



ZHAOJIN

ZHAOJIN MINING INDUSTRY COMPANY LIMITED*
招金礦業股份有限公司

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



2023

ENVIRONMENTAL , SOCIAL
AND GOVERNANCE REPORT

* For identification purposes only

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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 (“ESG”) report (the “Report”). The purpose of the Report is to provide a systematic description of the Company’s principles and philosophies, management approach, performance and achievements in terms of sustainability. 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 2023 to 31 December 2023 (the “Reporting Year” or “2023”). 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 (a) the mandatory disclosure requirements; and (b) the “comply or explain” provisions of the ESG Reporting Guide under Appendix C2 to the Rules Governing the Listing of Securities on the Stock Exchange, and is reported in accordance with the principles of materiality, quantitative, balance and consistency included in this guide. 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



Dayingezhuang Gold Mine

ABOUT ZHAOJIN

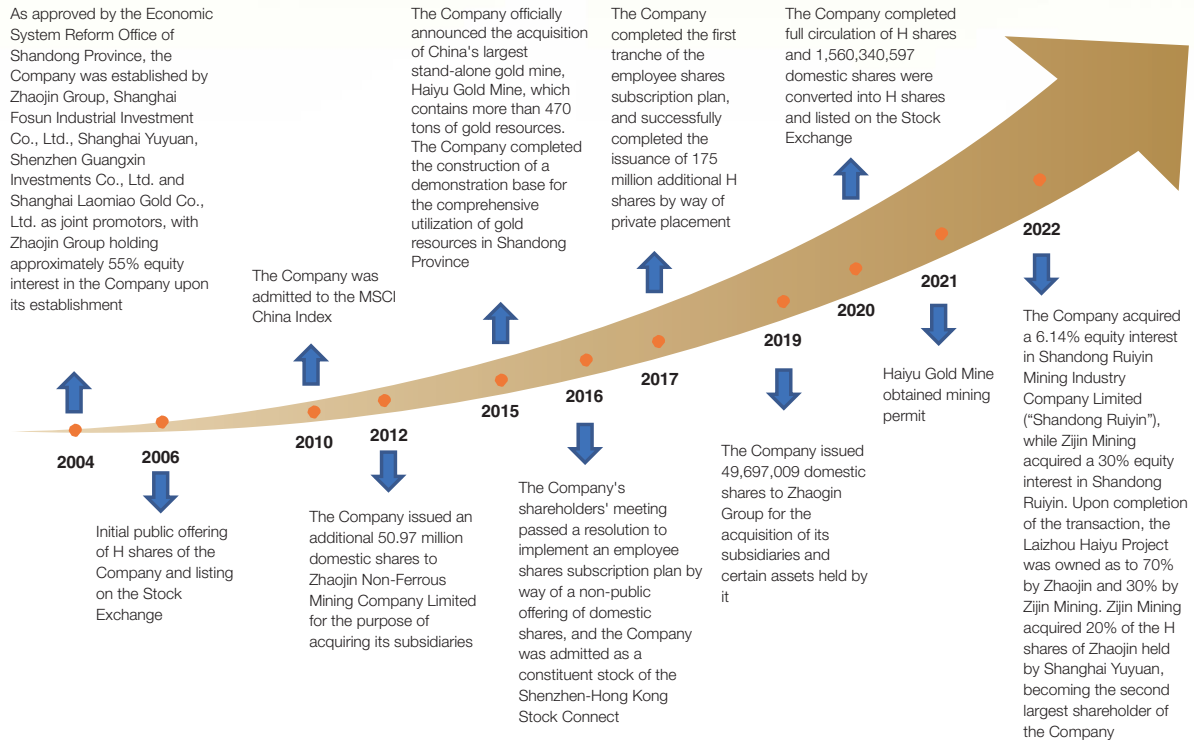
Zhaojin was jointly established by Shandong Zhaojin Group Company Limited (“Zhaojin Group”), Shanghai Fosun Industrial Investment Co., Ltd., Shanghai Yuyuan Tourist Mart (Group) Co., Ltd. (“Shanghai Yuyuan”), Shenzhen Guangxin Investments Co., Ltd. and Shanghai Laomiao Gold Co., Ltd. and has obtained approval from the People’s Government of Shandong Province. The Company was incorporated as a joint stock limited company on 16 April 2004 in the People’s Republic of China (the “PRC” or “China”) 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 in the PRC with its business covering major gold producing areas in the PRC. Principal products of the Company include standard Au9999 and Au9995 gold bullions. As a national high and new technology enterprise, the Company’s main production technologies and facilities are leading in the PRC and of advanced international standards.

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, 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.

In recent years, the Company insists on pure gold production 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.

Major developmental milestones



Our Culture and Values

We are committed to establishing a shared set of core values and embracing a modern corporate culture that meets the demands of the current era. Our aim is to cultivate an exceptional team and foster a new Zhaojin cultural framework and a common code of conduct for both leaders and employees that encompasses both the distinctive features of the gold industry and our own corporate identity. While developing our business, we are committed to incorporating environmental and social issues into our business model and achieving both business and social goals through innovative management methods. We value and share common values with our stakeholders, thereby helping us to continuously improve and motivate ourselves and make innovation.

Corporate Culture



Gansu Smelting

Awards and Recognition

Looking back at 2023, we are proud to have received numerous awards and recognition in various fields, certifying our contributions in areas of ESG.



Most Valuable Investment Award



Investor Relations Tianma Award



ESG Pioneer Award



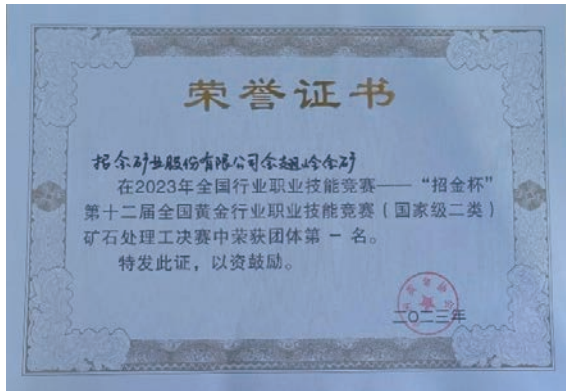
Golden Stock Award



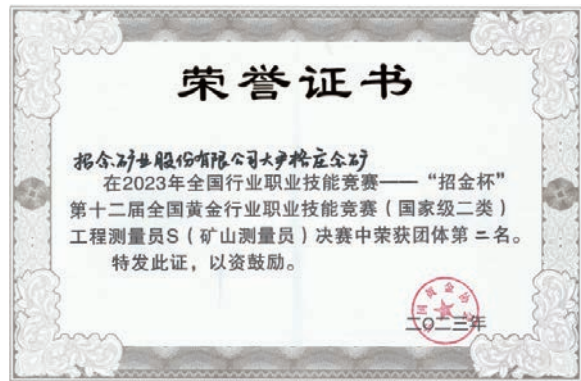
2023 China's Top 500 Listed Companies in Charitable Activities



