

招金

ZHAOJIN

ZHAOJIN MINING INDUSTRY COMPANY LIMITED*

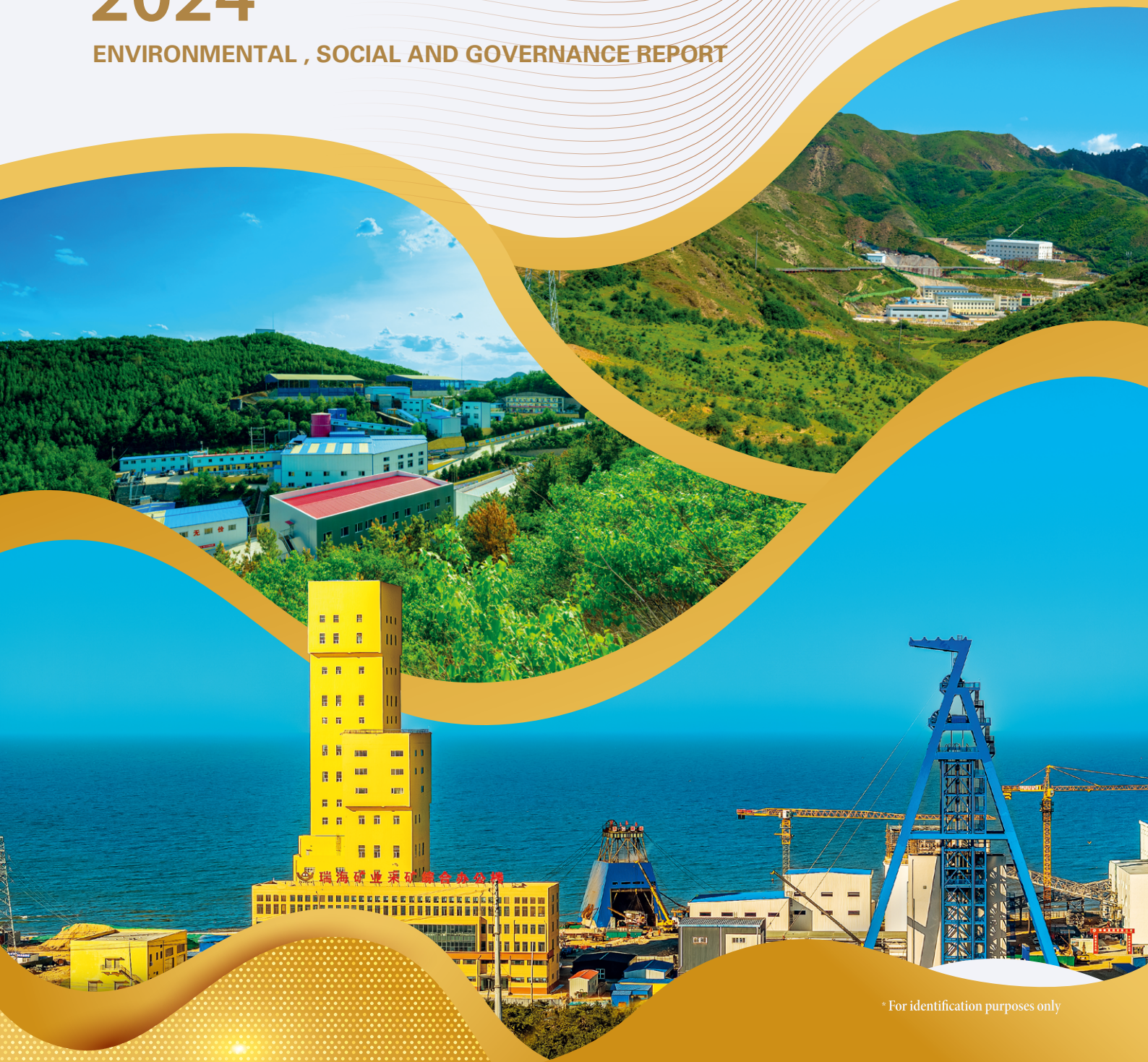
招金礦業股份有限公司

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

(Stock Code : 1818)

2024

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 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. This 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

This Report covers the period from 1 January 2024 to 31 December 2024 (the “Reporting Year” or “2024”). 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 Beijiang Mining Company Limited (“Zhaojin Beijiang”);

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”);

Société Minière De La Lobo (“S.M.L”).

Compared with the scope of report in 2023, based on the Company's accelerated internationalization strategy, the newly acquired S.M.L has increased its revenue and profit proportion in the Reporting Year, which is a key enterprise, and is therefore included in the scope of report in 2024; whereas Xinjiang Xingta Mining Company Limited accounted for a relatively low proportion of its revenue and profit in 2024, which is not a key enterprise, and is therefore not included in the scope of report in the Reporting Year.

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

This Report has been prepared in accordance with (a) the mandatory disclosure requirements; and (b) the "comply or explain" provisions of the ESG Reporting Code under Appendix C2 to the Rules Governing the Listing of Securities on the Stock Exchange. If there is any discrepancy between the English and Chinese versions of this Report, 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:

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ABOUT ZHAOJIN

Zhaojin obtained approval from the People's Government of Shandong Province and was incorporated as a joint stock limited company on 16 April 2004 in the People's Republic of China and listed on the main board of the Stock Exchange on 8 December 2006. 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.

The Company is an integrated large-scale enterprise with exploration, mining, processing and smelting operations, focusing on gold production business which is one of the leading gold producers in the PRC with its business covering major gold producing areas in the PRC. Principal products 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. 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.

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.



Our Culture and Values

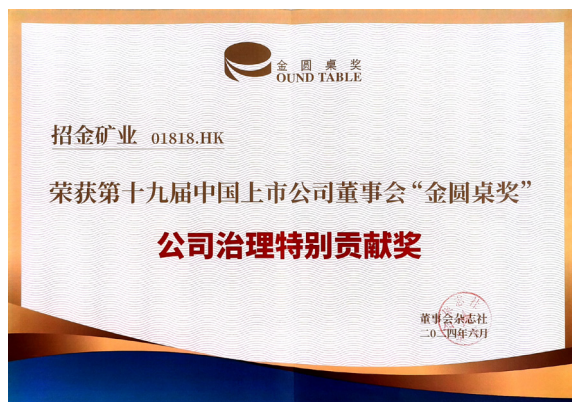
We are committed to establishing a shared set of core values and embracing a modern corporate culture that meets the demands of the current era. Our aim is to cultivate an exceptional team and foster a new Zhaojin cultural framework and a common code of conduct for both leaders and employees that encompasses 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



Awards and Recognition

In 2024, we were honored to receive numerous awards and recognitions in a wide range of areas that attest to our efforts and achievements in many aspects such as environmental protection, social responsibility and corporate governance.



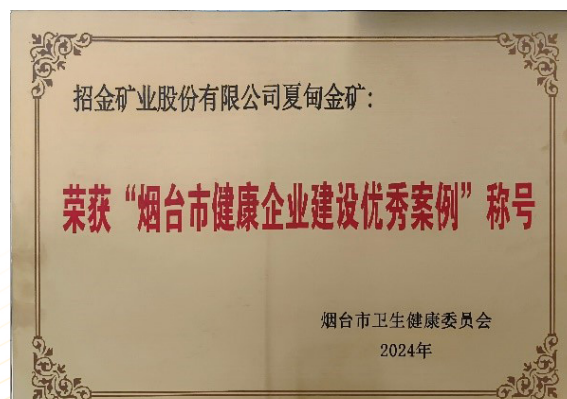
Special Contribution Award
for Corporate Governance



China's Top 500 Enterprises in Philanthropy



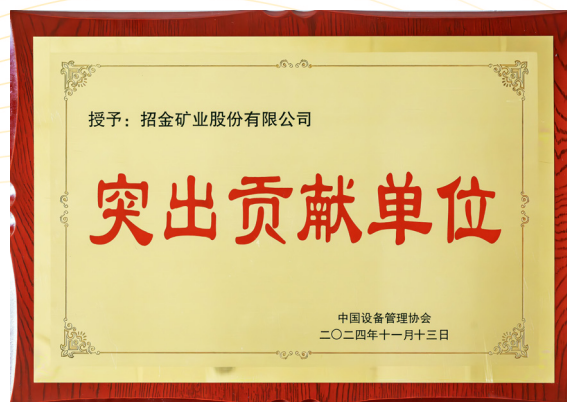
China's Top 500 Listed Enterprises in Philanthropy



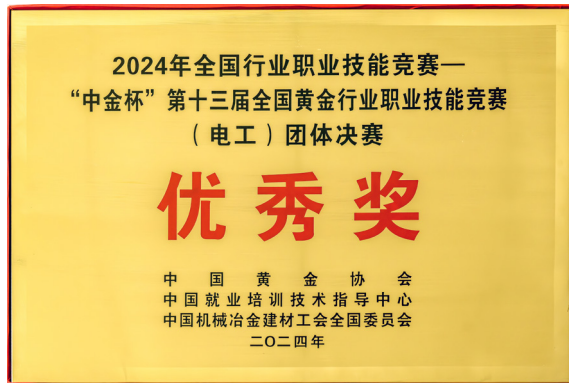
Excellent Case of
Healthy Enterprise Construction in Yantai City



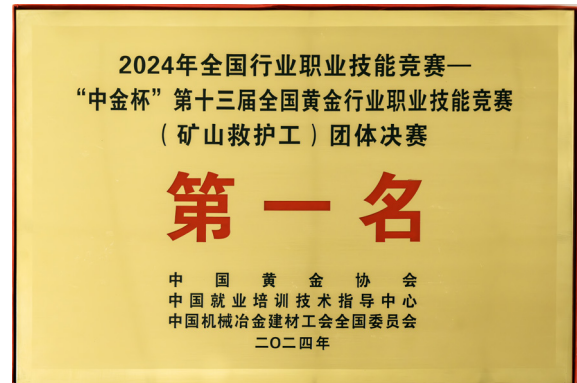
China Industrial Big Data Innovation and
Development Alliance Member Certificate



Outstanding Contribution Unit



"China Gold Cup" 13th National Gold Industry Vocational Skills Competition Excellence Award



"China Gold Cup" Champion of the team in the 13th National Gold Industry Vocational Skills Competition



Equipment Life Cycle Management Benchmark Unit



Advanced Grassroots Party Organization in Yantai City



Health Enterprise



Certificate of Merit for Development and Construction of Xinjiang

CHAIRMAN FOREWORD

2024 marks a year of seizing opportunities and breakthrough development for Zhaojin. Amid escalating global geopolitical tensions, the Federal Reserve entering an interest rate-cutting cycle, and the continued gold purchases by central banks worldwide, the gold market exhibited vigorous growth. Leveraging high gold prices and favorable policies, the Company has advanced key initiatives in safe production, project construction, investment and mergers and capital operations. This propelled the Company to achieve historic breakthroughs in production volume, scale, efficiency and growth rate.

