa in 3 days through industrial testing; through the application of new beneficiation agents, the recovery rate of lead and copper increased significantly; the processing volume of the roasting and cyanidation system increased to 380t/d after the two-stage roasting-cyanidation and gold extraction system process optimization of Gansu Smelting. Through adopting the two-level review and acceptance of the Company and the enterprises, the quality of completing project was guaranteed, and the project management level and technology research and development capability were further improved.

Key indicators in the field of processing and smelting have been improved

The Company focused on promoting 17 key projects in the field of processing and smelting, including the transformation of sulfur ore filter of Jinchiling Gold Mine. By formulating and issuing the implementation plan for “key projects in the field of processing and smelting”, the Company signed a project proposal with the enterprises, and at the same time, by means of “key dispatch notification every half month + irregular on-site investigation”, the Company rapidly promoted the implementation of the project, and achieved phased results. Among them, 11 projects including the “Project of Extracting Gold from Iron Powder” of Zhaojin Jinhe successfully completed system optimization, transformation and commissioning, and conducted system summary, achieving expected results and goals.

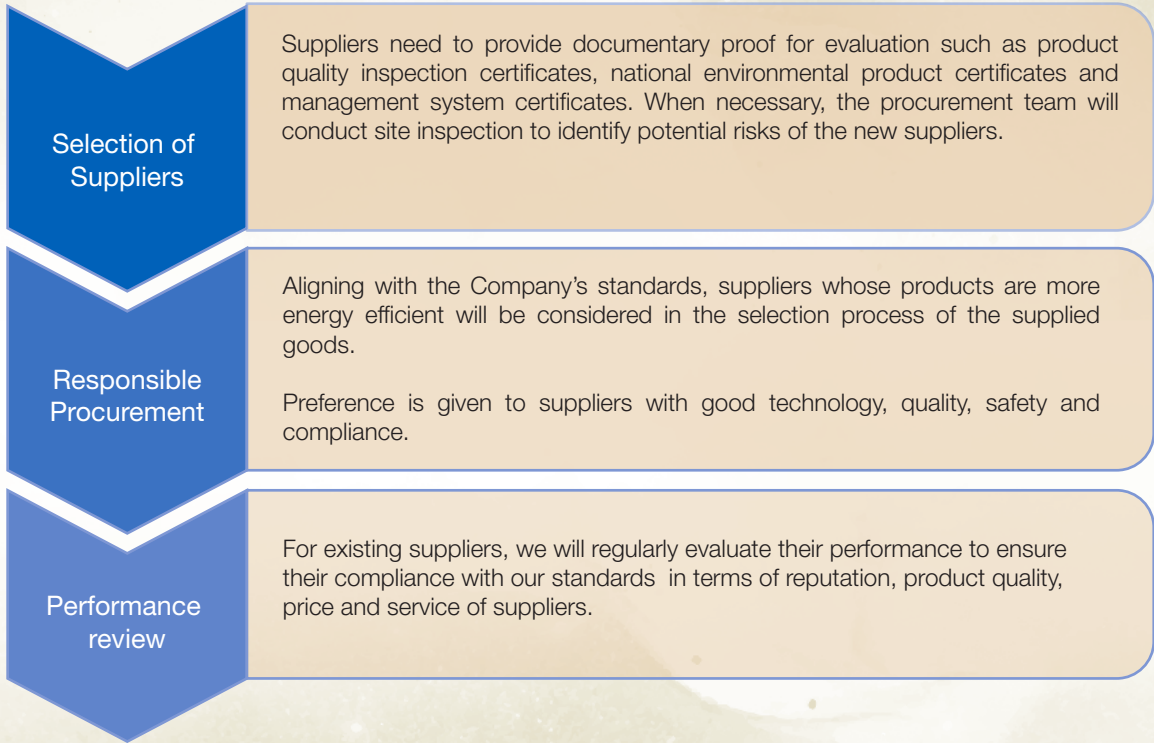


Intelligent Mine Dispatching and Command Center of Dayingezhuang Gold Mine

Supply Chain Management

An effective management model and careful selection of suppliers can reduce risk and improve the quality of our production, and we select suppliers fairly and reasonably in our procurement process. The Logistic and Equipment Management Standard established by the Company stipulates guidelines in tendering, procurement, internal review and monitoring procedures. Potential suppliers are required to undergo a series of selection procedures before being qualified as approved suppliers and we will conduct continuous review on suppliers, regularly assess their performance and adhere to the principles of openness and fairness to minimize the supply chain risks. In 2022, all the suppliers of the Company were located in mainland China.

Moreover, for the Company, business integrity is essential for our collaboration with suppliers. In case integrity issues such as corruption and fraud or violation of our contractual requirements are identified, it may result in termination of contract. At the same time, we have set up a communication channel for suppliers on important matters. Every year, we hold a Procurement Transparency Meeting for discussing major equipment in the year and procurement of material supplies to achieve transparent communication and information disclosure.