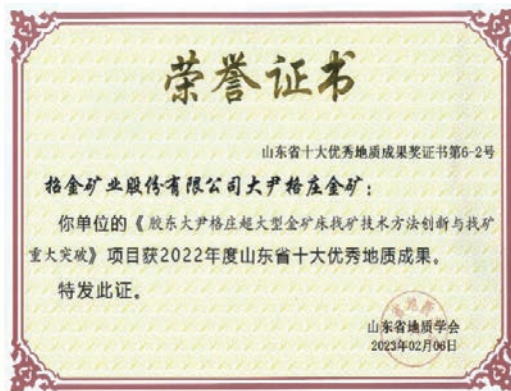
2023 China's Top 500 Listed Companies in terms of Charitable Investment Ratio



The 12th National Gold Industry Vocational Skills Competition – “Zhaojin Cup” Team First Place



The 12th National Gold Industry Vocational Skills Competition – “Zhaojin Cup” Team Second Place



Top Ten Outstanding Geological Achievements in Shandong Province



2022 Significant Achievements in Geological Prospecting by China Geological Society



Taishan Industrial Outstanding Leader



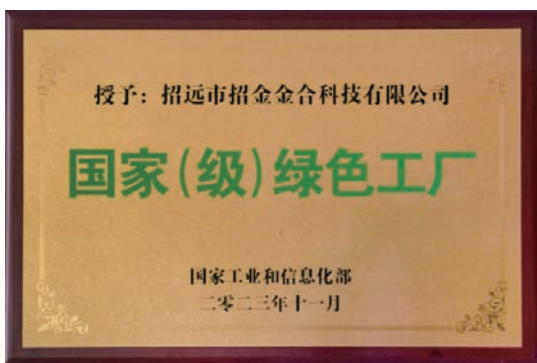
Outstanding Enterprise in TnPM Facility Management



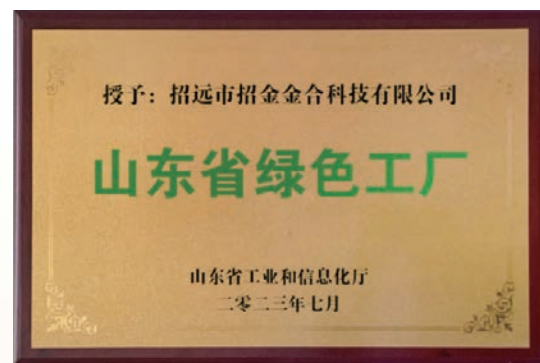
Exemplary Unit for Standardized Equipment Management



Team Second Prize of Shandong Gold Industry Hydrometallurgy Technical Skills Competition



National Green Factory



Green Factory in Shandong Province

CHAIRMAN FOREWORD

In 2023, Zhaojin adeptly navigated the trends and experienced a year of steady progress. The domestic economy showed signs of recovery and a favorable development environment, setting the tone for high-quality development in the mining industry throughout the year. Capitalizing on the strategic opportunities presented by significant adjustments in mining policies, the accelerated release of mining rights in resource-rich provinces, and the continuous increase in gold prices, the Company accelerated its production and operational efforts and fully unleashed its production capacity, resulting in a substantial boost in performance, marking a significant milestone in its pursuit of high-quality development, and demonstrating a new outlook.

During the Reporting Year, we achieved significant improvements in both production volume and efficiency through the implementation of scientific organization and operational management practices. Recognizing that production volume serves as the cornerstone of our overall performance, we prioritized strengthening our production organization. This involved initiating various labor competitions and implementing relevant incentive policies to drive productivity improvement and ensure a steady increase in output of major mines. We embraced the “Three Thousand Spirit” and successfully obtained mining rights and permits for key mines such as the Zaozigou Gold Mine, which provided a solid foundation for subsequent capacity expansion. With the high gold price and strong demand driving production and sales, our annual performance maintained a high-speed growth.

During the Reporting Year, we concentrated our efforts on key and challenging areas, successfully advancing crucial projects in various fields. The construction of the Ruihai Mining Project has been progressing vigorously, with more than a hundred talented professionals from diverse fields contributing to the frontline, and all five vertical shafts have been completed. Additionally, the infrastructure development of the Jintingling Mining Caogoutou Project was completed ahead of schedule. The Company implemented the “technology-driven development” strategy, newly increasing one project at national platform and three projects at provincial and city level platforms. We have been granted six scientific and technological awards above the provincial and ministerial level and 135 patents, and we owned 14 high and new technology enterprises.



A stylized handwritten signature in black ink, located below the portrait of the Chairman.

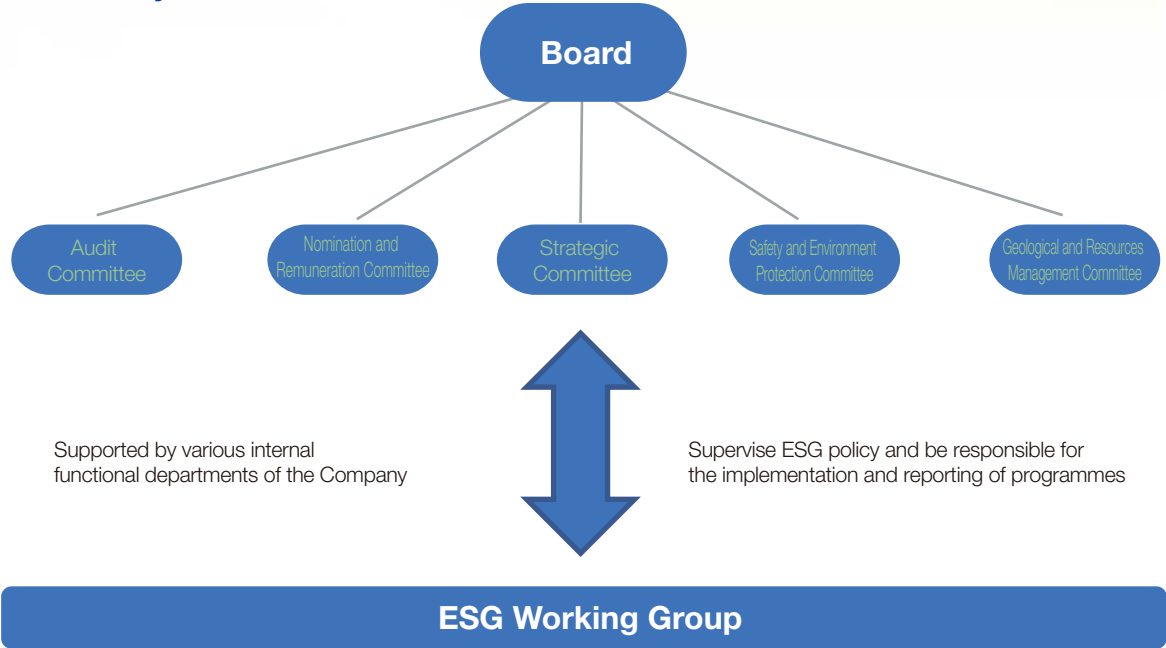
During the Reporting Year, we accelerated the pace of prospecting and increasing reserves, and achieved remarkable results in resource deployment. We insisted on both internal exploration and external acquisition. During the Reporting Year, we invested RMB123 million in geological prospecting, added 33.83 tons of gold metal, and made significant breakthroughs in prospecting and exploration of Xiadian Gold Mine, Dayingezhuang Gold Mine and Canzhuang Gold Mine. Additionally, we successfully executed three projects in Gansu Beishan, Hebei Fengye, and Sierra Leone, and acquired exploration rights for three mining sites, including the Kuogeshaye gold mine in Xinjiang. Furthermore, we initiated the takeover bid to acquire Tietto Minerals Limited, marking a new phase in our external development endeavors. In accordance with the JORC standard, as of the end of 2023, the gold ore resources reserve of the Company was 1,185 tons, and the recoverable gold reserves was 472 tons.