During this year, we optimized production organization and management, achieving new milestones in production and efficiency. Through the scientific formulation of production plans, disaggregation and implementation of targets, rational allocation of human resources, and refinement of incentive and assessment measures, we promoted high-quality production and increased output. As a result, all major operational indicators recorded significant growth, reaching new highs in recent years.

During this year, we invested RMB157 million in targeted safety initiatives, focusing on advancing the "Three Transformations" of safety (standardization, normalization, and informatization), the establishment of a safety information management platform, and maintaining a consistently stable safety production record. We also invested a total of RMB27 million in environmental protection, driving the comprehensive development of green mine construction, enhancing resource conservation and utilization levels, and fully achieving all environmental targets. As a result, the Company now boasts 19 national and provincial-level green mines (and factories).

The year 2025 marks the final year of the Company's objectives under the "14th Five-Year Plan" and a three-year strategic plan, and also serves as a pivotal year to accelerate momentum in surpassing and advancing towards becoming an international world-class mining enterprise. The Company will focus on its core business development, uphold its strategic direction of internationalization, solidify the four key supports of resource, talent, technology and management, and drive the Company's growth of production capacity, incremental development and benefit enhancement to new heights. Through these measures, the Company will resolutely progress towards establishing itself as a world-class gold mining company with industry competitiveness and international influence.



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OUR SUSTAINABILITY MANAGEMENT

Sustainability Governance



As the core force in promoting social progress and the main user of environmental resources, enterprises play a key role in the historical process of promoting the construction of an ecological civilization and undertaking the mission of developing a green economy. We believe that in order to effectively promote sustainable development, it is first necessary to establish a clear organizational structure to facilitate cross-departmental collaboration within the enterprise and to communicate key messages to all levels, so as to promote the Company's sustainable development goals through a top-down approach.

Under the leadership of the Board, five special committees, including the Audit Committee, the Strategic Committee, and the Safety and Environmental Protection Committee, work together to help oversee the implementation and progress of sustainable development initiatives, which are regarded as an important component of business strategy and risk management. The Board is fully responsible for the management of environmental, social and governance matters, including the formulation of relevant strategies, objectives, policies and procedures, and ensuring their effective implementation. We integrate the concept of governance into daily operations. Each functional department is responsible for its own duties and submits regular reports containing key performance indicators to the management and the Board to assess the effectiveness of business operations.

The five special committees under the Board convene at least one special meeting each year, focusing on discussing the Company's sustainable development issues in core areas such as remuneration system, internal control and risk management, corporate development planning, social responsibility construction, shareholder value realization, safety and environmental protection, and resource reserves. On this basis, the Company's ESG report is formulated and publicly disclosed to investors after scrutinized by the Board.

Audit Committee

The primary function of the Audit Committee is to oversee the implementation process of internal controls and risk management and to assess the effectiveness of risk controls measures, including risks and challenges related to sustainable development. The committee regularly reviews the Company's internal management procedures and systems to ensure that various risk issues can be analyzed, optimized and addressed in a fair and independent manner.

Nomination and Remuneration Committee

To enhance the effectiveness of corporate governance, the Nomination and Remuneration Committee is responsible for overseeing the performance appraisal and human resources development of senior management to ensure that they are able to fulfill their responsibilities effectively, particularly in terms of ESG related matters.

Strategic Committee and ESG Working Group

Under the leadership of the Board, the Strategic Committee is responsible for formulating the Company's strategy, deciding on major business issues, setting forward-looking targets, monitoring the results of implementation, and initiating discussions on sustainable development planning in a timely manner, identifying related opportunities and risks, as well as reviewing the annual ESG report and reporting to the Board. In order to further strengthen the management of ESG issues, the Company has set up the ESG Working Group, which is responsible for coordinating the implementation of relevant policies, compiling ESG reports, and regularly reviewing and studying sustainable development issues, identifying relevant risks and opportunities, and reporting to the Board, so as to formulate appropriate policies, guidelines, strategies and targets.

Safety and Environment Protection Committee

The Safety and Environment Committee is responsible for the following duties: (1) identifying major investments in environmental and safety projects; (2) setting annual goals and commitments; (3) formulating long-term and annual plans; (4) ensuring compliance with national laws and regulations; and (5) overseeing the implementation process and conducting due diligence. The committee also provides supplemental information to the Board as it develops the Company's strategy.

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 issues, in order to minimize the impact on the surrounding environment and local residents.

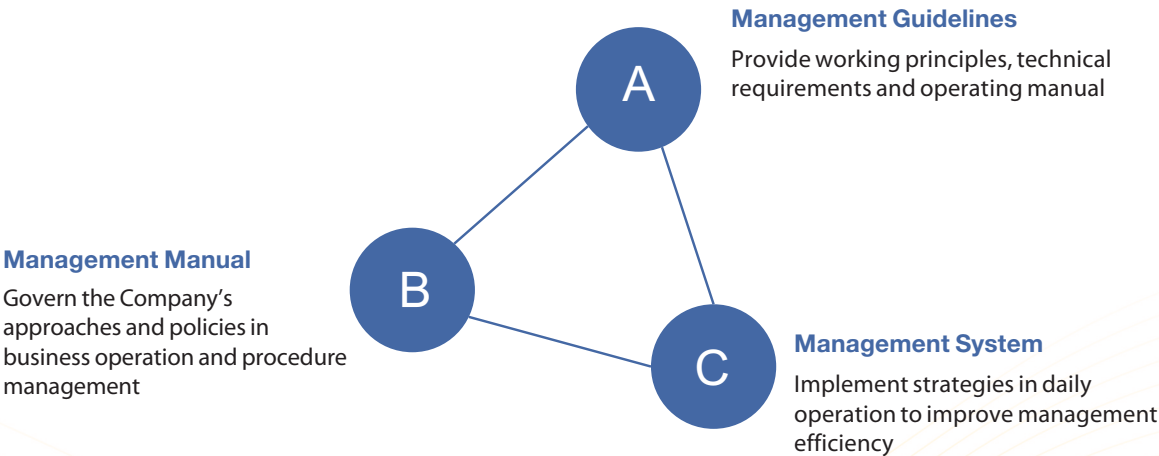
ESG Risk Management

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 acceptable limits, thus ensuring the orderly operation of its business.

As mentioned above in this Report, the Board 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 a comprehensive Integrated Management Manual in defining guiding principles for various departments and our subsidiaries to design, implement and monitor the entire management process. We integrate top-down and bottom-up dual approach, and adopt the national and international standards as our fundamental management basis, such as ISO 9001: 2015, ISO 14001: 2015, ISO 45001:2018 and GB/T 23331-2020.



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

In the face of profound changes in the internal and external environments, we have always grasped the overall situation and adopted scientific strategies to cope with changes and open up new horizons. In order to achieve long-term success and sustainable development, we have conducted in-depth analyses and prudent studies on the potential challenges and development trends of the gold industry, and have clearly defined the Company's long-term strategic direction for the future.

Expenses of mining increase

Reasons: Given the increase in cost of manpower and fuel consumption, the operating cost of mining businesses will increase.

Strategy: Through enhanced staff training, we will be able to improve work efficiency, thereby reducing operating costs. We started with management by optimising workflow and introducing automated systems to reduce manual handling and cut labour costs. By optimising procurement strategies, we will look for suppliers who enter into long-term contracts to obtain more competitive prices.

Reasons: In the future, technology is the key driving force to increase the relative competitiveness, enhance efficiency and lower the operational cost for long-term development.

Strategy: We see the significant potential 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.

Technological innovations are becoming increasingly prominent

More stringent environmental protection regulations

Reasons: Chinese government has proposed more stringent requirements and regulations on protecting the environment.

Strategy: Given that concerns on the environmental conditions in the mining industry are prominent, in response to the challenges, we have established a specialized management team and taskforce to plan and implement a series of improvement measures for enhancing the overall environmental performance.

Reasons: At the same time of exploring opportunities internationally, the social and environmental concerns on the local communities also need to be given high priority.

Strategy: Collaboration with different key stakeholders can remain our competitiveness in the market. Therefore, we maintain constant communication to understand their needs and consideration.

Opportunities and challenges of globalization

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 and performance roadshows.

Types of

stakeholders	Communication channels	Stakeholders' concern	Our response
Investors	<ul style="list-style-type: none"> Company's website and public account 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 Major project construction 	<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 Roadshow for annual and interim results announcement
Customers	<ul style="list-style-type: none"> Company's 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
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 to improve the working environment

Types of stakeholders	Communication channels	Stakeholders' concern	Our response
Community	<ul style="list-style-type: none"> • Company's website • Community activities • Communication platforms 	<ul style="list-style-type: none"> • Compliance of laws and regulations • Operational impact to the society 	<ul style="list-style-type: none"> • Deliberately consider the impact of operation to the surrounding environment and community before preparing the production plans, and formulate mitigation and improvement plan
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 • Establish a mechanism for mutual visits to enhance mutual trust • Organize supplier conferences
Government authorities, industry associations	<ul style="list-style-type: none"> • Documented information submission • Compliance inspections and checks • Regular meetings with local government representatives • Forums and conferences 	<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

Types of stakeholders	Communication channels	Stakeholders' concern	Our response
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 	<ul style="list-style-type: none"> • Practice ESG concepts and commit to green development, social welfare and corporate governance improvement
Media	<ul style="list-style-type: none"> • Company's website • Company's announcements • Social networking platforms 	<ul style="list-style-type: none"> • Job offering • Honest operation 	<ul style="list-style-type: none"> • Assume social responsibility and take positive actions to contribute to and improve the society • Publish ESG reports on a regular basis

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 senior 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's ESG Code and international guidelines such as Global Reporting Initiative, 26 ESG issues were identified.

Engagement

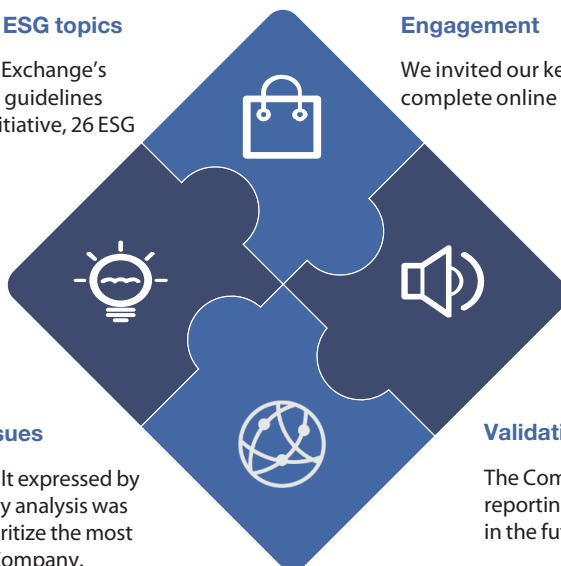
We invited our key stakeholders to complete online questionnaire.