The picture shows Zhaoyuan Jintingling Mining Industry Company Limited

OUR ENVIRONMENT

Environmental Management

The Company attaches great importance to the construction of ecological civilisation and always closely links its business development with environmental and resource protection. Currently, our environmental management system has passed ISO 14001:2015 certification and has been implemented in all phases of operations. This management system provides a well-established framework to identify key environmental indicators to prevent and mitigate the impacts on the environment. In addition, this management system also outlines the commitments, responsibilities and principles in terms of environmental protection of the Company and provides implementation practices and performance indicators to review the performance of the Company.



Formulation of Environmental Targets and Initiatives

The Company focuses on the development and implementation of mitigation measures to protect the environment. Environmental professionals are assigned in site-level to coordinate the management and supervision of the works, as well as to set up environmental targets and initiatives that are in line with the Company's standards. In addition, the Company has also set up an environmental performance evaluation in the annual performance assessment and hopes to increase the sense of responsibility of our employees and encourage them to make commitments for environmental measures and pollution prevention.

Law and Regulation Management

Compliance of environmental laws and regulations are the fundamental basis of the Company's development. We develop and update the existing law and regulation management system and conduct analysis to ensure compliance with the latest laws and regulations through keeping pace with the latest applicable laws and regulations.

Environmental Trainings

In order to enhance the awareness of environmental protection, we strengthen environmental protection knowledge and skills of the employees through environmental training. Some of the training topics include internal environmental rules and standards, environmental incident reporting mechanism, case study of major environmental events, laws and regulations etc.

Environmental Risk Management and Inspection

To eliminate risks of environmental incidents that impact on the natural environment, production facilities and employees, the Company comprehensively assesses and inspects environmental risks on a regular basis. For the major risk sources, we have established management and monitoring measures. In addition, we also implement zone management to ensure adequate inspection are conducted at all work processes.

Emergency and Incident Management

In response to the major environmental pollution incidents (such as hazards waste storage, chemical storage and wastewater treatment facilities), we have provided management standards to establish emergency plans and drills and classify different emergencies into levels and more clearly designate emergencies response teams and notification systems for different emergency levels.

In the case of unfortunate occurrence of an environmental pollution incident, we will establish an investigation team to identify the cause of the incident and develop proposed measures to prevent recurrence of similar incidents.

Long-term Goals

The Company is committed to achieving its environmental goals, operate our businesses responsibly and combine our industry leadership and innovative technologies to promote green production. Therefore, in the Reporting Year, we have set the following forward-looking goals for the long-term development, focusing our resources on improving our performance in key environmental issues.

During 2021 to 2025, we ensure that power consumption density will be reduced by more than 0.1% YOY per year, and we endeavour to make it to be reduced by more than 0.2% YOY per year



During 2021 to 2025, the emission indicators for various pollutants such as waste gas and wastewater (chemical oxygen demand, ammonia nitrogen, etc.) will be reduced by 5% per year compared to the previous year



During 2021 to 2022, consolidated utilization rate of the tailings was not less than 20%. During 2023 to 2025, the consolidated utilization rate of the tailings will not be less than 30%



From 2021 to 2025, we will increase 30 hectares of green area each year. Normal production enterprises can achieve 100% green area coverage



Water consumption density in 2025 will be 0.2% lower than that in 2020. We will strive for more than 90% water recycling utilization rate



All normal production enterprises have been listed in the National Green Mine Directory by 2022, and the smelting enterprises will actively strive to create national green factories



Key Environmental Initiatives

In order to steadily promote the construction of green mines, reduce the emission of three wastes, continuously carry out ecological restoration and treatment, and create a green, harmonious, clean and environmentally friendly enterprise, in 2022, our work directions included the following three aspects:

Enhancing Environment Monitoring Work

Each enterprise should, according to the EIA and local environmental protection department requirements, hire qualified environmental testing organizations at least quarterly on waste water, exhaust, noise and other environmental conditions for a comprehensive test, and issued a test report. In addition to the regular inspection, smelting enterprises such as Jinchiling Gold Mine, Zhaojin Jinhe, Gansu Smelting internally implement a system of daily inspection and weekly inspection on the key environmental factors and sensitive points to ensure that environmental factors all meet the standards. The monthly and quarterly environmental inspection reports of each enterprise should be reported to the Environmental Protection Department of the Company in a timely manner.