During the Reporting Year, we practiced the ESG concept to ensure steady and long-term high-quality development. We invested RMB200 million in safety and environmental protection, and made precise efforts to improve the system, strengthen education and training, build key information technology platforms and improve the environment, adding two new national and provincial green factories. We fulfilled our social responsibilities, shouldered our responsibilities as a state-owned enterprise, and implemented 10 major projects for the well-being of the people, which effectively enhanced the happiness and satisfaction of our employees. The Company was granted numerous awards, including the 2023 Golden Stock Award, the Most Valuable Investment Award, and the ESG Pioneer Award, reflecting investors' recognition of the Company.

In 2024, the United States is expected to end a historically tight monetary policy cycle, and the market generally anticipates that the Federal Reserve will begin cutting interest rates within the year 2024. In addition, demand of central banks for gold continues to grow, suggesting a potential upward trend for gold price. Faced with a complex and ever-changing external environment, the Company will adhere to its core responsibilities and principal business, uphold the principles of ESG, enhance its modern governance capabilities, and consolidate its leading position in "industry, projects, resources, and technology". By strengthening its foundation, improving quality and efficiency, enhancing market value, and promoting vitality, the Company aims to advance to a new stage of high-quality development.

OUR SUSTAINABILITY MANAGEMENT

Sustainability Governance



As 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 take 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 the 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 focus on their line of responsibility. The functional departments regularly provide a report containing KPIs to the management and/or the Board for evaluation of effectiveness of the business operations.

The Board of the Company sets up five 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.

1 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.

2 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).

3 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.

4 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.

5 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.

Types	Reasons	Strategy
Cost of mining increase	Given the increase in cost of manpower and fuel consumption, the cost of mining businesses will increase.	Through enhanced staff training, we will be able to improve staff efficiency, thereby reducing operating costs. We started with management by optimising workflow and introducing automated systems to reduce manual handling and cut labour costs. In addition, by optimising procurement costs, we will look for better quality and cheaper suppliers and will enter into long-term contracts to obtain better prices.
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.	We see the opportunities that technological innovation can bring to the Company and hence invest vastly in the construction of the “Four Harmonisations” of mechanisation, automation, informatisation and intelligence.
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 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.	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, the Company continuously improves our social responsibility information disclosure system, establishes internal and external communication mechanisms, and proactively understands 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 stakeholders	Communication channels	Stakeholders’ concern	Our response
Investors and shareholders	<ul style="list-style-type: none"> • Company website • Company’s announcements • Annual general meetings • 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 stakeholders	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 meetings • 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 stakeholders	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.) 	<ul style="list-style-type: none"> • Credit risk • Solvency 	<ul style="list-style-type: none"> • Enhance the corporate credit rating, actively repay debts as they fall due, and abide by the contract and emphasize creditworthiness • Establish a mechanism for mutual visits to enhance mutual trust
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 	<ul style="list-style-type: none"> • Tax compliance • Compliant operation • Business needs 	<ul style="list-style-type: none"> • Comply with laws and regulations, improve internal control systems, formulate professional compliance manuals, and sign letters of undertaking to ensure compliance for all staff in all aspects and processes • Participate in industry exchange activities, promptly raise issues and demands, and learn from management experience within the industry
Non-governmental Organisations	<ul style="list-style-type: none"> • Emails • Phones • Charity donations and voluntary services 	<ul style="list-style-type: none"> • Public welfare and charity • Ecological environment • Compliant employment • Job offering • Honest operation 	<ul style="list-style-type: none"> • Practice ESG concepts and commit to green development, social welfare and corporate governance improvement • Assume social responsibility and take positive actions to contribute to and improve the society
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.

Identification of a list of ESG topics

With reference to the Stock Exchange guidelines and international guidelines such as Global Reporting Initiative, 26 ESG issues were identified.

Engagement

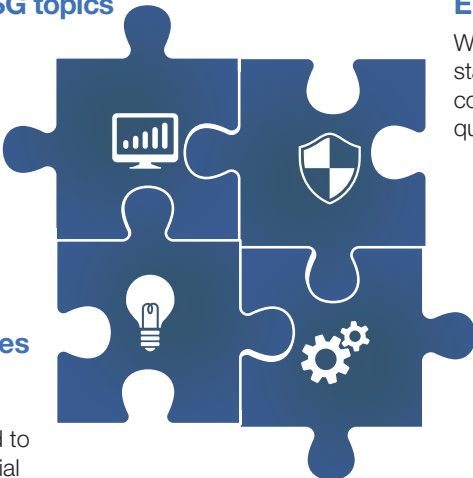
We invited our key stakeholders to complete online questionnaire.

Prioritization of ESG issues

Based on the response result expressed by the stakeholders, materiality analysis was performed to map and prioritize the most material ESG issues to the Company.

Validation of result

The Company reviewed the result for reporting and performance enhancement in the future.



A total of 1,981 survey responses were received in this assessment, and based on the Group’s key sustainability issues and stakeholders’ concerns, we have systematically identified the following 26 ESG issues. 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. Below is a ranking of the core issues in each sector by importance (with the level of importance decreasing from top to bottom).

Core Material Topics of 2023

	Environmental	Labour	Operation	Social
High	Environmental compliance	Employee development	Socio-economic compliance	Industry trend and policies
	Climate change	Employee training	Compliance with regulations on marketing and labeling of products and services	Community support
	Greenhouse gas emissions	Diversity and equal opportunity	Business ethics	
	Air emissions	Employee retention	Responsible supply chain management	
	Waste management	Occupational health and safety	Customer privacy and data protection	
	Use of water resources and wastewater treatment	Employment rights	Customer service quality and complaints handling	
	Energy efficiency	Labour-management relations	Customer health and safety	
		Prevention of child labour and forced labour	Customer satisfaction	
Low			Intellectual property	

ETHICAL BUSINESS

The Company strengthens its disciplinary inspection and supervision work by establishing a disciplinary inspection department and assigning dedicated auditors. At the same time, it formulates the Discipline Inspection and Supervision Management System of Zhaojin Mining Industry Company Limited to institutionalize and standardize the disciplinary inspection and supervision work, promote the integrity and law-abiding conduct of all staff members, and better safeguard and serve the healthy development of the Company.

1 Integrity education

The Company carries out integrity education in a practical manner based on the requirements of relevant obligations and tasks, actively plans activities, enriches educational forms and content, and educates and guides employees to firmly establish a sense of integrity and self-discipline, thereby constantly strengthening their awareness of compliance and discipline.