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 2,098 survey responses were received in this assessment. We now present the results of analysis of material topics in tabular form. Based on 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.

Core Material Topics of 2024

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

ETHICAL BUSINESS

The Company unwaveringly adheres to the working principle of “preemptive control and proactive prevention” with a core focus on deepening and optimizing the establishment of Party integrity. We have effectively advanced integrity education in practice, actively promoted the development of a culture of integrity, strengthened supervision and inspection efforts, thoroughly implemented performance monitoring. The Company has taken firm action against violations of discipline and laws, further improved its prevention and control systems, fully executed disciplinary inspection responsibilities, and achieved outstanding results. During 2024, there is no concluded legal cases regarding corrupt practices brought against the Group or its employees.

Establishing Systems to Advance the Establishment of Party Integrity

The Company has updated systems such as the Disciplinary Inspection and Supervision Management System, Integrity Education Planning Framework, Inspection Plan for Disciplinary Inspection, and Accountability Implementation Measures (Trial). These updates clarified the responsibilities for integrity development at all levels, creating a clearly defined and accountable framework that effectively promotes the establishment of Party integrity.

Signing Accountability Agreements to Enhance Integrity and Self-Discipline Awareness

In line with the principle of “the top leader takes overall responsibility” and the “one position, dual responsibility” approach, the Company’s leadership team and mid-level management signed accountability agreements. These agreements not only enhanced the sense of responsibility among leaders at all levels but also deeply integrated the establishment of Party integrity with business operations, fostering a positive dynamic of collaborative management environment where everyone fulfills their responsibilities.

Enhancing Awareness of Discipline to Support Party Building

By strengthening education on Party discipline, the Company has enhanced Party members’ political awareness and discipline. Through in-depth study of the newly revised disciplinary regulations, we ensure that every Party member thoroughly understands and strictly adheres to the regulations. This has significantly strengthened discipline awareness, political consciousness and execution capabilities.

Persistently Promoting Routine Warning Education

Over the year, the Company published 12 special bulletins, arranged for all employees to watch warning education films, and organized disciplinary inspectors to participate in specialized training conducted by the Municipal Commission for Discipline Inspection. These initiatives enhanced the political quality, professional skills and disciplinary compliance capabilities of disciplinary inspectors.



Zhaojin Canzhuang Gold Mine conducted training sessions on the establishment of Party integrity



Gansu Smelting conducted training on disciplinary inspection and supervision management system

CARE FOR OUR EMPLOYEES

Occupational Health and Safety

The Company's safety and environmental management efforts are closely aligned with its business development goals and the "14th Five-Year Plan" strategic framework. We uphold the principles of "putting people and life first" and the philosophy that "gold has a price, but life is priceless", as well as the environmental philosophy of "green waters and lush mountains are gold and silver mountains." We rigorously implement safety production, aligning our thoughts and actions with the decisions and policies of the Party Central Committee and provincial and municipal authorities. Through innovative measures to grasp the implementation, improve the system, prevention-oriented, special rectification, enhancement of capacity, strengthen the key risk management and control system, full responsibility implementation, intelligent mine construction, staff capacity enhancement and other aspects of the creation of more "Zhaojin experiences", to build an advanced "Zhaojin model", further establishing an intrinsically safe and ecologically sustainable mining company.

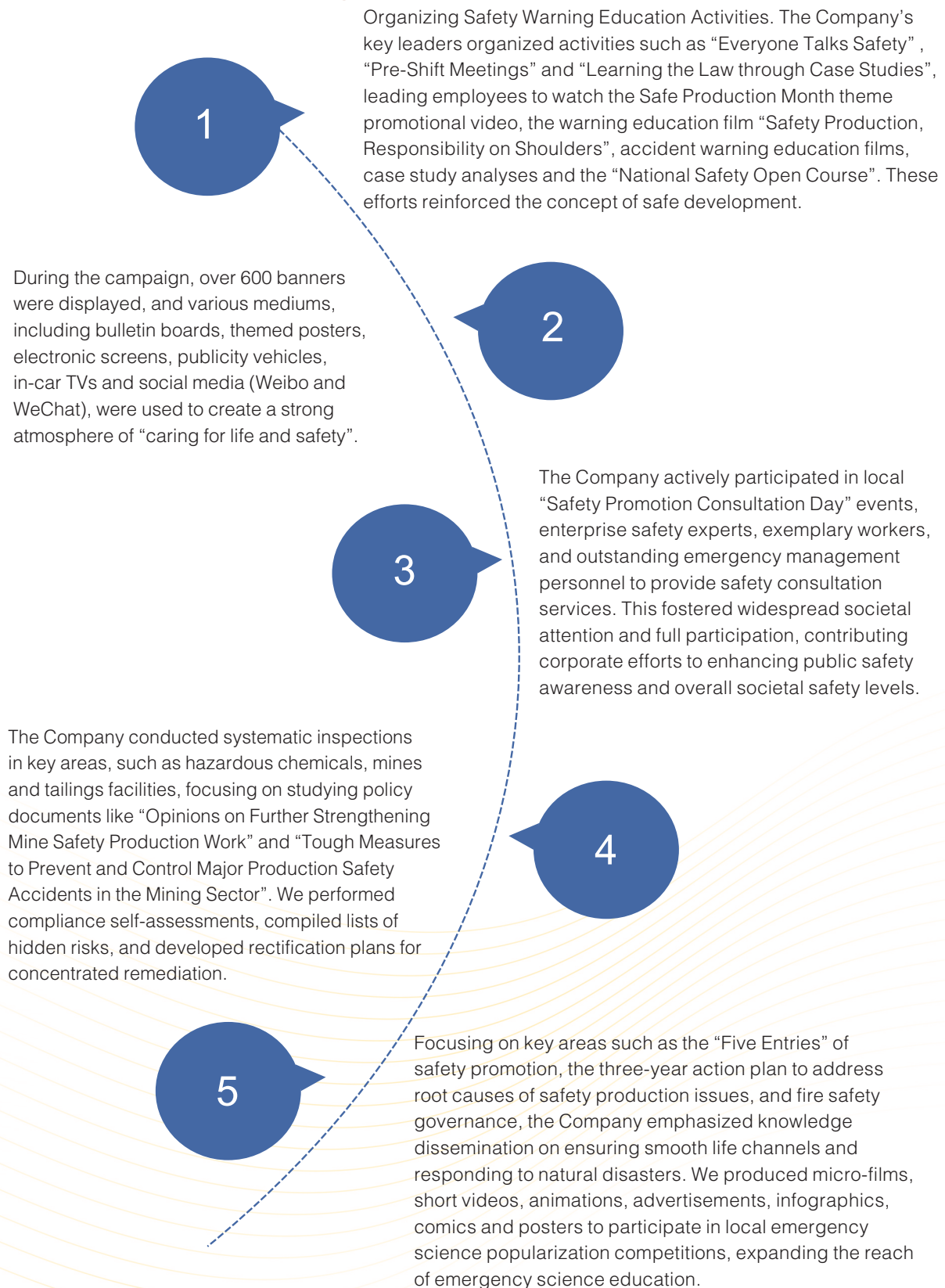
Safe Production

The Reporting Year marked the 23rd National Safe Production Month. In accordance with higher-level directives, the Company launched a safe production month campaign themed with "Everyone Talks Safety, Everyone Knows Emergency Response, Ensuring Smooth Life Channels." We issued the Notice on Launching the 23rd National Safe Production Month Activities, actively participating in and organizing various related activities.



Zhaojin - Dayingezhuang Gold Mine launches the safety culture month campaign

Safety production month campaign



2022-2024	Number of work-related deaths	Headcount ratio of work-related deaths	Number of working days lost due to work-related injuries
2022	0	0%	0
2023	0	0%	0
2024	0	0%	0



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



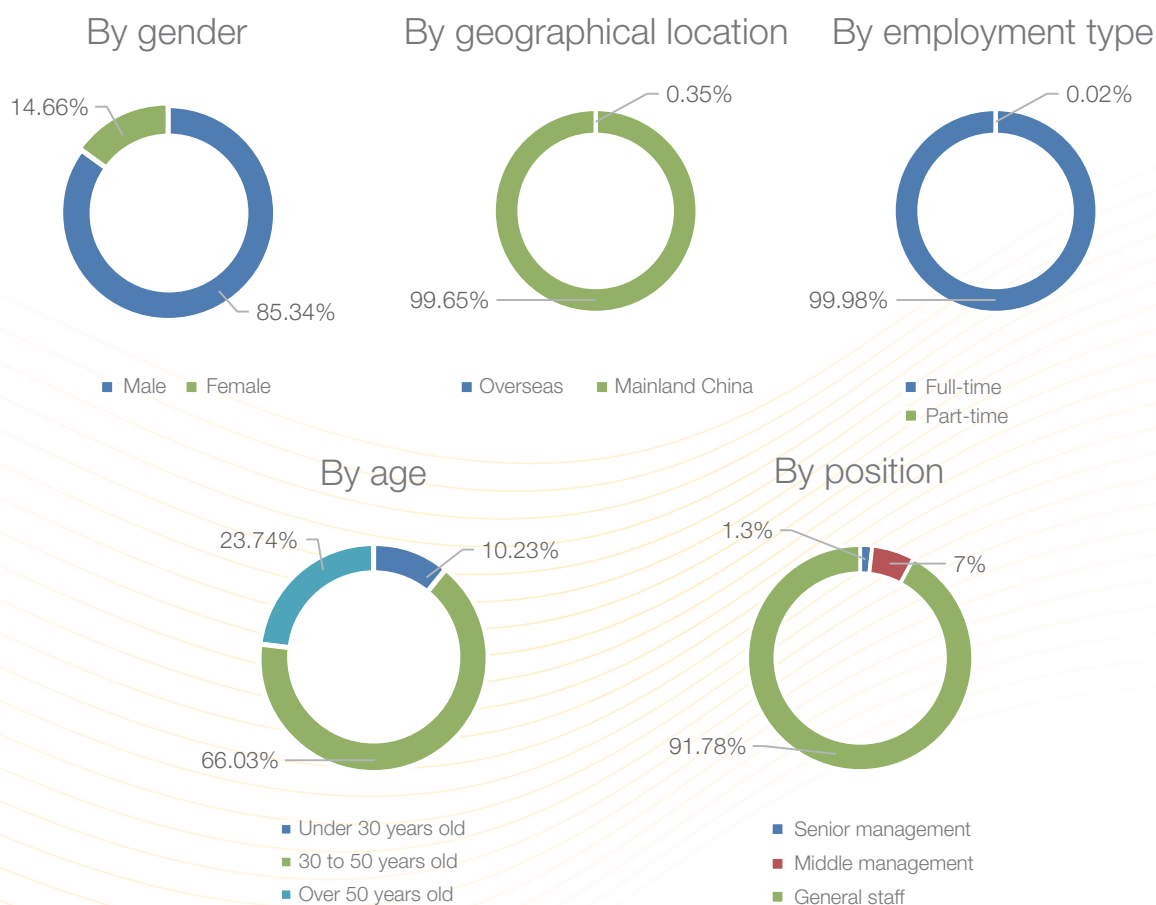
Zaozigou held the kick-off ceremony of the safety culture month campaign

Compliant Employment

The Company, in accordance with the Labor Law, the Labor Contract Law, and other relevant laws and regulations, standardizes labor and employment practices. It has established labor and employment management systems covering labor contract management, employee recruitment, leave policies and education and training.