Doing well in ecology Environmental Management Project

In 2022, the Company plans to invest RMB93.35 million in environmental protection, and RMB22.93 million in "three wastes" treatment projects, mainly for the optimization and expansion of the production and domestic wastewater treatment project and the upgradation and transformation of the dust absorption devices. The investment in green ecology and etc. was RMB72.43 million, mainly used for greening and reclamation of tailings storages, geological ecological treatment, and greening and beautification of plant areas. In particular, enterprises located in areas with relatively fragile geological and ecological environment should increase the investment in reclamation, tree planting and greening, actively carry out "green" construction with the surrounding communities, promote the concept of environmental protection of Zhaojin, and truly practising developing a mine and leaving a green field.

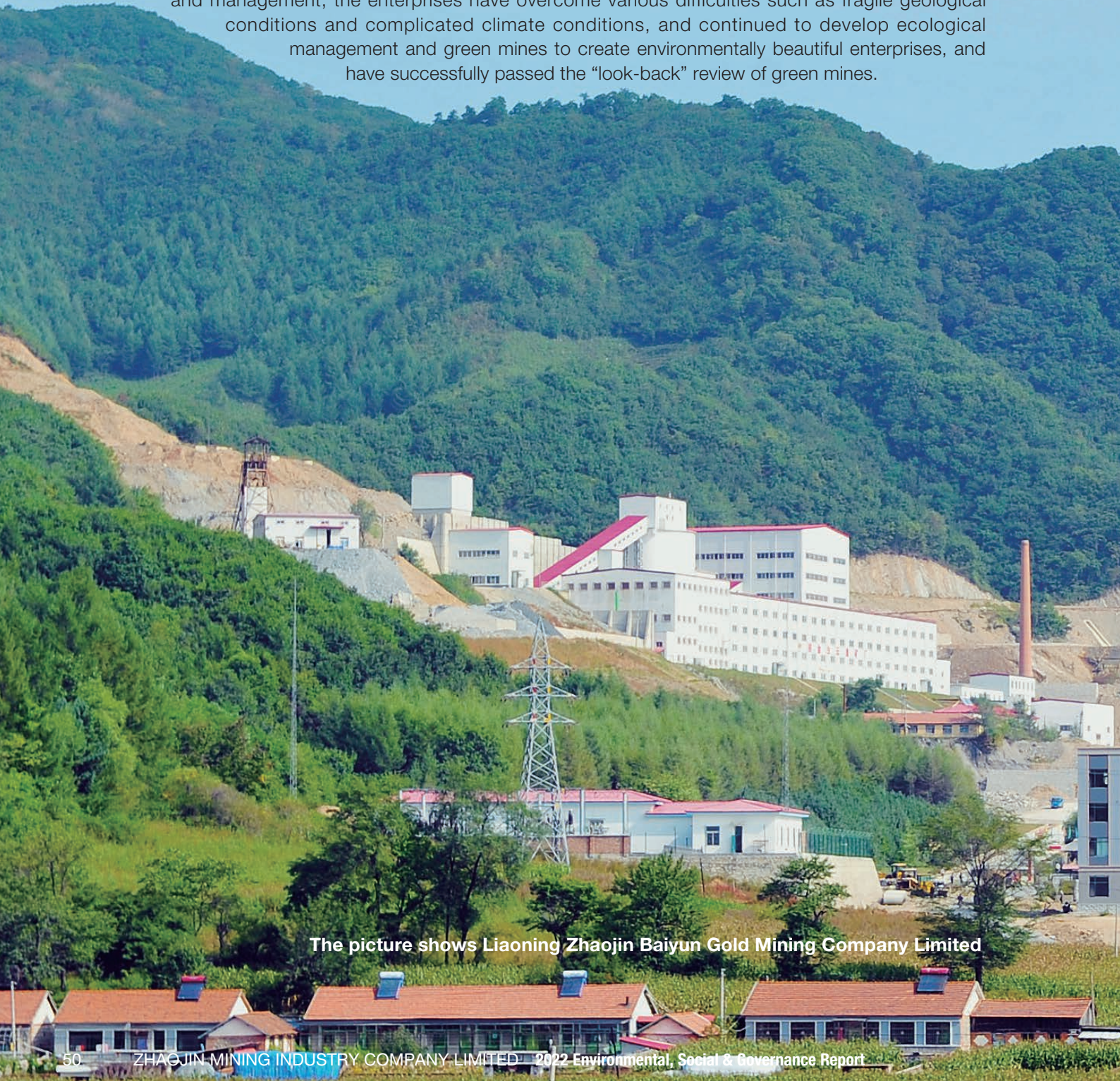
Regulation of Green Mine Construction

Green mines (factories) have become the necessary road for the development of mining enterprises, and the Company is located in Laizhou-Zhaoyuan Green Mining Development Demonstration Zone and has the innate geographical advantage. We should actively apply for green mining enterprise group. Each enterprise should do a good job in clean production, environmental protection management, comprehensive utilization of resources and ecological restoration treatment in accordance with the national standard requirements.