At the beginning of each year, the Company formulates an annual plan for integrity education, ensuring the implementation of no less than four educational activities throughout the Reporting Year. The education program covers a range of topics, including relevant national and local laws and regulations, policies of the Company and procedures, exemplary cases, visits to warning education centers, and the viewing of integrity educational videos.

2 Case handling and investigation

The Company has established a “One Website, Two Boxes, Three Platforms” supervision and reporting channel to handle various types of violations, misconduct, and occupational crimes within the Company.

3 Supervision and enforcement of discipline

To enhance the supervision of economic business activities, particular emphasis is placed on overseeing activities such as project construction and tendering and bidding for procurement of goods and equipment and sale of by-products. Reports regarding various violations and misconduct in economic business activities will be accepted and thoroughly investigated.

Efforts are made to strengthen both routine supervision and supervision during significant holidays or events. The reporting channels are kept open to encourage employees to actively participate in the supervision process. The Company also leverages the power of inspections to ensure compliance with laws and regulations, emphasizing that internal disciplinary measures are even more stringent than legal requirements.

4 Accountability

The Company adheres to the principle of accountability and takes a firm stance on addressing violations. In accordance with the Accountability Implementation Measures of Zhaojin Mining Industry Company Limited (Trial) and other applicable rules, administrative accountability measures are implemented for identified violations. For serious violations and misconduct, individuals responsible are held accountable following the principle of “one position, dual responsibility”. In cases involving suspected illegal activities, the Company refers them to the appropriate judicial authorities for further processing.

5 Integrity assessment

At the end of each year, the disciplinary inspection department of the Company conducts an integrity and compliance indicator assessment for its subsidiaries, the management team, and individual members of the management team. The assessment will be conducted through a combination of routine supervision and democratic supervision.



Dayingezhuang Gold Mine carried out integrity education activities



The Company carried out special training meeting on disciplinary inspection

CARE FOR OUR EMPLOYEES

Occupational Health and Safety

The Company diligently implements the “15 Measures” for national production safety and the “eight Grasps and 20 Steps” innovative measures of Shandong Province, vigorously carries out comprehensive rectification of mine safety production and conducts special inspections and rectification actions for major accident hazards of the Company, effectively promotes the implementation of safety responsibilities by all staff, emphasizes major risk prevention and control, fosters innovative education and training, implements dual prevention mechanisms, strengthens standardization and upgrading, improves emergency response capabilities, and optimizes environmental management, thereby contributing to achieving the Company’s overall goals for safety and environmental protection and ensuring a stable situation for production safety and green development.



Dayingezhuang Gold Mine conducted training for the safe production month campaign



Xiadian Gold Mine held the kick-off ceremony of the safety culture month campaign

Safe Production Month

The enterprises under the Group vigorously launched publicity campaigns and utilized various forms such as safety meetings, electronic screens, banners, blackboards and WeChat groups to conduct publicity, so as to create a strong atmosphere for the campaign.



2021-2023	Number of work-related deaths	Headcount ratio of work-related deaths	Number of working days lost due to work-related injuries
2021	0	0%	0
2022	0	0%	0
2023	0	0%	0



Dayingezhuang Gold Mine
Safe Production Month Knowledge Contest



Canzhuang Gold Mine
Fire Operation Warning Education



Fengningjinlong Fire Safety Drill



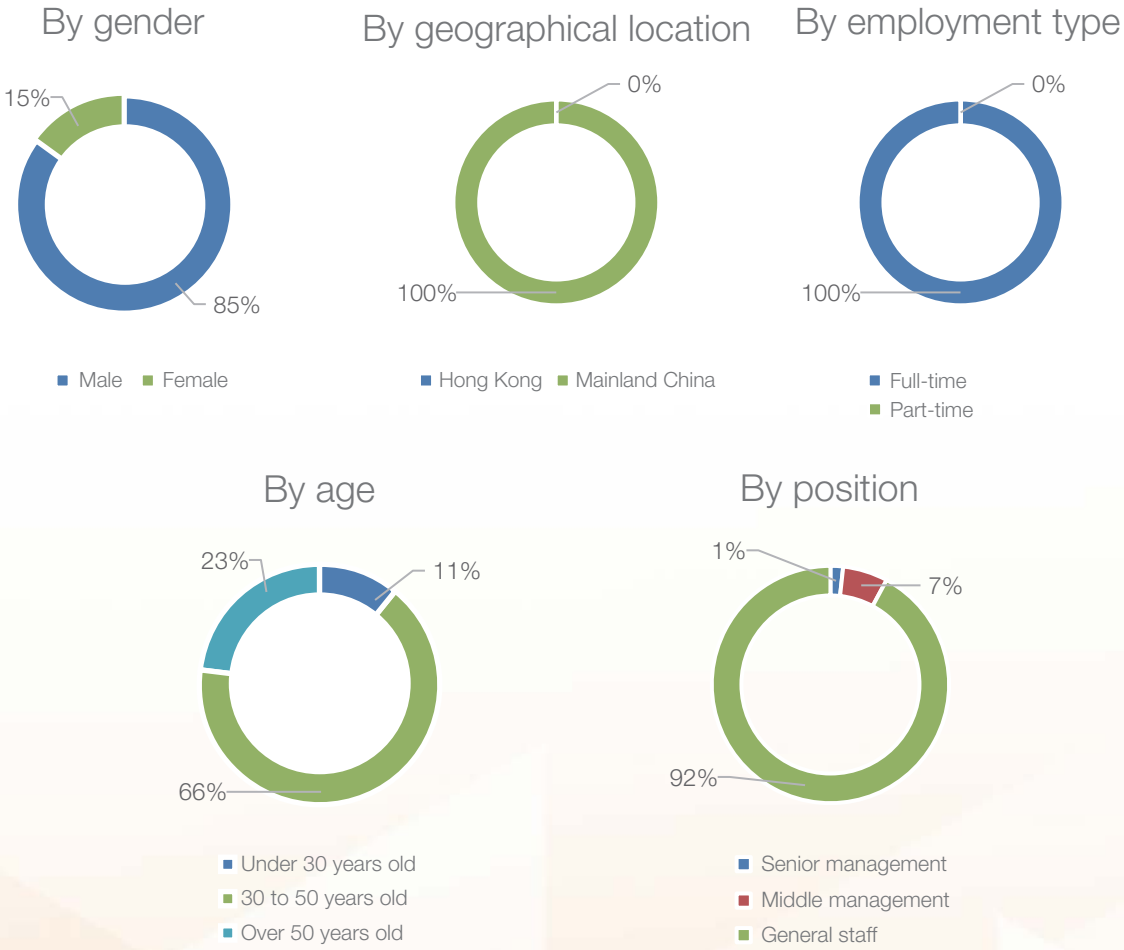
Zaozigou Gold Mine launched emergency drill for
slope collapse accident