The Company adheres to the principles of openness, fairness, impartiality and equal employment in employee recruitment, signing labor contracts in accordance with the law. It strictly prohibits any form of discrimination and treats employees of different nationalities, ethnicities, genders, religious beliefs, and cultural backgrounds equally. The Company actively creates job opportunities for disadvantaged groups, protects the rights of female employees, ensures equal pay for equal work between men and women and strictly enforces maternity leave policies for female employees during pregnancy and childbirth. The Company ensures that all employees enjoy equal and lawful rights in accordance with the law, with female employees accounting for 14.66% of the workforce.

The Company strictly complies with national laws and regulations, supports international norms and standards related to human rights and continuously regulates labor and employment management. It strictly prohibits the employment of child labor and resists all forms of forced labor. A labor and employment supervision and inspection system has been implemented, with irregular random inspections conducted on labor management practices. During the Reporting Year, there were no incidents of child labor, forced labor or labor disputes.





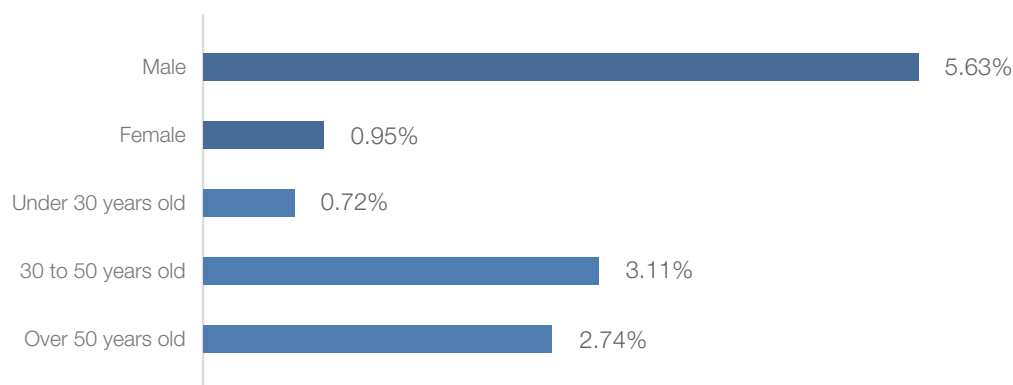
S.M.L conducted compliant employment education and training activities

Remuneration and Benefits and Employee Protection

A reasonable remuneration and benefits system can enhance employees' work motivation and satisfaction, while comprehensive employee protection measures allow them to work without concerns, collectively contribute to the Company's development. We have actively established a fair, equitable and open system of compensation and benefits management. We also provide all employees with pension insurance, medical insurance, unemployment insurance, work injury insurance, housing provident funds, and enterprise annuities. All employees are entitled to various paid leave (including annual leave, sick leave, home leave, marriage leave, maternity leave, paternity leave and funeral leave), as well as additional benefits such as festival gifts, health checkups, access to employee canteens and shuttle bus services.

The Company adopts various ways to attract, retain and motivate employees, including organizing various training activities to facilitate comprehensive development, advocating a proactive work philosophy and striving to create a working environment where "people are talented". Regular employee representative meetings are held to safeguard employees' legitimate rights and interests, thereby increasing employee satisfaction, loyalty, and sense of belonging.

Total employee turnover rate in 2024



Zhaojin-Xiadian Gold Mine held Employee Representative Meeting

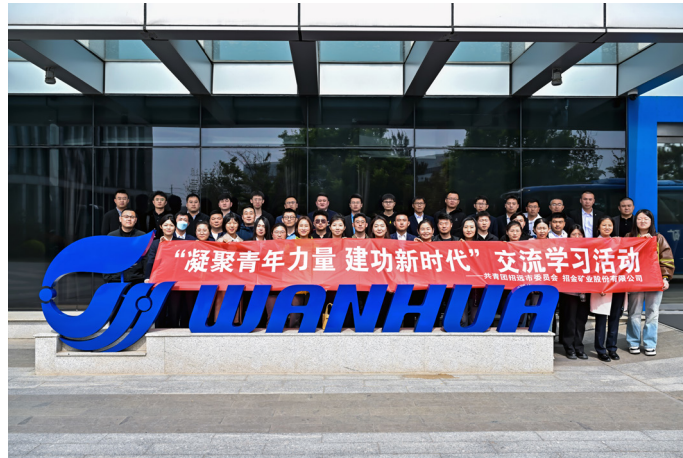
Care for Our Employees

The Company upholds a people-oriented philosophy, carefully planning and organizing a diverse range of employee activities. These activities allow employees to relax and rejuvenate amidst their busy schedules, igniting their enthusiasm. Through these efforts, the concept of “the company is home” becomes deeply rooted in every employee’s heart, while significantly enhancing their happiness and sense of belonging.

Activity I: Women's Day on 8 March 2024



Activity II: Youth Day Celebration on 4 May 2024



Activity III: Children's Day on 1 June 2024



Activity IV: Party building activities on 1 July 2024



Activity V: Elderly caring activities on the Double Ninth Festival in 2024



Development and Training

To achieve its strategic goals, the Company accelerates talent development and enhances employees' knowledge, skills, technical expertise and overall competency.

We place special emphasis on enhancing the management capabilities of mid-to-senior management, elevating the technical proficiency of professional staff and cultivating young talent reserves such as newly recruited university graduates. Regular education on legal compliance, integrity, diligence, and waning education is conducted systematically.

The Company has launched an online training business information management system to dynamically and systematically monitor training implementation across its subsidiaries. We continue to deepen collaborations with gold-related and other mining-related colleges and educational institutions, leveraging high-quality teachers and educational resources to jointly train our employees.

Key Training Programs for the Year

1. Management capability enhancement rotation training for mid-to-senior management

The Company implemented the “Three Teams” 100-leader training program, focusing on leadership training for leaders above the middle management level of the Company and above the assistant level of the subsidiaries. The program emphasizes core management functions such as business management, production management and talent management. Leveraging resources from gold-related educational institutions and external consulting institutions, the Company conducted high-quality training courses to improve the and business capabilities of the Company's middle- and senior-level managers, especially the management cadres at the newly promoted management level.

2. Professional Technical Line Management Training

The cultivation of professional technical managers across various lines is a priority overseen by the Company's functional departments. Training programs included in the annual plan are implemented by corresponding departments. These departments conducted extensive surveys and analyses of the technical staff's capabilities and development aspirations, designed targeted training programs and adopted effective methods to ensure tangible improvements in their professional expertise and technical capabilities.

3. Training for newly recruited university graduates and young talent reserves

Induction camp training was conducted for newly recruited university graduates, covering various aspects such as corporate culture, company knowledge and team spirit to instill a sense of identity with the Company, reinforce employee awareness, facilitate role transition as well as integration into the Zhaojin family. We encourage continuous learning and self-improvement, fostering a culture of personal development and elevating overall competency levels. After onboarding, the Company will assign mentors to guide and support new graduates, ensuring their rapid professional development through hands-on experience and personal care.

As of 31 December 2024, the Company has organized 34,929.00 hours of training, with an average of 30.48 training hours per employee. The training coverage rates for male and female employees were 81% and 88%, respectively, while the training rates for senior management and general staff were 100% and 81%, respectively.

Average training time of the employees (hours)

Male:	Female:	Senior management:	General staff:
36.81	41.95	54.50	37.06



The Company conducted induction training for newly recruited university students



The Company launched professional skills training activities

PRODUCT RESPONSIBILITY

The Company's products strictly adhere to the national requirement (GB/T4134-2021) 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 ensures 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

Progress in Scientific and Technological Achievements

In 2024, the Company added three provincial-level specialized, refined, distinctive and Innovative SMEs, one provincial-level innovative SME, and one smart manufacturing scenario each in Shandong Province and Yantai City. We successfully initiated one Taishan Industry Leading Talent Project, one Central-Guided Local Science and Technology Development Fund Project of Shandong Province, one Patent Navigation Project of Shandong Province, and one Industrial Internet Demonstration Project of Yantai City. One individual was selected as a Taishan Industry Leading Talent, and one individual was included in Yantai City's "Double Hundred Plan." The Company was recognized as a pilot for Shandong Province's "Industry Brain" construction and a Shandong Province Management Benchmark Enterprise.

The Company received one First Prize from the China Nonferrous Metals Industry Association for Scientific and Technological Achievement; nine awards from the China Gold Association for Scientific and Technological Progress, including two Special Prizes, two First Prizes, and four Second Prizes; and 11 awards from the China Gold Association for Frontline Workers' Technological Innovation Achievements, including two Second Prizes. We were granted 175 patents, comprising 21 invention patents, 146 utility model patents, and 8 software copyrights, while applying for 211 patents, including 48 invention patents and 163 utility model patents.



Development of Intelligent Mine

The Company leveraged big data and AI technology to empower intelligent mine construction, with a focus on upgrading key aspects such as concentrate transportation. At Ruihai Mining, the implementation of a slope roadway vehicle dispatch and collision prevention system using UWB base station technology allows real-time positioning and dual audio-visual warnings for vehicles and personnel on ramps. This significantly enhances underground traffic safety management and reduces accident rates. Zhaojin Beijing integrates an AI intelligent analysis and control system into the autonomous region's non-coal mine panoramic production risk monitoring and early warning platform, enabling real-time monitoring and intelligent assessment of critical risk areas. This drives a shift toward informatized and intelligent safety production oversight, providing robust support for efficient emergency response and incident handling.