Green Mine

In 2022, the Company continued to focus on the “Five Excellence Competitions – Environmentally Beautiful” campaign, continuously increased investment in environmental protection construction and strived to become a model mining enterprise with excellent ecology. For the whole year, the Company invested RMB64.07 million in environmental protection, which was mainly used for the aspects such as gas treatment, construction of sewage treatment facilities and solid waste storage facilities, thereby reducing or even eliminating the emission of pollutants. In terms of ecological restoration and management, the enterprises have overcome various difficulties such as fragile geological conditions and complicated climate conditions, and continued to develop ecological management and green mines to create environmentally beautiful enterprises, and have successfully passed the “look-back” review of green mines.



The picture shows Liaoning Zhaojin Baiyun Gold Mining Company Limited

Air Emission

In our production process, dust or other gaseous emissions can be generated from the entire lifecycle of the operation, including exploration, construction, manufacturing, operation, rehabilitation and closure. We outline the management standards in mitigating the air emission at mine, smelting processes, mine rocks storage, tailings storage and vehicular emission etc. In the confined production facilities, centralized dust collection system is in place for removal to ensure the emission can fulfill the standards such as integrated emission standard of air pollutants (GB16297-1996), ambient air quality standards (GB3095-1996), emission standard of pollutants for copper, nickel, cobalt industry (GB25467-2010) etc. We installed filters, cyclones, electric dust collectors and fabric dust collectors based on appropriate equipments evaluated during the environment assessment stage to mitigate dust in the workplace. In addition, we also adopted water spraying and mists to suppress dust generated from the fugitive sources such as underground and storage areas. Our major air pollutants include particulates, sulfur dioxide and nitrogen oxides, which are subject to the control under the laws and regulations. During the Reporting Year, the Company's major air pollutant emissions were within the permitted level.

Type of pollutant	Unit	Emissions in 2022
Particulates	tonnes	168.27
Sulphur dioxide	tonnes	38.00
Nitrogen oxides	tonnes	53.26

Water Stewardship

In mining process, we use water resources such as surface water, groundwater and generate wastewater from dewatering, production process and domestic uses. In preserving the water resources, the Company explores opportunities in recycling wastewater and reduces the discharge, carries out practices in protection of the water resources aiming and endeavour to achieve zero discharge.



The picture shows the water purification treatment system of the Jinchiling Gold Mine

Sewage and leachate from mining processes may contain toxic chemical substances such as cyanide and heavy metals. All subsidiaries install the wastewater treatment facilities, where wastewater must be passed through to remove impurities and toxic substance, in order for reusing in production processes. Greywater is also filtered, disinfected and used for irrigation, and excess water is stored in a collection tank to enhance recycling rate. When the wastewater cannot be reused, we must ensure the discharge is in compliance with the discharge requirements as required in the environmental impact assessment and relevant regulations.

Regular monitoring is also conducted and real-time monitoring is promoted to further enhance the supervision of the wastewater quality. During the Reporting Year, the Company strictly complied with the laws and regulations including Water Pollution Prevention Law of the PRC.

Water Resources Utilization and Sewage Discharge in 2022

Type	Unit	
Total water volume	cubic meter	8,712,392.00
Water consumption density	cubic meter/revenue (RMB million)	1,067.22
Water recycling volume	cubic meter	8,080,113.36
Waste water discharge	cubic meter	801,848.00
Emission of Chemical Oxygen Demand	tonne	1.98
Wastewater density	cubic meter/revenue (RMB million)	98.22
Ammonia Nitrogen Emission	tonne	0.32

Noise Mitigation

Noise is generated during the blasting process, mining smelting, mine construction and expansion. The Company strictly complies with all relevant laws and regulations, such as Emission Standard for Industrial Enterprises Noise at Boundary (GB12348-2008) and the Law of the People's Republic of China on the Prevention and Control of Pollution from Environmental Noise. Appropriate mitigation measures, such as the establishment of noise barriers, the application of noise and vibration absorber, silencer and the use of low-noise mining production equipment, are adopted under different circumstances to minimize noise pollution. In addition, for the noise generated from transportation, we set the speed limit for all vehicles and conduct regular maintenance for vehicles to control the noise generated.

Waste Management

Currently, the Company's main waste is waste rock and tailings. We try to "use waste" and actively explore the use of waste rock for underground backfilling, setting up tailings storage area and making bricks in the workplace. In addition, excess waste rock is sold to third parties as production and building materials.

Non-Hazardous Waste Management in 2022

Type	Unit	
Tailing	tonne	4,443,458.05
Waste rock	tonne	15,957.00
Other	tonne	8,885.00
Non-hazardous waste	tonne	4,471,048.47
Density of non-hazardous waste	tonne/revenue (RMB million)	547.68

Tailing Management

We also have a series of disposal solutions for tailings. For example, the tailings are treated and detoxified to extract the harmful chemicals and cyanide through wastewater treatment methods such as sedimentation, chlorination, electrocoagulation etc. before depositing in the tailing storage area for disposal.