Ruihai Mining actively carried out the safe production month campaign

Compliant Employment

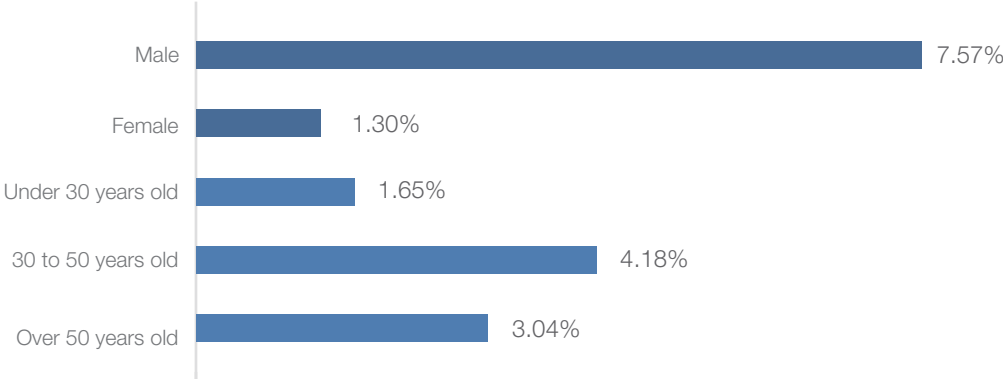
The Company further strengthened and regulated labour and human resources management, deepened the reform of employment systems, handled labour relations properly, promoted the scientific, systematic and standardized management of labour and human resources, and facilitated the comprehensive development of various tasks. We strictly complied with international conventions, relevant domestic laws and regulations, adhered to the principles of compliance, transparency and equality in employment practices, and explicitly prohibited child labor and opposed all forms of forced labor. We have implemented a labor and employment supervision and inspection system to conduct random inspections of labor and employment from time to time. In case of any non-compliance in employment, we will conduct in-depth investigations in cooperation with third parties and take serious actions. We did not employ any child labor or forced labor during the reporting year. In addition, we regularly review, analyze and improve the recruitment rules, regulations and measures to ensure that the entire recruitment process is in compliance with relevant international conventions or domestic laws and regulations.



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), social insurance and enterprise annuities. 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 the Reporting Year, the turnover rate of our employees was 8.87%.

Total employee turnover rate in 2023



Care for our Employees

The Company upheld its core values and carried out a series of employee care activities in various forms, at various levels and through various channels to fully mobilize the passion of employees, strengthen their awareness of making the Company their home, and enhance their sense of happiness and sense of belonging. The Company also organized a number of employee activities, aiming to help employees relax and improve their communication with each other.



The Company carried out themed exchange and learning activities

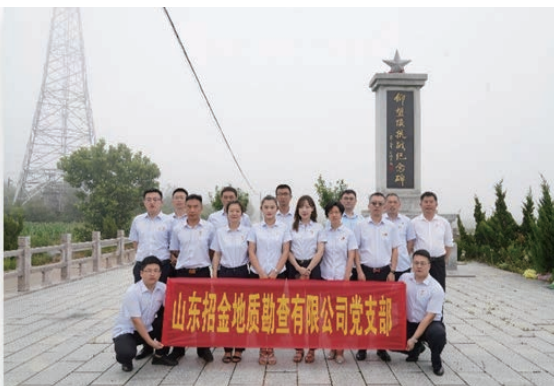
Activity I: Women's Day on 8 March 2023



Activity II: Children's Day on 1 June 2023



Activity III: Party building activities on 1 July 2023



Activity IV: Youth social events on the Qixi Festival



Activity V: Soldiers caring activities on 1 August 2023



Activity VI: Elderly caring activities on the Double Ninth Festival



Activity VII: Spring sports games



Development and Training

The Company establishes and improves its talent cultivation mechanism, reasonably explores and cultivates its talent team to provide talent support for sustainable development. The Company has implemented a career development and salary ranking system for professional and technical personnel, and enhances the skills of its blue-collar team through external training and self-assessment.

“Mentorship” is an important activity for the Company to continuously expand its production scale and promote mechanical, information-based, intelligent and digital operations. Every new employee or worker transferred to a new position will be led by a mentor who will provide meticulous on-the-job guidance, so that they can master the skills as soon as possible to promote rapid growth.





Training objectives

- ① Strengthen the training of managers to enhance their overall qualities, improve their knowledge structure, and strengthen their abilities in comprehensive management, innovation, and execution.
- ② Enhance the training of technical professionals to elevate their theoretical knowledge and professional skills, and enhance their capabilities in scientific research and development, technological innovation and technical transformation.
- ③ Improve the job-specific skills of operational staff through rigorous training, continuously enhancing their proficiency, and fostering their capacity to diligently fulfill their job responsibilities.



Training principles

- ① Adhere to the principles of teaching based on needs and seeking practical results. Provide training with rich contents and flexible forms based on the development needs of the Company and the diversified training needs of the employees, at different levels and in different categories.
- ② Adhere to the principle of prioritizing self-directed training with external training as a supplement. Maintain the principal of ensuring sufficient trained staff, training content and training hours.



Training methods

- ① Internal training covers manager training, professional technical personnel training, on-site operator training, communication and learning training, and other regular trainings.
- ② Rely on internal outstanding talents, highly educated individuals, professional and technical personnel with geology, prospecting, mining, processing and mechanical expertise and front-line employees with extensive practical experience, or hire professional training lecturers, industry experts, professors to give centralized lectures in the Company.



Annual key training projects

- ① Routine training on Wednesday for the improvement of the comprehensive ability of managers.
- ② Workshop and department management training.
- ③ Internship and induction training for university students.



The Company organized the outstanding staff to participate in external exchanges and learning



One-Card-One-Project training of Canzhuang Gold Mine



Xiadian Gold Mine organized system training activities



Gansu Smelting carried out training on environmental protection management knowledge

As of 31 December 2023, the Company has organized 552,254.00 hours of training, with an average training time of 90.31 hours per employee. The training coverage rate for male and female employees was 99.15% and 100.00% respectively. The training coverage rate of senior management, middle management and general staff was 100%, 100% and 99.22% respectively.

Average training time of the employees (hours)

Male:	Female:	Senior management:	Middle management:	General staff:
91.99	85.34	74.25	82.44	91.84





The Company conducted induction training for newly recruited university students

PRODUCT RESPONSIBILITY

The Company's products strictly adhere to 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 sold to the designated warehouse of Shanghai Gold Exchange. 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

In 2023, the Company was granted six scientific and technological progress awards by China Gold Association, five innovation awards for front-line workers, and one excellent award in Yantai Mayor's Cup Industrial Design Competition; was granted 135 patents, including 11 invention patents, 117 utility models, and seven software copyrights; applied for 167 patents, including 18 invention patents, 138 utility models, and 11 software copyrights; published 41 core papers; participated in the formulation of three national standards and two industrial standards; released four issues of "Zhaojin Technology" and published 100 papers; carried out 35 assessments of small reform and innovation projects, completed 1,675 small reform and innovation projects, shared 80 high-quality small reform and innovation projects, and created value of over RMB30 million.



Certificate of Excellent Paper in the Proceedings of the World Gold Conference

The Company organized technical personnel to carry out training on ore processing skills, conducted technical exchanges through external visits and invitation of exchanges, participated in the National Gold Industry Skill Competition, focused on key technical problems, and concentrated on tackling key challenges and making breakthroughs, achieving significant results.