The Company deepened its “dual-platform-driven” approach, combining the Safety Risk Management Platform and the Mine Intelligent Control Platform, to comprehensively enhance emergency management capabilities. The Safety Risk Management Platform has added features such as approval for eight special safety operations, simultaneous triple management (planning, construction and supervision) and emergency management functions, covering the entire business process. The Mine Intelligent Control Platform integrates video surveillance, personnel positioning, monitoring systems, communication dispatching, online tailings pond monitoring, and unique wellhead detection systems, achieving real-time safety oversight of mining and smelting operations both within and outside the port



Concentrate Transportation Visualization Management and Control Platform



Supply Chain Management

The Company effectively reduces operational risks and enhances production quality by implementing a scientific management model and a stringent supplier screening mechanism. Throughout the procurement process, we consistently adhere to the principles of fairness, impartiality and transparency, establishing a comprehensive supplier management system. The Logistic and Equipment Management Standard established by the Company stipulates guidelines in tendering, procurement, internal review and monitoring procedures, providing a systematic framework for supply chain management.

For supplier management, the Company has established a strict admission mechanism. All potential suppliers must pass multiple screening processes, including qualification reviews, on-site inspections and risk assessments, to qualify for collaboration. To ensure the continuous stability of the supply chain, we implement dynamic management of partnered suppliers, including regular evaluations, performance tracking and ongoing reviews. In 2024, our supplier network was entirely located in China, which helps improve the controllability and responsiveness of the supply chain.

Integrity in operations serves as the fundamental principle of our supplier partnerships. The Company has maintained supplier integrity records and enforced a zero-tolerance policy toward any behavior involving corruption, fraud or violations of contractual obligations. Upon verification of such misconduct, cooperation will be terminated immediately. To enhance supply chain transparency, we have established a multi-level communication mechanism. This includes holding an annual procurement information disclosure conference to publicly discuss major equipment and material procurement matters for the year, ensuring information symmetry and decision-making transparency.

1. 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

2. 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.

3. 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.

Repair and Reuse of Old Materials

To actively respond to the call for sustainable development, the Company has comprehensively launched a specialized campaign for the repair and reuse of old materials, aiming to maximizes operational cost savings and promotes circular resource utilization by reinforcing the concepts of cost reduction, efficiency enhancement, energy conservation and emission reduction. During the campaign, the warehouse department plays a key role by maintaining a detailed ledger for repair and reuse activities. The ledger precisely records the converted value of repaired and reused materials, the specific locations and innovative methods of reusing waste materials, and retains comparative photos of materials before and after utilization, with inspection results archived for future reference and audits. Based on the annual procurement budget outlined in the production and operation plan, our company scientifically sets annual repair and reuse targets, breaking them down and assigning them to various business units to ensure accountability at the individual level. During the Reporting Year, the Company generated an additional benefit of RMB 21.88 million through repair and reuse activities.

A

Central
classification
and collection

Measures: Waste materials are centrally collected, sorted and classified, with reusable materials stored separately for future use.

Effect: Through systematic management, waste materials are efficiently processed, reducing resource waste.

B

Repair

Measures: Original waste spare parts are repaired internally or externally to meet usage standards before reuse, saving procurement costs for new materials.

Effect: This approach not only reduces costs but also extends the lifespan of materials, embodying the principles of conservation and sustainable development.

C

Reuse

Measures: Waste materials such as scrap iron and steel pipes are repurposed for uses such as making fences, supports, or reinforcement structures, leveraging existing waste materials to minimize expenses.

Effect: Through creative transformation, waste materials are converted into valuable resources, achieving a win-win outcome for economic and environmental benefits.



OUR ENVIRONMENT

Environmental Management

The Company regards environmental management as a key measure for fulfilling social responsibility, enhancing corporate image and achieving sustainable development. By strictly adhering to national environmental policies and the international ISO 14001 standard, the Company has established a comprehensive ecological and environmental management system to systematically identify and monitor environmental performance indicators, while formulating and implementing targeted improvement plans. Through an environmental performance evaluation mechanism, environmental responsibilities are assigned to specific departments and positions to ensure that major environmental risks are effectively prevented and controlled.

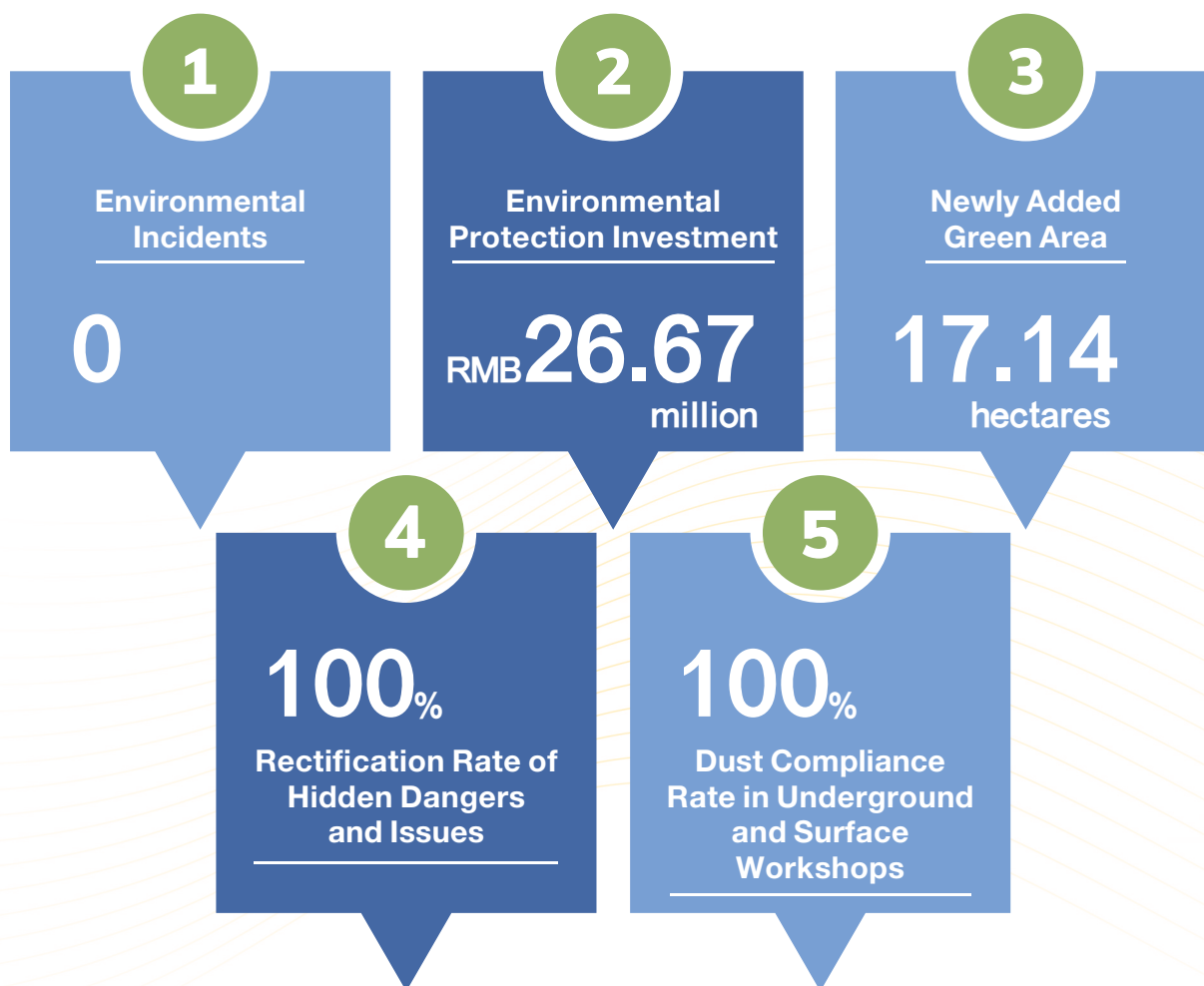
During the Reporting Year, we focused on advancing systematic measures such as carbon footprint tracking, clean energy usage and the resource utilization of the “three wastes”. These efforts aim to achieve synergistic development in pollution reduction, environmental protection and energy-efficient production. By introducing intelligent environmental monitoring systems and promoting a green transformation of the supply chain, we continuously enhance our environmental risk early warning capabilities and upstream-downstream collaborative emission reduction efforts, contributing to a green and low-carbon future.



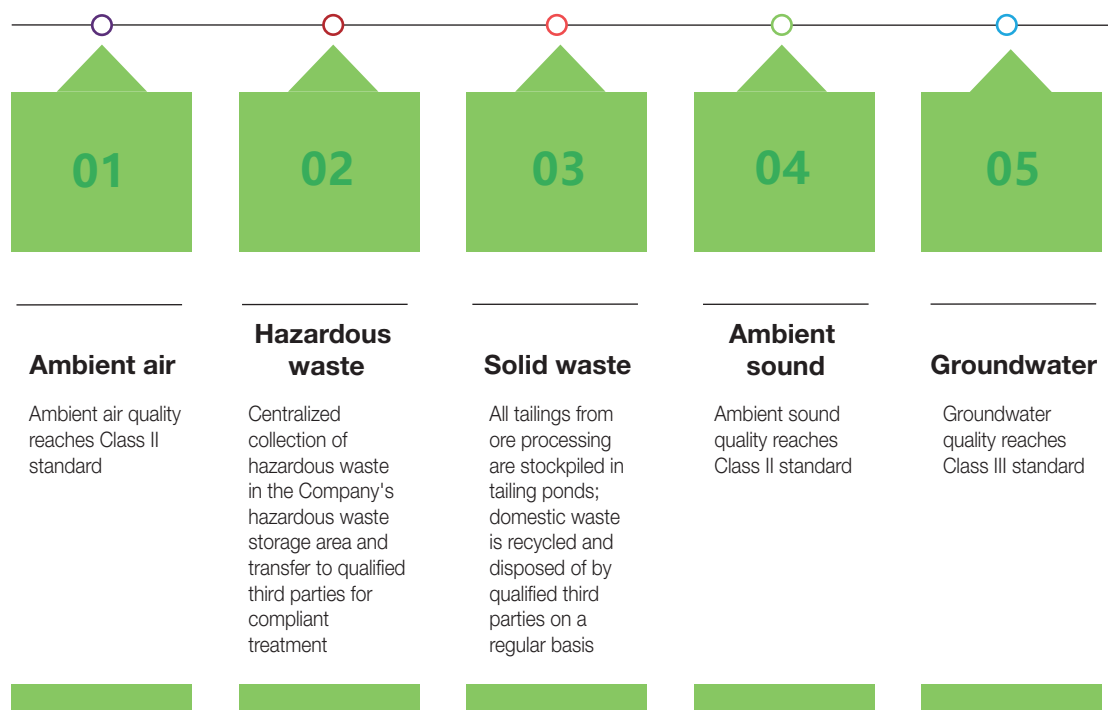
Environmental Initiatives

During the Reporting Year, we made solid progress in addressing challenging environmental issues, strictly managing the disposal of “three wastes and one noise” (waste gas, wastewater, solid waste and noise), further strengthening the effective operation of environmental protection facilities, and optimizing environmental management measures to elevate our environmental management standards. We place great emphasis on environmental management by establishing mechanisms for environmental risk identification and rectification, continuously refining our management system to ensure compliance with ESG standards and environmental regulations. Focusing on key areas, we reinforce compliance management, promote clean production and efficient resource utilization, reduce carbon emissions and explore circular economy models. In parallel, we actively foster an environmental culture, enhance ecological awareness among all employees, establish risk early warning and emergency response mechanisms, and comprehensively improve environmental performance and green development capabilities, aiming to becoming an industry-leading environmental model enterprise.