In addition, we explore ways to reuse the tailings within the production processes. Currently, gold mining companies typically use 60% of coarse-grained tailings for underground filling and 40% of fine-grained and muddy tailings are discharged to the tailing storage.

Our Canzhuang Gold Mine's latest mine filling method, "Fine Tailing Cementation Filling", broke the traditional mine filling method. 70% of the fine-grained tailings are easily coagulated and backfilled in underground mine with the support of a new form of cementitious material. The remaining 30% of the coarse tailings are processed into high-silicon materials after being classified by cyclones for utilization of raw materials for ceramics and building materials, realizing zero tailings. The popularization and application of fine tailings filling expertise has opened up a whole new world for tailings-free mine construction.

Hazardous Waste Management

The Company takes a serious and conscientious approach to handle toxic and hazardous substances. When handling hazardous waste, we strive to store such waste separately to prevent mixing with other waste, and store the waste in enclosed containers with chemical labels for preventing pollution problems. It is also forbidden to pour any chemicals or wastewater containing chemicals into drainage to prevent pollution of water source.

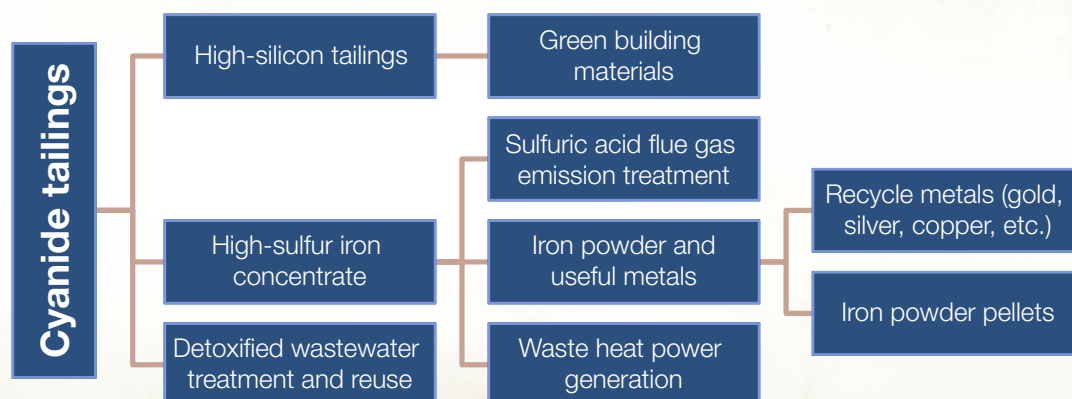
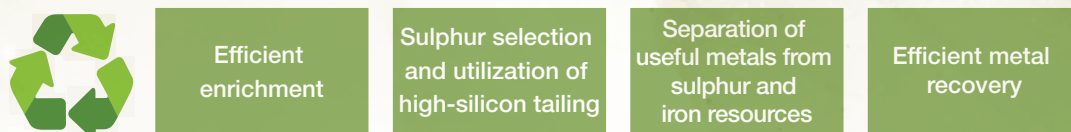
For handling of hazardous waste, qualified and licensed contractor is employed to dispose the waste. To enhance the awareness of the employee, regular training on hazardous waste is conducted.

Hazardous Waste Management in 2022

Type	Unit	
Hazardous Waste	tonne	425,007.34
Cyanide	tonne	423,312.65
Hazardous Waste Density	tonne/revenue (RMB million)	52.06
Other	tonne	1,334.90

Cyanide Management

The major hazardous waste generated from our business operations is cyanide, accounting for over 99% of the total hazardous waste. The Company has established Management Standard on Mine Processing and Smelting to regulate the storage and usage of raw materials. In addition, the possibility of recovery of the cyanide is always looked into to improve comprehensive utilization of resources including recycling and reuse. After years of R&D effort, we use four major technologies to treat wastewater, waste and waste gas from the smelting process, including:



Energy Efficiency and Carbon Emission Control

During the Reporting Year, we strived to minimize carbon footprint of the Company. We have conducted preliminary climate risk assessment, and will continue to follow up and monitor the risks and formulate relevant strategies in a timely manner.

In 2022, a majority of our footprint came from the use of electricity, accounting for approximately 98% of the total carbon emission in 2022.