According to the implementation plan of key processing and smelting projects, 17 key processing and smelting projects, including the “Optimization of Carbon Adsorption Performance”, have all achieved the set targets and successfully passed acceptance inspection, and the system has been running in a stable manner, thus enhancing the technological standards and capabilities of processing and smelting. The projects of “Research and Application of Technology and Techniques for Reducing Gold Grade in Cyanide Tailings”, “Research and Application of Chlorination System Optimization for Increasing Productivity” and “Optimization of Copper Smelting Process” showed significant effectiveness and enabled the Company to create benefits in a sustainable manner.



Copper smelting process optimization project of Xinhui Copper

Supply Chain Management

The Company reduces its risks and improves the quality of our production through an effective management model and careful selection of suppliers. In the procurement process, we adhere to the principles of fairness and reasonableness in selecting suppliers, including prioritising suppliers offering environmentally friendly products and services in the selection 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 and regularly assess their performance to ensure a stable supply chain. In 2023, all of our suppliers were located in mainland China.

Moreover, 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, we will terminate the cooperation immediately. 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 procurement of major equipment and material supplies in the year to achieve transparent communication and information disclosure.

The Company has incorporated supplier management as a key management aspect and included it in its system, and organizes supplier assessment twice a year and supplier reverse assessment once a year.

Supplier screening and admission

To enter the Company’s internal market, suppliers are required to pass a screening process, which includes filling out a screening form and a letter of undertaking, submitting qualification materials, and submitting admission information through Zhaojin E Home. After passing the screening and being approved by the Company, the suppliers can be admitted into the supply chain system and the list of qualified suppliers; otherwise, they are not allowed to participate in business transactions.

Handling of non-compliant suppliers

In case of non-compliance by the supplier, in addition to holding the supplier legally liable in accordance with the Law of the People’s Republic of China on Tendering and Bidding and other laws and regulations and the contract, the Company will, depending on the severity of the non-compliance by the supplier, give warning, suspend business cooperation, terminate the contract, deduct payment due to quality issues, put the supplier on the blacklist and take other measures to deal with the non-compliance.

Performance assessment

For existing suppliers, the Company will conduct regular assessments of their performance to ensure that they meet our standards regarding supplier reputation, product quality, prices and services.

OUR ENVIRONMENT

Environmental Management

The Company has always prioritized ecological and environmental protection work, and considers environmental management as a necessary measure to fulfill its social responsibility, enhance its image and achieve sustainable development. Through the implementation of environmental policies, upgrading equipment, optimizing the factory environment, strengthening the management of wastewater, exhaust gas and solid waste, we aim to achieve clean production. Following the standards of the ecological and environmental management system, we identify various environmental indicators, establish implementation plans, conduct performance assessments, and facilitate the implementation of environmental responsibilities, prevention and control of major environmental risks, innovative education and training, and standardized upgrading, thereby achieving the goal of reducing pollution, protecting the environment and promoting energy-efficient production.



Safety and environmental protection initiatives

01

Carry out inspection and remediation of hidden hazards in environmental protection, make up for the shortcomings and improve the weaknesses, emphasize on consolidation and upgrade, and further enhance the environmental protection management capabilities

02

Focus on key tasks, concentrate efforts, advance at full speed, continuously strengthen the foundation of compliance with laws and regulations related to safety and environmental protection.

03

Optimize environmental management measures to enhance the Company's sustainability in green development.

04

Carry out in-depth environmental protection cultural activities, create a strong atmosphere of environmental protection culture, enhance the overall awareness of ecological civilization, and build a model enterprise for ecological and environmental protection.

05

Take accidents as a warning, and implement targeted environmental control measures in response to prominent issues in key systems and factors such as extreme weather disasters.



Jinchiling Gold Mine

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 to focus our resources on improving our performance in key environmental issues, thereby ensuring the sustainable development of the Company.

Long-term Goals for Environmental Protection



Zaozigou

Green Mine

We strive to maintain an industry-leading position in the construction of green mines and constantly push ourselves to do more than what is required by laws and regulations. We are committed to actively cultivating employees' awareness of environmental protection and resource management, and implementing the established policies. In 2023, we invested RMB35.71 million in environmental protection, carried out the "Beautiful Environment in Mines" competition and the "Establishing Advanced Culture" activity in the factory areas, continuously strengthened the efforts in environmental improvement of the factory areas, including improving infrastructure, strengthening on-site management, and enhancing the individual qualities of the workers, aiming to improve and purify the living environment within the factory areas and develop mining facilities that prioritizes ecological conservation and environmental sustainability.



A survey project of Zhaojin (provincial green survey project)



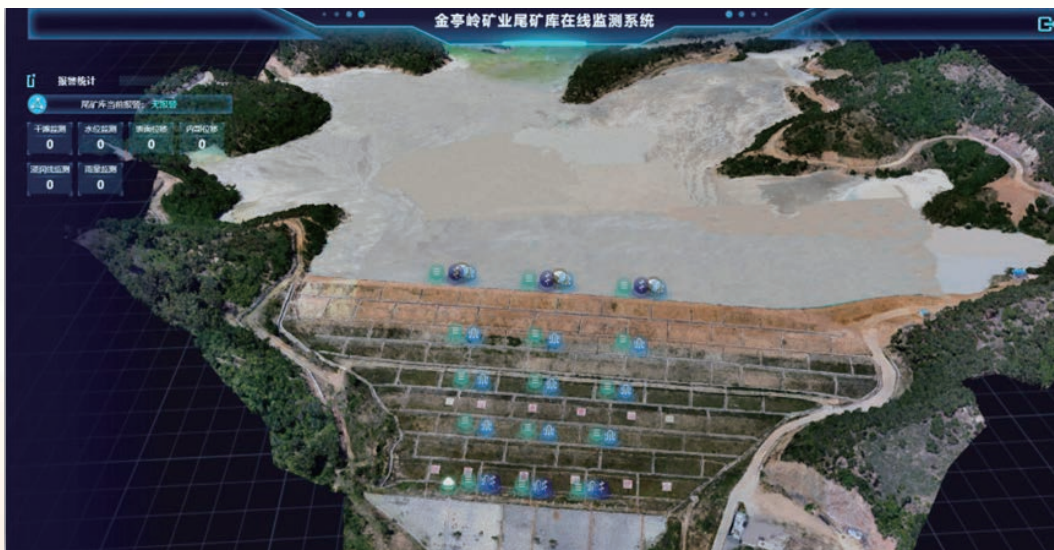
Zhaojin Baiyun (national green mine)

Development of Intelligent Mine

The Company focuses on promoting the development of intelligent mines, and continues to improve the level of automatic and intelligent operation of its mines. We have achieved tangible results in the research and application of new technologies such as industrial robots and mechanical arms. For instance, at the Xiadian Gold Mine, industrial robots have replaced manual inspections in the distribution room, enabling real-time data collection, fire monitoring and early warning functionalities. At the Jinchiling Gold Mine, a mechanical arm for sampling density has replaced manual sampling operations, which has not only reduced the health hazards posed by toxic and harmful environments on-site but also enhanced the efficiency and accuracy of sampling and testing. Additionally, the F5G underground optical communication network has been successfully established and put into operation at the Dayingezhuang Gold Mine. Furthermore, we have launched two-level data management platforms for both headquarters and pilot enterprises. By adopting a comprehensive and systematic approach, we are leveraging data to identify and address business problems effectively, thus achieving innovative applications of the “data-driven business” management model.