2024 Environmental Protection Achievements



Long-term Goals for Environmental Protection



Green Mine

Green mine construction is a core strategy for fulfilling social responsibility and achieving sustainable development. During the Reporting Year, the Company continued to advance green mine construction, focusing on improving infrastructure, strengthening management and enhancing employee competency, significantly improving the mine area environment. By adopting advanced mining technologies, stringent management measures and comprehensive environmental monitoring systems, we have surpassed national environmental standards, minimized disruption to natural ecosystems, and effectively reduced carbon emissions and energy consumption. This has created a comfortable working environment for employees and drove the development of eco-friendly mining mines. The Company now boasts 19 national and provincial green mines (or factories).

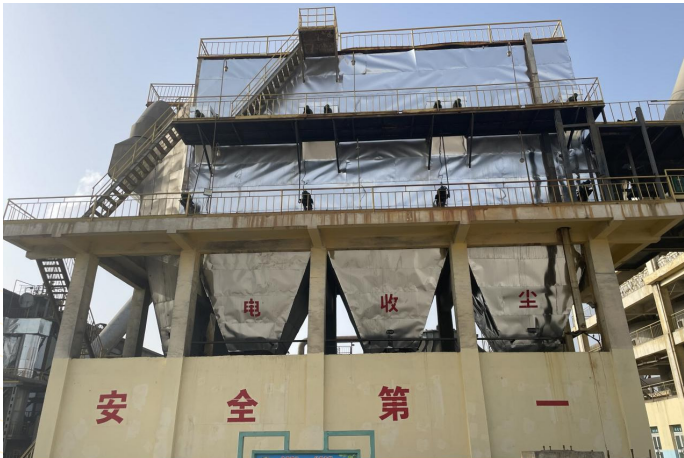
Through efforts to improve air quality, conserve water resources, and preserve biodiversity, we have brought positive impacts to communities and ecosystems while providing replicable best practices for the industry. Looking ahead, we will continue to optimize our management model, deepen collaboration with research institutions and communities, promote the implementation of technologies and standard-setting, and seek a balance between resource development and ecological protection. This will foster the harmonious integration of economic, social and ecological benefits, contributing long-term value to the green development of the mining industry.



Air Emission

During our production process, activities such as exploration, construction, operation, rehabilitation and mine closure may generate dust or gas emissions. To address this, we have established stringent management standards for key areas such as mine air emissions, smelting processes, ore storage, tailings management and vehicle emissions. In enclosed production facilities, we have installed centralized dust collection systems and equipped them with professional devices such as filters, cyclones, electric dust collectors, and baghouse dust collectors, as determined during the environmental impact assessment stage. Additionally, we employ water spraying and misting techniques to further suppress dust dispersion in underground work areas and storage zones. Our primary air pollutants (including particulates, sulfur dioxide and nitrogen oxides) are subject to strict control. During the Reporting Year, the emissions of all major air pollutants complied with standards such as the Integrated Emission Standard of Air Pollutants (GB16297-1996), Ambient Air Quality Standards (GB3095-2012) and Emission Standard of Pollutants for Copper, Nickel, Cobalt Industry (GB25467-2010). The Group's major air pollutant emissions remained within permitted levels.

Type of pollutant	Unit	Emissions in 2024
Particulates	tonnes	205.55
Sulphur dioxide	tonnes	34.96
Nitrogen oxides	tonnes	36.37



Xinhui Copper Electro-collecting Dust Rehabilitation Project

Water Resources Treatment

During our operational activities, we place a high priority on environmental protection, particularly with regard to sewage and leachate from mining processes that may contain harmful substances such as cyanide and heavy metals. We implement rigorous treatment measures by installing advanced wastewater treatment systems. All production wastewater undergoes multiple purification processes to thoroughly remove contaminants before being recycled back into production workflows.

To ensure the sustainable use of water resources, we adopt innovative water treatment technologies: through precise filtration and disinfection processes, a portion of the treated water is upgraded to irrigation standards for vegetation maintenance in the mining area, while the remaining treated water is stored in dedicated collection tanks as a reserve water source. For unavoidable wastewater discharge, strict monitoring mechanisms are in place to ensure all parameters meet the requirements of environmental impact assessments and national environmental regulations, with regular inspections by competent authorities.

This comprehensive wastewater management system not only maximizes water resource utilization but also ensures harmonious coexistence between mining operations and the ecological environment, fully embodying the Company’s commitment to environmental responsibility and sustainable development.

Water Resources Utilization and Sewage Discharge in 2024

		Water consumption density cubic meter/revenue (RMB million)
Total water volume	Water recycling volume	
11,389,706.00 cubic meter	10,393,262.00 cubic meter	986.03

		Emission of Chemical Oxygen Demand
Waste water discharge		
1,113,356.00 cubic meter		1.57 tonnes

Wastewater density cubic meter/revenue (RMB million)	Ammonia Nitrogen Emission
96.39	0.16 tonnes

Noise Mitigation

Throughout the various stages of mine development, including blasting, mining, smelting and construction, we consistently prioritize noise pollution prevention as a key aspect of environmental management. We strictly adhere to relevant laws and regulations, such as the Law of the People's Republic of China on the Prevention and Control of Pollution from Environmental Noise and the Emission Standard for Industrial Enterprises Noise at Boundary (GB12348-2008), and have established a scientific and robust noise control system to minimize impacts on the surrounding ecological environment and communities.

During the project planning phase, we prioritize the adoption of low-noise technologies and equipment, and install professional noise insulation facilities at construction sites, such as sound barriers and noise-absorbing devices, to effectively control noise dispersion. For blasting operations, we have employed precise millisecond blasting techniques paired with vibration dampening devices, significantly reducing noise and vibrations generated by blasting. Production areas across the mines are equipped with silencers. We have established a noise reduction and maintenance mechanism to ensure operational noise consistently meets standards.

In terms of transportation management within the mining areas, we have implemented multi-layered noise prevention and control measures: setting up speed limit signs and intelligent monitoring systems to strictly control vehicle speeds; establishing a regular vehicle maintenance system with a focus on exhaust systems and engines to reduce noise emissions at the source; and constructing ecological soundproofing green belts around transportation routes to enhance noise insulation.

To ensure the effectiveness of noise control, we have deployed 24/7 noise monitoring stations at mine boundaries and sensitive areas, with data connected into our environmental management system in real time for analysis. Additionally, we have maintained a community engagement mechanism, regularly collecting feedback from residents to continuously optimize noise prevention measures, achieving a balanced development between mining operations and environmental protection

Waste Management

Currently, the Company's primary waste consists of waste rock and tailings. We actively explore ways to reuse waste by actively exploring applications such as utilizing waste rock for underground backfilling, establishing tailings storage areas and producing bricks within the workplace. Additionally, excess waste rock is sold to third parties as raw materials for production and construction purposes.

Non-Hazardous Waste Management in 2024		
Tailing	Waste rock	Other
3,842,123.47 tonnes	420,460.57 tonnes	22,655.35 tonnes
Non-hazardous waste		Density of non-hazardous waste (tonne/revenue) (RMB million)
4,287,304.25 tonnes		371.17

Tailings Management

Tailings management encompasses tailings treatment and tailings storage facility management. For tailings treatment, we have developed a comprehensive and detailed disposal plan. Before disposal, tailings undergo a series of treatment and detoxification processes. Using wastewater treatment technologies such as sedimentation, chlorination and electrocoagulation, we have effectively extracted harmful substances and cyanide. The treated tailings are then safely deposited in designated tailings storage areas.

Furthermore, we explore methods to reuse tailings within production processes. Currently, gold mining companies typically use 60% of coarse-grained tailings for underground filling, with the remaining 40% of fine-grained and muddy tailings discharged to tailings storage facilities. Our innovative “Fine Tailings Cementation Filling” technology, however, has revolutionized traditional gold mine tailings filling practices. With the aid of a novel cementitious material, we can rapidly solidify 70% of fine-grained tailings for underground backfilling. The remaining 30% of coarse tailings are processed into high-silica materials after cyclone classification which serve as raw materials for ceramics and construction industries, achieving zero tailings discharge. The successful application and promotion of fine tailings filling technology have paved a new path for tailings-free mine construction.

Tailings storage facility management is a critical component of mine safety management. During its operational lifecycle, any flaws in safety design or inadequate maintenance could lead to structural instability of the dam. Particularly during extreme weather events such as heavy rainfall, there is a risk of dam failure, which could result in tailings leakage, contaminating surface and groundwater systems and severely damaging the regional ecological environment.

Additionally, during the transportation of tailings slurry through pressure pipelines to the storage facility, factors such as human error, pipeline material defects, or collisions with transport vehicles could cause pipeline ruptures, leading to tailings spill incidents.

To effectively mitigate these risks, we strictly adhere to laws and regulations related to tailing ponds management, industry standards and the Company’s internal management protocols. At the design stage, we incorporate robust safety factors, establish comprehensive operational and maintenance mechanisms, and conduct regular inspections and maintenance of transportation pipelines to ensure the safety and reliability of the entire management system of tailing ponds.

