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**2024** | Sustainability Report  
SHANDONG GOLD ECOLOGICAL MINING  
SHANDONG GOLD MINING CO., LTD.



## About this Report

This report is the first sustainability report released by Shandong Gold Mining Co., Ltd. (referred to as 'Shandong Gold', 'the Company' or 'we' in this report). The Company has been disclosing its environmental, social, and governance (ESG) performance for ten consecutive years.

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### Report Perimeters

The time span of this report is from January 1, 2024, to December 31, 2024. To maintain the continuity of information, some content has been retrospectively and prospectively extended. The information disclosed comes from internal data and publicly available information. Unless otherwise specified, all monetary values in this report are denominated in Renminbi.

The scope of this report covers Shandong Gold Mining Co., Ltd. and its subsidiaries, consistent with the scope of the consolidated financial statements of the Company.

This report is published in three versions: Simplified Chinese, Traditional Chinese, and English. In case of any ambiguities or discrepancies among the different versions, the Simplified Chinese version shall prevail.

This report is published in electronic format and can be downloaded from the official website of Shandong Gold Mining Co., Ltd. at

<http://www.sdhjgf.com.cn/>

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### Report References

This Report is prepared in accordance to the requirements of the "Environmental, Social and Governance Reporting Guide" issued by The Stock Exchange of Hong Kong Limited and relevant provisions of the "Listing Rules", the "Guideline for the Self-Regulatory Supervision of Listed Companies of Shanghai Stock Exchange No.14 - Sustainability Report(Provisional)", and the "Guidelines for the ESG Indicator System for Shandong Listed Companies" issued by Shandong Provincial State-Owned Assets Supervision and Administration Commission, and with reference to the "Sustainability Reporting Standards (GRI Standards)" issued by the Global Sustainability Standards Board (GSSB) and the "Sustainability Accounting Standards Board (SASB) standard on Metals and Mining".

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### Data Description

The textual information and quantitative data disclosed in the report are collected from the Company's actual operating original records or financial reports. In case of discrepancies between the relevant financial data and the data disclosed in the Company's annual report, the annual report shall prevail. All financial data disclosed in the report is denominated in Renminbi.

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### Report Feedback

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## Message from Management

Dear Friends ,

It is a great honor to present you with this report, and we would like to express our sincere gratitude for your ongoing attention and support for Shandong Gold.

Throughout 2024, Shandong Gold has been steadily advancing the sustainable co-development of the Company and society, focusing on the concept proposed at the 20th CPC National Congress that "High-Quality Development Is the Primary Task for the Comprehensive Construction of a Modern Socialist Country". Aiming at achieving "Digital Intelligence Empowerment and Dual Improvement of Both Quality and Efficiency", the Company has been vigorously deepening the coordinated development of production operations and ESG management, making targeted efforts to accelerate digital and green transformation and upgrades, ensure safety responsibilities, and fulfill social responsibilities.

**Strengthening corporate governance to build a strong foundation for development.** Adhering to the principle of "Upholding Integrity and Innovation for Steady and Sustainable Development", the Company focused on its core businesses and continuously optimize its corporate governance system to lay a solid foundation for high-quality development, striving to establish a modern governance structure with clearly defined authorities and responsibilities, efficient operation, and proper checks and balances, where directors, supervisors, and senior management fulfill their duties, and independent directors fulfill their duties with significantly enhanced effectiveness. The Company organized an initiation meeting for a comprehensive compliance enhancement campaign, signed compliance commitment letters with its employees, and released the "Shandong Gold Integrity and Compliance Handbook" to specify nuanced compliance responsibilities for each position and employee. In 2024, the Company continuously optimized the risk management system and carried out regular audit supervision, and effectively had various major risks under control.

**Deepening ecological mining to cultivate green advantages.** Adhering to the value philosophy of "Ecological Shandong Gold", the Company continually fulfilled the primary responsibility for ecological and environmental protection, as well as enhanced its capabilities to prevent environmental risks. All operating mines were included in the lists of Green Mines, including 13 national-level Green Mines and 9 provincial-level Green Mines. Its smelting and processing subsidiary was included in the list of Green Factories, further consolidating the achievement in green mining development. The Company also ensured the efficient utilization of resources and promoted the development of a circular economy, effectively extending the mining industry chain by comprehensively using waste rock, tailings and other materials for underground filling, brick-making, and the production of construction materials. The Company also initiated an assessment and research of carbon emissions and carbon footprints throughout the gold mining production process, providing data support and factual basis for formulating scientific and effective emission reduction strategies, and compiled the "Carbon Peaking Action Plan" to promote a full industry chain green transformation from top-level design to specific practices, making every effort to advance the green and low-carbon development of the industry.