	Unit	2022
Energy Consumption		
Total Energy Consumption	MWh	673,932.42
Direct Energy		
Mobile Fuel		
Unleaded Petrol	MWh	376.08
Diesel	MWh	60,598.51
Indirect Energy		
Electricity	MWh	612,957.83
Total Energy Intensity	MWh/revenue (RMB million)	82.55
GHG Emission		
Total Greenhouse Gases (GHG) Emission	Tonnes CO ₂ e	626,252.66
Scope 1 Emission	Tonnes CO ₂ e	15,133.70
Scope 2 Emission	Tonnes CO ₂ e	611,118.96
Total GHG Emission Intensity	Tonnes CO ₂ e/revenue (RMB million)	76.71
GHG Removal (from Tree Planting)	Tonnes CO ₂ e	454,41

* Scope 1 represents direct GHG emissions generated by the use of fuels for mobile sources

* Scope 2 represents energy indirect GHG emissions generated by the use of purchased electricity from local power companies

* There were 19,757 trees planted

In order to minimize energy consumption, Production Technology Department of the Company is responsible for energy management. The responsibilities of this department include preparing energy commitments, achieving energy saving targets and conducting energy audits. In addition, we have set up a dedicated energy management task force for specific implementation.



Optimization of production processes

- Replace the old and energy intensive equipment such as replacing old heat pump/coal-fired boilers to air-source heat pump
- Optimize power distribution system to reduce power loss
- Increase inspection and maintenance to reduce energy consumption
- Improve the peak electricity management



Investment in energy saving technology

- Use of energy efficient equipments, e.g. transformer, generators, etc. and prohibit the use of equipment listed in directory of phased-out products
- Install time control system to reduce unnecessary use of electricity
- Use of LED lightings in the underground mine
- Use of solar streetlighting

Case: Energy Saving Promotion Week and National Low Carbon Day Activity

Date: 21 June 2022

Activity: Carrying out low carbon day promotion activity under the theme of “Green and Low Carbon, Energy Saving First”

Activity content: we actively developed the “Four Ones” (Save One Drop of Water, Save One Degree of Electricity, Save One Sheet of Paper, Save One Grain of Rice) as the main theme of our practice and publicity activity. The main content of the thematic practice and publicity activities was to guide the staff to enhance their awareness of resource conservation and strive to build a resource-saving mine.



Ecological Rehabilitation

Ecological protection and rehabilitation are the Company's agenda in green mine construction and operation, and are also the tasks that we have worked on for a long time. In terms of ecological restoration and management, the enterprises shall overcome various difficulties such as fragile geological and ecological conditions and complicated climatic conditions, and continue to carry out ecological management and green mine construction.



The picture shows the dust control netting in the storage area of the tailing pond, which can effectively reduce dust pollution



Energy Saving

The Company has implemented enhanced energy management to achieve energy saving and consumption reduction. In 2022, Production and Technology Department of the Company made a list of key energy saving and emission reduction projects, set targets, personnel, time, effectiveness and implementation, and by the end of the year, completed the implementation of 16 energy saving and emission reduction projects, achieving annual energy savings of 4,609 tons of standard coal, and by the end of 2022, the Company achieved electricity savings of RMB17,535,400. The unit consumption of mining decreased by 0.14kWh/t YOY and the unit consumption of ore processing decreased by 0.04kWh/t YOY; at the same time, the Company has implemented classification and grading management for the measurement standard in use in each enterprise, the measurement apparatus with compulsory calibration, the production process control and the measurement inspection equipment of key and special processes, established a measurement apparatus ledger, and achieved one table and one number; and regular inspection. As of the end of the year, the Company has completed a total of 1,579 sets of measuring instruments inspection, and the inspection pass rate was 100%. In addition, Production Technology Department of the Company actively organized the “World Metering Day” and “Energy Saving Publicity Week and National Low Carbon Day” for 2022, and carried out informative and diversified publicity activities to further create a strong atmosphere of energy saving and emission reduction, so that the Company’s energy saving and emission reduction awareness, measures and effects have reached a new level.

COMMUNITY PARTICIPATION

The Company always persists in serving the community and creating a harmonious and inclusive community environment, and strives to share its resources with the community and fully participate in community development. In the past 2022, the core projects in community participation that we focused on included education support, industry assistance, disaster relief, community construction and etc.

Amount of Public Donation	Investment amount of community construction (excluding donations)	Hours of volunteer services
RMB2,966,800	RMB19,116,000	1,968.00 hours



Project	Main content	Supporting reasons	Major public welfare activities
Education Support	We will improve rural basic education and provide quality and fair educational conditions.	The development of education in rural areas is an important pillar of the rural revitalisation strategy. An enterprise should commit to improving the quality of basic education in rural areas with all parties so that children in rural areas can fully benefit from high-quality and fair educational opportunities and environment.	On every June 1 Children's Day, all the branches and subsidiaries visit the schools in the region where they locate. They help to repair the school building, harden the road surface, green the school campus and help them to solve some practical difficulties.
Poverty Alleviation	The aim is to strengthen and expand the local special industries and to enable the local people to gather in the industry chain and get more industrial development dividends.	Industry assistance is a long-term plan to increase the blood generating function of poor areas and help people find jobs locally. We will make use of the strengths of enterprises, including technology, capital, information and channels, so that communities can benefit from the presence of enterprises.	Based on local resources, we will cultivate and develop special industrial projects and provide resources such as capital, technology, market and channel for the development of special industries in poor villages.