Production Dispatching and Command Center of Dayingezhuang Gold Mine

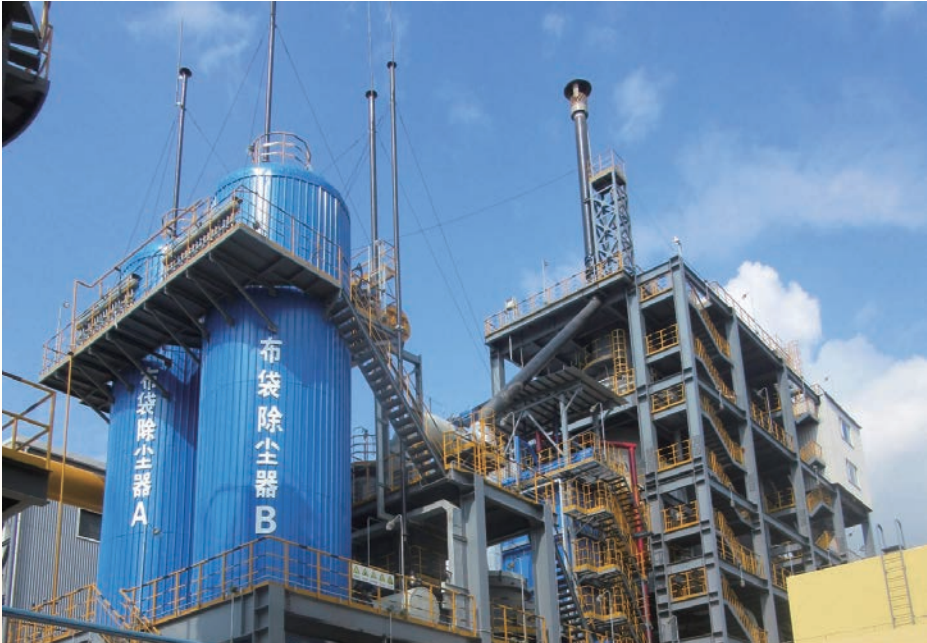


Jintingling Tailings Deposit Online Monitoring System

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 2023
Particulates	tonnes	108.88
Sulphur dioxide	tonnes	48.70
Nitrogen oxides	tonnes	46.21



Fabric dust collectors of Zhaojin Jinhe

Water Stewardship

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.

Water Resources Utilization and Sewage Discharge in 2023

Type	Unit	
Total water volume	cubic meters	10,327,539.25
Water consumption density	cubic meter/revenue (RMB million)	1,225.79
Water recycling volume	cubic meters	8,754,902.35
Waste water discharge	cubic meters	970,248.82
Emission of Chemical Oxygen Demand	tonnes	5.86
Wastewater density	cubic meter/revenue (RMB million)	115.18
Ammonia Nitrogen Emission	tonnes	0.47



Jinchiling Gold Mine Water Treatment System

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 2023

Type	Unit	
Tailing	tonnes	3,842,123.47
Waste rock	tonnes	13,739.00
Other	tonnes	26,156.03
Non-hazardous waste	tonnes	3,882,018.50
Density of non-hazardous waste	(tonne/revenue) (RMB million)	460.83

Tailing Management

We have a comprehensive and detailed plan for the disposal of tailings. The tailings are treated and detoxified to effectively extract the harmful chemicals and cyanide through wastewater treatment technologies 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.

It is worth mentioning that our Canzhuang Gold Mine's latest mine filling technology, "Fine Tailing Cementation Filling", broke the traditional mine filling method. 70% of the fine-grained tailings are quickly 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 application and popularization 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 always adhere to the principal of separate storage to prevent mixing with other waste, and store the waste in enclosed containers with chemical labels for effectively preventing pollution problems. It is also strictly forbidden to pour any chemicals or wastewater containing chemicals directly into drainage to ensure safety and prevent pollution of water source.

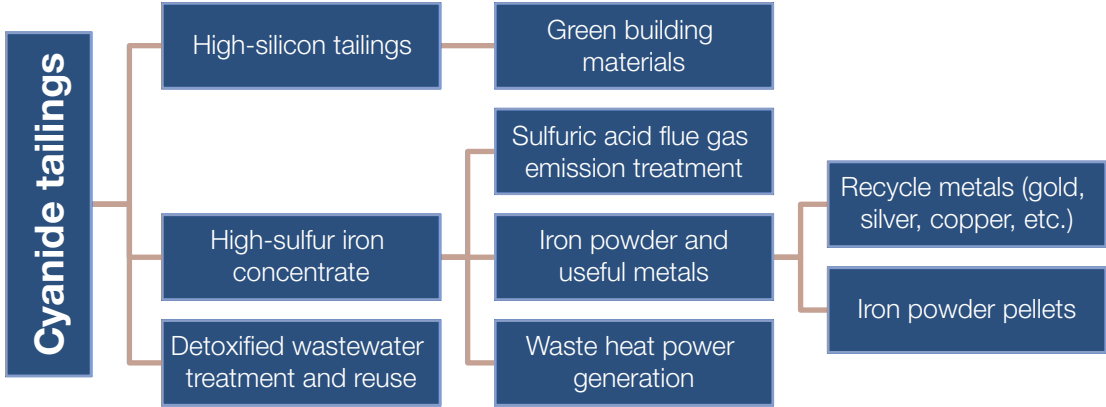
To properly handle hazardous waste, qualified and licensed contractor is employed to dispose the waste. To further enhance our staff's awareness and handling capabilities in this regard, we also organize regular training courses on the handling of hazardous waste to ensure that every staff is well versed in the handling of hazardous waste and the matters to note.

Hazardous Waste Management in 2023

Type	Unit	
Hazardous Waste	tonnes	317,080.71
Cyanide	tonnes	314,731.89
Hazardous Waste Density	(tonne/revenue) (RMB million)	37.64
Other	tonnes	2,348.82

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:



Project of making green building materials from high silica tailings of Zhaojin Jinhe

Energy Efficiency and Carbon Emission Control

During the Reporting Year, we strived to minimize carbon footprint of the Company. We have conducted a preliminary climate risk assessment, such as the fact that climate change will lead to more frequent droughts and floods, which will change the water supply to the mine site and disrupt operations. Going forward, we will continue to track, monitor and diagnose relevant risks as a Board-level issue and develop corresponding strategies in a timely manner.

In 2023, a majority of our footprint came from the use of electricity, accounting for approximately 93% of the total carbon emission in 2023.

	Unit	2023
Energy Consumption		
Total Energy Consumption	MWh	723,675.61
Direct Energy		
Mobile Fuel		
Unleaded Petrol	MWh	1,497.94
Diesel	MWh	49,184.20
Indirect Energy		
Electricity	MWh	673,072.68
Total Energy Intensity	MWh/revenue (RMB million)	79.90
GHG Emission		
Total Greenhouse Gases (GHG) Emission	Tonnes CO ₂ e	685,163.38
Scope 1 Emission	Tonnes CO ₂ e	14,101.12
Scope 2 Emission	Tonnes CO ₂ e	671,053.46
Total GHG Emission Intensity	Tonnes CO ₂ e/revenue (RMB million)	81.33
GHG Removal (from Tree Planting)	Tonnes CO ₂ e	264.22

* 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 11,488 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

- 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 street lighting

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.