Hazardous Waste Management

The Company adopts a rigorous and responsible approach to handling toxic and hazardous substances, and has established a comprehensive hazardous waste management system. During the handling process, we strictly adhere to the principle of separate storage, placing hazardous waste in sealed containers labeled with clear chemical identifiers to ensure complete isolation from other waste and effectively prevent cross-contamination. Additionally, we strictly prohibit the direct discharge of any chemicals or wastewater containing chemicals into drainage systems, ensuring the safety of water resources from the source.

To achieve professional disposal of hazardous waste, we meticulously select qualified and licensed contractors to ensure compliance with environmental regulations. Furthermore, we regularly organize training courses on hazardous waste handling to enhance employees’ safety awareness and professional skills. This ensures that every staff is proficient in the proper handling of hazardous waste and aware of key precautions. This comprehensive approach fully implements our safety and environmental responsibilities.

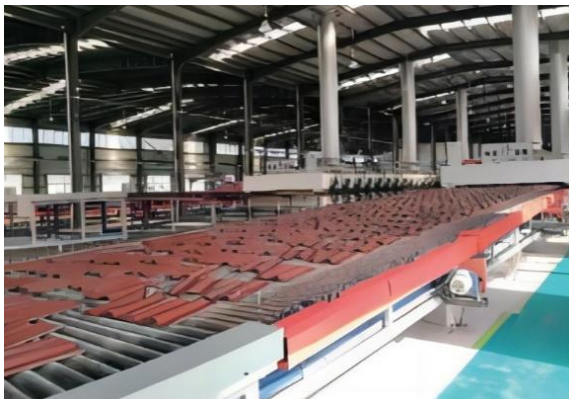
Hazardous Waste Management in 2024

Hazardous Waste	Recycled Hazardous Waste	Cyanide	Other
355,710.67 tonnes	517,766.11 tonnes	353,962.72 tonnes	1,257.18 tonnes

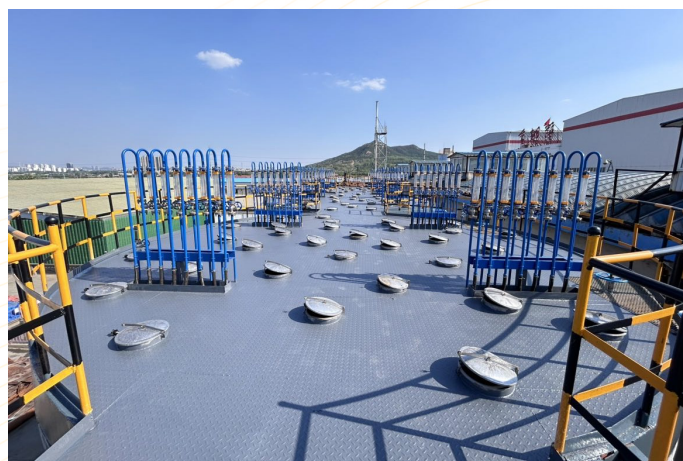
Hazardous Waste Density (tonne/revenue) (RMB million)	Recycled Cyanide
30.80	517,766.11 tonnes

Cyanide Management

The primary hazardous waste generated from our daily operations is cyanide. The risks associated with cyanide manifest in two key areas: first, during the production process, where accidents may occur during the transportation, storage, or use of cyanide agents; second, in the post-treatment phase, where cyanide-containing tailings pose additional hazards. The Company has established specialized management regulations for mineral processing and smelting to standardize the transportation, storage, and use of raw materials. We have strengthened cooperation with scientific research institutes and adopted new chemicals such as environmentally friendly gold processing agents and leaching aids to replace cyanide used in the gold production process. This eliminates safety risks associated with transportation, storage and use at source while also addressing safety and environmental concerns related to cyanide tailings treatment. Additionally, we continue to research harmless treatment methods for cyanide tailings to enhance comprehensive resource utilization, including recycling and reuse.



Zhaojin Jinhe implemented the project on producing green building materials from high-silica tailings



Zhaojin-Jinchiling Gold Mine carried out the research and application on reducing sodium cyanide consumption

Energy Efficiency and Carbon Emission Control

During the Reporting Year, we have strived to reduce the Company's carbon footprint. We have previously conducted a preliminary climate risk assessment and will continue to monitor and address relevant risks in the future, promptly formulating corresponding strategies. In 2024, a majority of our footprint came from the use of electricity, accounting for approximately 94.1% of the total carbon emission in 2024.

	Unit	2024
Energy Consumption		
Total Energy Consumption	MWh	796,018.55
Direct Energy		
Mobile Fuel		
Unleaded Petrol	MWh	1,843.80
Diesel	MWh	49,523.07
Coke	MWh	34,706.56
Gasoline	MWh	266.40
Indirect Energy		
Electricity	MWh	709,678.72
Total Energy Intensity	MWh/revenue (RMB million)	68.93
GHG Emission		
Total Greenhouse Gases (GHG) Emission	Tonnes CO ₂ e	438,342
Scope 1 Emission	Tonnes CO ₂ e	26,019
Scope 2 Emission	Tonnes CO ₂ e	412,323
Total GHG Emission Intensity	Tonnes CO ₂ e/revenue (RMB million)	37.95
GHG Removal (from Tree Planting)	Tonnes CO ₂ e	343

* 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 15,589 trees planted

Ecological Rehabilitation

Ecological protection and rehabilitation are core components of the Company's green mine construction and operations, as well as a vital mission in our long-term pursuit of sustainable development. Facing challenges such as fragile geological and ecological conditions and complex climatic environments, we have consistently pushed forward ecological management projects and green mine construction, achieving outstanding results.

In practice, we develop scientifically sound ecological rehabilitation plans tailored to the specific geological and ecological conditions of our mining areas. By introducing advanced vegetation rehabilitation techniques, soil and water conservation measures and biodiversity protection strategies, we have significantly improved the ecological quality of our mining sites. For instance, in vegetation rehabilitation, we select native plant species suited to local climate and soil conditions, employing phased planting and maintenance approaches to ensure high survival rates and ecosystem stability. Concurrently, we have established an ecological monitoring system to track real-time changes in the mining area's ecology, allowing us to adjust management measures promptly to ensure the continuity and effectiveness of ecological restoration efforts.

Moreover, we place great importance on collaboration with local communities and relevant stakeholders, actively conducting ecological education and awareness campaigns to enhance public understanding and participation in environmental protection. Through these efforts, we have not only achieved notable improvements in the mining areas' ecological environment but also made positive contributions to the sustainable development of surrounding communities.

In the future, we will continue to uphold the principles of ecological priority and green development, further increasing investment in ecological rehabilitation and advancing green mine construction to higher standards. We firmly believe that through persistent efforts, we will achieve even greater success in ecological protection and rehabilitation, contributing to the vision of harmonious coexistence between humanity and nature.

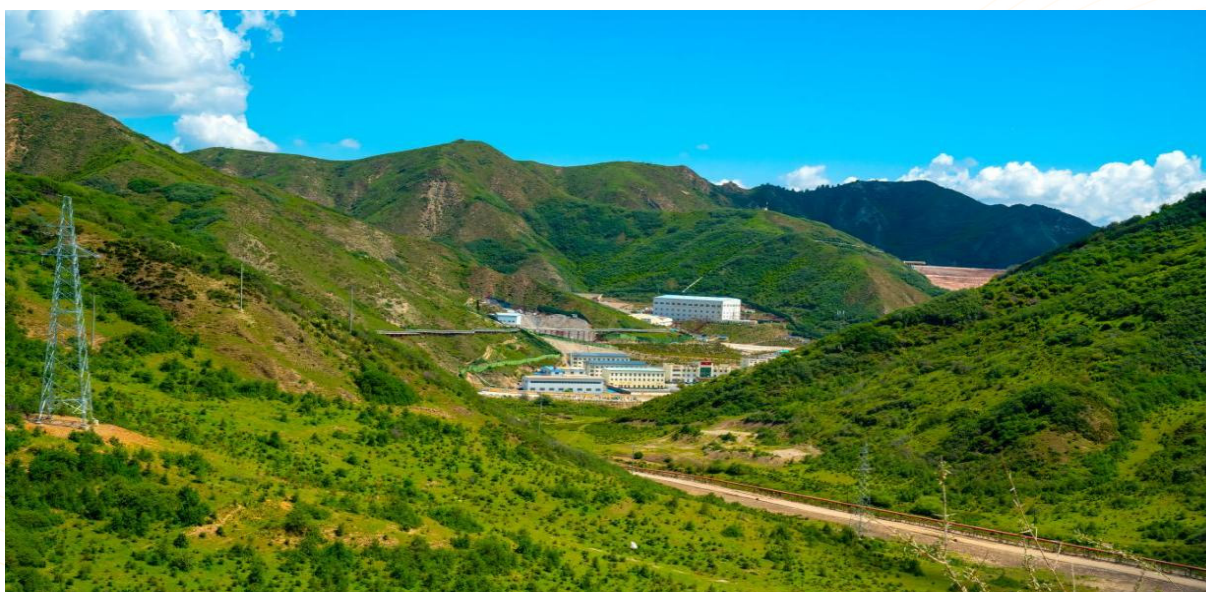


Energy Conservation and Consumption Reduction

To minimize energy consumption to the greatest extent, we have established an energy management task force responsible for implementing specific energy-saving and consumption-reduction measures. In terms of equipment management, we progressively replace high-energy-consumption equipment, such as replacing outdated heat pumps and coal-fired boilers with air-source heat pumps, and optimize power distribution systems to reduce power losses. We adopt high-efficiency energy-saving equipment, such as invertors and generators, and strictly prohibit the use of equipment listed in the catalog of phased-out products. For adjustable equipment in the workshop that can be equipped with inverters, we install inverters as needed and adjust parameters in real time to minimize electricity consumption and reduce unnecessary energy waste while meeting process requirements. In terms of electricity management, we have strengthened the inspection and maintenance of equipment and improved the management of peak electricity consumption to further minimize energy wastage.