Project	Main content	Supporting reasons	Major public welfare activities
Disaster Relief	<p>After a disaster occurs, the emergency plan is promptly activated. While protecting the safety of the employees, we also mobilize human and material resources at the first time to assist in the rescue and relief of the disaster. This demonstrates the commitment as a state-owned enterprise.</p>	<p>The community is one of the most important stakeholders, and the companies should work together with the community people to overcome difficulties.</p>	<p>In the event of a major natural disaster at a corporate site or in the surrounding area, the Company should organize rescue teams in a timely manner to help the local government and the affected communities to carry out rescue actions and donate money and materials.</p>
Community Construction	<p>Through active participation in the community building, we have established good interactions with related communities. While developing the projects such as community building, community education, and community services, we also have a better and more relaxed environment for our own development.</p>	<p>An enterprise cannot pursue a single economic goal. An enterprise must assume its own responsibility as a “citizen of society”. Participation in the community building by an enterprise is a necessary step for the enterprise to enhance its own brand value.</p>	<p>The Company will strengthen the relationship with the resident village committee community, increase mutual trust and friendship through various ways such as frequent visits, inviting the other party to the enterprise to be a guest and provide guidance, holding social activities, visiting and condoling and expressing warm care during festivals. We will continue to increase our investment in community construction for helping the communities around to conduct infrastructure construction such as paving roads, building bridges and drilling wells.</p>

送招金矿业夏甸金矿吕瑞磊同志 赴济南捐献造血干细胞



The colleagues of Xiadian Gold Mine donated hematopoietic stem cells



Fengningjinlong carried out a friendship activity to promote ethnic unity



The Company launched a volunteer service campaign for environmental hygiene cleanup



Visiting to the Jinchiling Gold Mine to comfort the employees in difficulty



The Company launched a voluntary tree planting activity



Xiadian Mining participated in epidemic prevention and control

APPENDIX – STOCK EXCHANGE ESG REPORTING GUIDE INDEX

Stock Exchange ESG Reporting Guide General Disclosures & KPIs		Other Remarks/ Reference Section
Subject Area A: Environmental		
A1 Emissions	<p>Information on:</p> <p>(A) the policies; and</p> <p>(B) compliance with relevant laws and regulations that have a significant impact on the issuer relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.</p> <p><i>Note:</i> Air emissions include NO_x, SO_x, and other pollutants regulated under national laws and regulations. Greenhouse gases include carbon dioxide, methane, nitrous oxide, hydrofluorocarbons, perfluorocarbons and sulphur hexafluoride.</p> <p>Hazardous wastes are those defined by national regulations.</p>	<p>Our Environment</p> <p>During the Reporting Year, the Company was not aware of any breaches of relevant laws and regulations in the PRC that have a significant impact on the Group relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.</p>
KPI A1.1	The types of emissions and respective emissions data.	Our Environment
KPI A1.2	Direct (Scope 1) and energy indirect (Scope 2) greenhouse gas emissions (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Energy Efficiency and Carbon Emission Control
KPI A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Waste Management
KPI A1.4	Total non-hazardous waste produced (in tonnes) and where appropriate, intensity (e.g. per unit of production volume, per facility).	Waste Management
KPI A1.5	Description of emissions target(s) set and steps taken to achieve them.	Our Environment
KPI A1.6	Description of how hazardous and non-hazardous wastes are handled, and a description of reduction target(s) set and steps taken to achieve them.	Waste Management

Stock Exchange ESG Reporting Guide General Disclosures & KPIs		Other Remarks/ Reference Section
Subject Area A: Environmental		
A2 Use of Resources	<p>Policies on efficient use of resources including energy, water and other raw materials.</p> <p><i>Note:</i> Resources may be used in production, storage, transportation, buildings, electronic equipment, etc.</p>	Our Environment
KPI A2.1	Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (kWh in '000s) and intensity (e.g. per unit of production volume, per facility).	Energy Efficiency and Carbon Emission
KPI A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility).	Water Stewardship
KPI A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them.	Energy Efficiency and Carbon Emission
KPI A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency target(s) set and steps taken to achieve them.	<p>Water Stewardship</p> <p>There is no issue in sourcing water that is fit for purpose.</p>
KPI A2.5	Total packaging material used for finished products (in tonnes), and, if applicable, with reference to per unit produced.	Our business engage in mining activities where packaging material is not a material concern.
A3 The Environment and Natural Resources	Policies on minimising the issuer's significant impact on the environment and natural resources.	Ecological Rehabilitation
KPI A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	Ecological Rehabilitation
A4 Climate Change	Policies on identification and mitigation of significant climate-related issues which have impacted, and those which may impact, the issuer.	Energy Efficiency and Carbon Emission
KPI A4.1	Description of the significant climate-related issues which have impacted, and those which may impact, the issuer, and the actions taken to manage them.	Energy Efficiency and Carbon Emission