Dust control netting on dry beach of tailing pond can effectively eliminate dust

Energy Saving

The Company enhanced energy management to achieve energy saving and consumption reduction. In 2023, the Company leveraged its strengths, deeply explored energy-saving potential, made a list of key energy saving and emission reduction projects, set targets, personnel, time, effectiveness and implementation, and by the end of 2023, completed the implementation of 16 energy saving and emission reduction projects, achieving annual energy savings of 4,705 tons of standard coal and electricity savings of RMB16,735,700. The unit consumption of mining decreased by 0.09kWh/t YOY and the unit consumption of ore processing decreased by 0.12kWh/t YOY; at the same time, we have implemented classification and grading management for the measurement standard, 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 2023, the Company has completed a total of 1,986 sets of measuring instruments inspection, and the inspection pass rate was 100%. In addition, the Company actively organized the “World Metering Day” and “Energy Saving Publicity Week and National Low Carbon Day” for 2023, 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 2023, 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
RMB8,064,200	RMB8,575,700	4,348.00 hours



Xiadian Gold Mine sponsored the Pear Blossom Festival in the local town

Community Engagement Projects

Education Support

We will improve rural basic education and provide quality and fair educational conditions. On every 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. 1. Ruihai Mining donated RMB3,000 to the school in Sanshandao for repairing the school building. 2. Fengningjinlong provided RMB 10,000 for repairing the school in Lujiagou Village, Xiaobazi Town, Fengning Manchu Autonomous County. 3. Jinchiling Gold Mine joined hands with Zhaoyuan Sunshine Public Welfare to offer care to the left-behind children and visited Chijagou in Zhaoyuan to offer care to the impoverished.

Industry Assistance

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. 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. 1. Dayingezhuang Gold Mine provided forklifts and excavators as well as rocks to build roads for the sweet potato production base in Qishan Town. 2. Fengningjinlong provided assistance of RMB188,000 to Xingfan Plantation Professional Cooperative of Fengning Manchu Autonomous County; RMB155,000 to Deli Sheep Breeding Professional Cooperative; RMB170,000 to Yiyun Chicken Breeding Professional Cooperative; RMB160,000 to Dejin Traditional Chinese Medicinal Herbs Plantation Professional Cooperative; and RMB54,000 to Tucheng Town Yushugou Village Joint-Stock Economic Cooperative for the sale of potatoes.

Disaster Relief

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. In the event of a major natural disaster at a corporate site or in the surrounding area, the Company will 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. 1. A major fire broke out in a particular place, after receiving the notification from the municipal government, the Company immediately organized 130 employees to rush to the area of the incident and assisted the local government in evacuating more than 600 people, and completed the task of guarding the place of the major fire for two days and two nights, and all employees returned safely. 2. Xiadian Gold Mine continuously cleared the snow on the main transportation routes in the surrounding villages during the heavy snowfall.

Community Construction

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. 1. Xinhui Copper helps impoverished villagers in ten towns and seven villages in Jiashi County to develop animal husbandry and planting industry. 2. Dayingezhuang Gold Mine provided funds to the surrounding villages to help them build roads and water conservancy facilities. 3. Fengningjinlong provided financial support of RMB100,000 to the grain production base in Yushugou Village, Tucheng Town, Fengning Manchu Autonomous County. 4. Zaozigou Gold Mine offered RMB9,900 to 18 households of villagers during the Spring Festival; and RMB9,200 to the surrounding villages during the Mid-Autumn Festival. 5. Tonghui Mining invested RMB50,000 to build a party cultural activity centre.



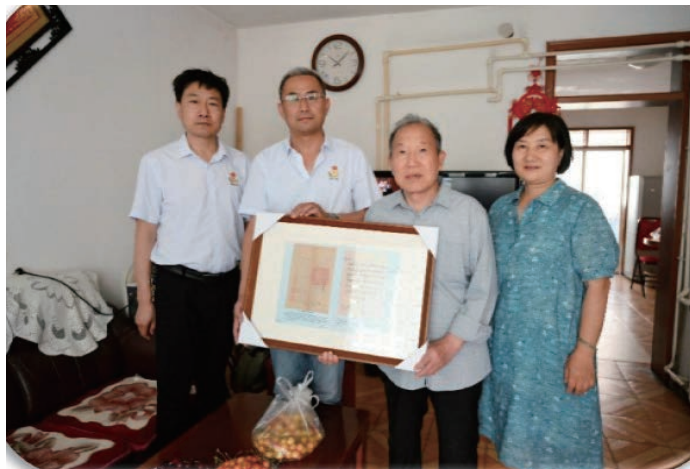
The Company actively participated in fire-fighting and rescue



Xiadian Gold Mine cleared snow for the community



Rozi Festival in Zhaojin Beijing



Xiadian Gold Mine donated red cultural artifacts to carry on the red memories



Fengningjinlong participated in rural revitalization and poverty alleviation work

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</p> <p>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 NOx, SOx, and other pollutants regulated under national laws and regulations. Greenhouse gases include carbon dioxide, methane, nitrous oxide, hydrofluorocarbons, perfluorocarbons and sulphur hexafluoride. 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

Stock Exchange ESG Reporting Guide General Disclosures & KPIs		Other Remarks/Reference Section
Subject Area A: Environmental		
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 nonhazardous wastes are handled, and a description of reduction target(s) set and steps taken to achieve them.	Waste Management
A2 Use of Resources	Policies on efficient use of resources including energy, water and other raw materials. <i>Note:</i> Resources may be used in production, storage, transportation, buildings, electronic equipment, etc.	Our Environment
KPI A2.1	Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (kWh in '000 s) and intensity (e.g. per unit of production volume, per facility).	Energy Efficiency and Carbon Emission Control
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 Control
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.	Water Stewardship There is no issue in sourcing water that is fit for purpose.
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.

Stock Exchange ESG Reporting Guide General Disclosures & KPIs		Other Remarks/Reference Section
Subject Area A: Environmental		
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 Control
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 Control

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

Stock Exchange ESG Reporting Guide General Disclosures & KPIs		Other Remarks/Reference Section
Subject Area B: Social		
KPI B2.3	Description of occupational health and safety measures adopted, how they are implemented and monitored.	Healthy and Safe Workplace
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</p> <p>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

Stock Exchange ESG Reporting Guide General Disclosures & KPIs		Other Remarks/Reference Section
Subject Area B: Social		
B5 Supply Chain Management	Policies on managing environmental and social risks of the supply chain.	Supply Chain Management
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	<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 health and safety, advertising, labelling and privacy matters</p> <p>relating to products and services provided and methods of redress.</p>	<p>Product Responsibility</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 health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.</p>

Stock Exchange ESG Reporting Guide General Disclosures & KPIs		Other Remarks/Reference Section
Subject Area B: Social		
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
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.

Stock Exchange ESG Reporting Guide General Disclosures & KPIs		Other Remarks/Reference Section
Subject Area B: Social		
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