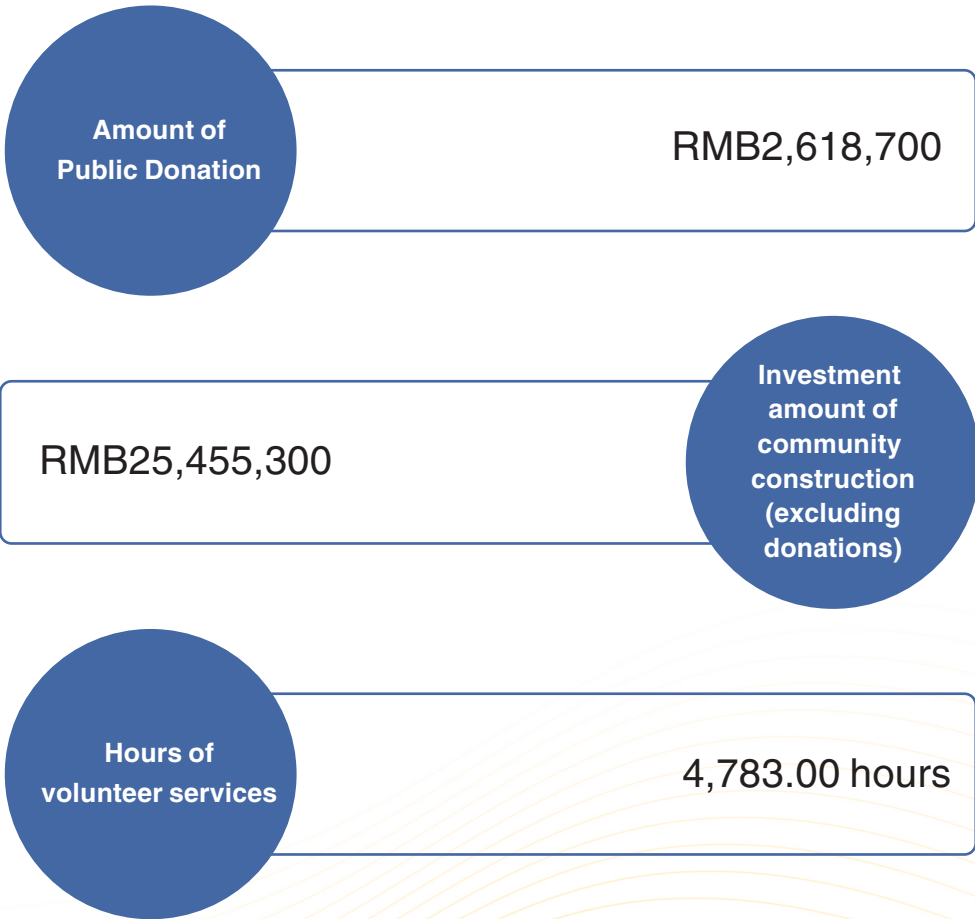
We have installed time-control systems to curb unnecessary electricity usage, fully implemented LED lighting in underground mines, and introduced solar-powered streetlights to further enhance energy efficiency. Additionally, we organized the “I Contribute to Energy Saving, Emission Reduction and Low-Carbon Environmental Protection” rationalization proposal campaign, and put forward 45 energy-saving emission reduction rationalization proposals, covering areas such as production and daily life energy saving, office energy saving, old battery recycling and air conditioning energy conservation. The project “Reuse and Transformation of Excess Water from Air Compressor Circulating Pools and Belt-Driven Vacuum Pump Cooling Water” won the First Prize of Golden Idea Invention by China Equipment Management Association.

In the future, we will continue to drive innovation in energy-saving technologies, further optimize our energy management system and explore more green and low-carbon solutions. Through full employee participation and technological upgrades, we are committed to building a resource-efficient and environmentally friendly enterprise, contributing to the achievement of sustainable development goals.



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 2024, the core projects in community participation that we focused on included education support, industry assistance, disaster relief, community construction and etc.





Education Support

Activity Purpose: To enhance rural education infrastructure and provide high-quality and equitable education.

Specific Activities:

- ①The Company, in cooperation with the World Gold Council, established the “Golden Library” at a primary school in Subei County and donated books and teaching equipment worth approximately RMB160,000.
- ②During Children’s Day, Zhaojin Beijiag donated learning supplies worth RMB3,500 to the boarding school in Miaoergou Town, Toli County.
- ③On Teacher’s Day, Fengning Jinlong donated 100 sets of bedding worth RMB12,000 to the teachers and students of Wudaoying Primary School in Fengning County.
- ④Tonghui Mining regularly visited local primary schools and donated learning and sports supplies worth RMB3,000.



Industry Assistance

Activity Purpose: To strengthen and expand local specialty industries, communities to integrate into the industrial chain and share more benefits from industrial development.

Specific Activities:

- ①Fengning Jinlong assisted in rural revitalization by donating RMB500,000 in funds and materials to agricultural cooperatives in Yushugou Village and surrounding villages for grain processing projects, livestock breeding projects and grain planting projects.
- ②Tonghui Mining actively responded to the call for rural revitalization by participating in agricultural product public welfare activities by purchasing RMB22,000 worth of agricultural products to increase farmers’ income and promote agricultural industry development.
- ③Zhaojin Beijiag donated RMB50,000 to Kupu Township in Tori County to provide financial support for local industrial development.
- ④Gansu Zhaoye, under the “Village-Enterprise Co-Construction” project, invested RMB15,000 to purchase 2.9 tons of unsold local watermelons from the local area.
- ⑤During the autumn harvest season, Zhaojin-Xiadian Gold Mine organized volunteers to assist Jinhai Farm with the autumn harvest activities in the “Golden Heartwarming Fields, Painting a Prosperous Scene” initiative.



Disaster Relief

Activity Purpose: To respond to disasters promptly, activate emergency plans, ensure employee safety and mobilize manpower and resources at the earliest opportunity to assist with local disaster relief efforts, demonstrating the responsibilities of a state-owned enterprise.

Specific Activities:

- ① The Company established an emergency response team equipped with necessary gear and maintained regular preparedness for emergencies. In 2024, when a wildfire broke out in a certain region, 227 emergency team members were immediately dispatched to the scene to participate in firefighting efforts, successfully completing the rescue mission.
- ② During a night patrol, the Company's security team discovered a fire at a local restaurant and immediately rushed to the scene with equipment to extinguish the fire, mitigating property losses for the public.
- ③ In response to road collapses caused by flooding, Zhaojin Baiyun actively organized vehicles and personnel to repair roads in Baiyun Village, Qingchengzi Town, Fengcheng City.
- ④ Fengning Jinlong deployed forklifts, excavators and transport vehicles to repair roads and restore transportation in Lujiaogou Village, which was affected by heavy rainfall and mudslides.
- ⑤ Zhaojin-Jinchiling Gold Mine discovered a grass fire in a nearby river channel and immediately organized an emergency team with equipment to extinguish the fire, successfully preventing the fire from spreading and causing further damage.
- ⑥ Zhaojin-Xiadian Gold Mine deployed over 50 units of machinery, including excavators, forklifts and transport vehicles, and provided materials such as waste rock, cement and water pipes. The team conducted multiple rounds of river dredging, embankment reinforcement and flood prevention, preventing damage to riverbank villages, residential houses and roads.



Community Construction

Activity Purpose: To actively participate in community development, fostering positive interactions with associated communities, while contributing to projects such as community construction, community education and community services, thereby creating a more favorable environment for the Company's own development.

Specific Activities:

- ① The Company continued to deeply engage in consolidating and expanding poverty alleviation achievements. Senior managers are paired with individuals from previously impoverished households in "one-on-one" assistance efforts, ensuring stable living conditions, steady income growth and preventing a return to poverty.
- ② Zhaojin-Xiadian Gold Mine, Zhaojin-Dayingezhuang Gold Mine, Zaozigou, Zhaojin Baiyun, and Ruihai Mining regularly organized volunteer teams to clean roads, pick up litter, and contribute to the creation of more civilized communities.
- ③ Zhaojin-Jinchiling Gold Mine provided assistance for farmland irrigation in Yuantuan Village and deployed equipment to clear water channels in Fujia Village.
- ④ Jintingling organized staff and equipment to dredge river channels and repair embankments for Shimen Sunjia Village.
- ⑤ Zhaojin-Dayingezhuang Gold Mine provided financial support for repairing unsafe housing in local communities and improving irrigation infrastructure for farmland.
- ⑥ During the Rozi Festival, Zhaojin Beijiagang celebrated with local ethnic residents in the local area, bringing rice, noodles, grain, oil and other daily necessities to visit and support ethnic neighbors in the surrounding pastoral areas.
- ⑦ Tonghui Mining collaborated with Gulueruke Town to hold a "Family of Ethnic Unity" fellowship event, promoting ethnic integration and solidarity.
- ⑧ During the Army Day, Xinhui Copper visited local fire brigades, police stations and public security offices to extend gratitude to frontline firefighters, armed police officers and public security personnel.
- ⑨ Before Christmas, Dela Luopo brought gifts and care to local villagers, spreading holiday joy and hope. Through in-depth exchanges with the village chief, a preliminary letter of intent was reached to co-build a primary school and resolve village water wells issues, with a commitment to long-term cooperation.



Zhaojin Beijing donated school supplies to a boarding school



Tonghui Mining participated in a local elementary school outreach program



Zhaojin-Xiadian Gold Mine assisted in the autumn harvest activities at Jinhai Farm



The Company's security department demonstrated bravery by participating in firefighting efforts



Tonghui Mining held a "Family of Ethnic Unity" fellowship event



The Company's employees actively participated in hematopoietic stem cell collection



S.M.L hosted celebrations for "Côte d'Ivoire Independence Day"

APPENDIX – STOCK EXCHANGE ESG REPORTING CODE INDEX

Stock Exchange ESG Reporting Code 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 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. 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	[Repealed 1 January 2025].	
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 nonhazardous wastes are handled, and a description of reduction target(s) set and steps taken to achieve them.	Waste Management

Stock Exchange ESG Reporting Code 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 '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 Resources Treatment
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.	<p>Water Resources Treatment</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.

Stock Exchange ESG Reporting Code 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	[Repealed 1 January 2025]	
KPI A4.1	[Repealed 1 January 2025]	

Stock Exchange ESG Reporting Code General Disclosures & KPIs		Other Remarks/Reference Section
Subject Area B: Social		
B1 Employment	<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 compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.</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 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.</p>
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	<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 providing a safe working environment and protecting employees from occupational hazards.</p>	<p>Occupational Health and Safety</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 Company relating to providing a safe working environment and protecting employees from occupational hazards.</p>
KPI B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the Reporting Year.	Occupational Health and Safety
KPI B2.2	Lost working days due to work injury.	Occupational Health and Safety

Stock Exchange ESG Reporting Code 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 Code 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 Code 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.
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

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

Part D: Climate-related Disclosures^{Note}

Note: Given that the amendments to the Rules Governing the Listing of Securities on the Stock Exchange and the ESG Reporting Code adopted in the “Consultation Conclusions on the Enhancement of Climate-related Disclosures under the Environmental, Social and Governance Framework” published by the Hong Kong Stock Exchange in April 2024 become effective for the financial years commencing on or after 1 January 2025, the Company will continue to focus on the phased approach for the new climate-related disclosure requirements (the New Climate Requirements) set out in Part D of Appendix C2 and consider appropriate disclosure in future financial years.