Stock Exchange ESG Reporting Guide General Disclosures & KPIs		Other Remarks/ Reference Section
Subject Area B: Social		
B1 Employment	Information on: (A) the policies; and (B) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.	Compliant Employment During the Reporting Year, the Company was not aware of any breaches of relevant laws and regulations in the PRC that have a significant impact on the Company relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare in the PRC.
KPI B1.1	Total workforce by gender, employment type (for example, full- or part-time), age group and geographical region.	Compliant Employment
KPI B1.2	Employee turnover rate by gender, age group and geographical region.	Remuneration and Benefits and Employee Protection
B2 Health and Safety	Information on: (A) the policies; and (B) compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards.	Healthy and Safe Workplace During the Reporting Year, the Company was not aware of any breaches of relevant laws and regulations in the PRC that have a significant impact on the Company relating to providing a safe working environment and protecting employees from occupational hazards.
KPI B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the Reporting Year.	Healthy and Safe Workplace
KPI B2.2	Lost working days due to work injury.	Healthy and Safe Workplace
KPI B2.3	Description of occupational health and safety measures adopted, how they are implemented and monitored.	Healthy and Safe Workplace

Stock Exchange ESG Reporting Guide General Disclosures & KPIs		Other Remarks/ Reference Section
Subject Area B: Social		
B3 Development and Training	<p>Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.</p> <p><i>Note:</i> Training refers to vocational training. It may include internal and external courses paid by the employer.</p>	Development and Training
KPI B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	Development and Training
KPI B3.2	The average training hours completed per employee by gender and employee category.	Development and Training
B4 Labour Standards	<p>Information on:</p> <p>(A) the policies; and</p> <p>(B) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child or forced labour.</p>	<p>Compliant Employment</p> <p>During the Reporting Year, the Company was not aware of any breaches of relevant laws and regulations in the PRC that have a significant impact on the Group relating to preventing child or forced labour.</p>
KPI B4.1	Description of measures to review employment practices to avoid child and forced labour.	Compliant Employment
KPI B4.2	Description of steps taken to eliminate violation practices when discovered.	Compliant Employment
B5 Supply Chain Management	Policies on managing environmental and social risks of the supply chain.	Supply Chain Management

Stock Exchange ESG Reporting Guide General Disclosures & KPIs		Other Remarks/ Reference Section
Subject Area B: Social		
KPI B5.1	Number of suppliers by geographical region.	Supply Chain Management
KPI B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, how they are implemented and monitored.	Supply Chain Management
KPI B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	Supply Chain Management
KPI B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	Supply Chain Management
B6 Product Responsibility	Information on: (A) the policies; and (B) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.	Product Responsibility During the Reporting Year, the Company was not aware of any breaches of relevant laws and regulations in the PRC that have a significant impact on the Group relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.
KPI B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	Our major product is standard gold ingots, which do not involve issues of the products sold or shipped subject to recalls for safety and health reasons.
KPI B6.2	Number of products-and services-related complaints received and how they are dealt with.	Product Responsibility
KPI B6.3	Description of practices relating to observing and protecting intellectual property rights.	Technological Innovation
KPI B6.4	Description of quality assurance process and recall procedures.	Product Responsibility

Stock Exchange ESG Reporting Guide General Disclosures & KPIs		Other Remarks/ Reference Section
Subject Area B: Social		
KPI B6.5	Description of consumer data protection and privacy policies, how they are implemented and monitored.	Our major product is standard gold ingots which are not directly sold to the customers. Therefore, there is no material consumer data protection and privacy issue.
B7 Anti-corruption	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering.	Ethical Business During the Reporting Year, the Company was not aware of any breaches of relevant laws and regulations in the PRC that have a significant impact on the Company relating to bribery, extortion, fraud and money laundering.
KPI B7.1	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the Reporting Year and the outcomes of the cases.	Ethical Business
KPI B7.2	Description of preventive measures and whistleblowing procedures, how they are implemented and monitored.	Ethical Business
KPI B7.3	Description of anti-corruption training provided for directors and staff.	Ethical Business
B8 Community Investment	Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests.	Community Participation
KPI B8.1	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	Community Participation
KPI B8.2	Resources contributed (e.g. money or time) to the focus area.	Community Participation