**Consolidating the safety defense line and invigorating talent potential.** The Company follows the principle of "Safety First, Focusing on Prevention, and Comprehensive Management", made a total of RMB1.256 billion in safety production investment in 2024, with 28 subsidiaries awarded the title of "Provincial-level Healthy Enterprise". The Company has established a sound and robust security management mechanism, providing overseas operating projects with adequate security personnel to ensure stable operations and protect the safety of employees. Taking talent as its "Primary Resource", the Company continuously increased spending in employee training, formulating a customized training system and providing a variety of vocational trainings to employees regularly, such as trainings for specialized skills, continuing education for technical personnel, and trainings for management staff. Focusing on employee well-being, the Company also made concrete efforts in assisting employees in difficulties, improving the working environment, and organizing cultural and sports activities for employees, fostering a homelike warm feeling among employees.

**Fulfilling social responsibilities and sharing the results of shared growth.** The Company actively responded to the government's call for supporting rural revitalization, contributing to the development of regions like Yunnan and Xinjiang through industrial support, consumption assistance, and educational aid. The Company firmly supported the high-quality co-development under the Belt and Road Initiative, building smooth communication and cooperation mechanisms with the governments and the communities of where it operates, creating a significant number of jobs locally, with a local employment rate exceeding 80%. Meanwhile, the Company actively participated in local economic development, providing infrastructure, agricultural, and cultural support to local communities, maximizing the inclusiveness and effectiveness of the positive impact of Shandong Gold upon the people and communities where it operates.

**Driving empowerment upgrade with technology and advancing into an intelligent future.** The Company has significantly enhanced its production and operation efficiency by building a digital supply chain platform, optimizing production management and financial systems, and strengthening digital management processes and mechanisms. The Company actively participated and played a leading role in the formulation of industry digitalization standards. With 10 intelligent scenarios and 123 smart mine projects successfully implemented as of the end of 2024, the Company accelerated the transformation of cutting-edge technology into productivity, achieving greater safety assurance, higher production productivity, and better cost control capabilities of mines. In 2024, the research project "Key Technologies and Equipment for Intelligent Mining of Underground Metal Resources" won the second prize in the National Scientific and Technological Progress Awards for 2023 as the only project in China's gold mining industry to receive this honor, fully implementing the "Digital Intelligence Empowerment and Dual Improvement of Both Quality and Efficiency".

Looking forward, Shandong Gold will continue to drive industrial upgrading through technological innovation, lead sustainable development through green transformation, and fulfill our mission with a sense of responsibility. We will continue to strengthen multi-faceted cooperation and exchange, intensify international resource collaboration, and strive to build a world-class mining enterprise with excellence in technology and management, and sustainable development, making greater contributions to serving national strategies and promoting social progress.

March 27, 2025



# Board's Statement on ESG Governance

## Board's Role in ESG Governance

The Company's Board of Directors is the highest responsibility and decision-making body for ESG matters, responsible for formulating the Company's ESG strategies, reviewing its ESG reports, and monitoring ESG-related issues that may impact the Company's business operations and the rights of shareholders and other stakeholders.

The Sustainability Committee under the Board of Directors, chaired by Chairman of the Board, is responsible for formulating strategic plans related to sustainable development, overseeing and reporting to the Board the Company's undertakings and performance on key ESG issues, and promoting the integration of ESG concepts with the Company's strategies.

## ESG Management Strategies and Policies

The Board of Directors regularly reviews key ESG issues, discusses and identifies key ESG risks and opportunities, and supervises the management and performance of the Company on key ESG issues. Meanwhile, the Company regularly organizes discussions among related departments (such as Enterprise Management Department, Technology Research and Development Department, Safety and Environmental Protection Department, Material Procurement Department, Human Resources Department, and Corporate Culture Department) to study the implementation of sustainable development strategies as well as the implementation of key issues, continuously enhancing sustainability governance capabilities of the Company.

## ESG Targets, Indicators and Review of Progresses

The Board of Directors participates in the analysis and evaluation of the materiality of ESG topics and the identification of ESG risks, approves material issues that have a significant impact on the Company, determines the priorities for the Company's sustainable development, and guides the subsidiaries to establish an ESG target management system with indicators on pollutant emissions, energy consumption, and water resources management. The Board of Directors continuously reviews the progress of the targets and supervises their implementation.

This report provides a detailed disclosure of the progress and results of Shandong Gold's ESG undertakings in 2024. The report was approved by the Board of Directors at the 71st meeting of the sixth session of the Board of Directors of the Company on March 27, 2025. The Board of Directors and all directors guarantee that the contents of this report do not contain any false records, misleading statements, or significant omissions, and take individual and joint responsibility for the truthfulness, accuracy, and completeness of its contents.





## About Us

### Company Profile

Shandong Gold Mining Co., Ltd. is a listed company controlled by Shandong Gold Group Co., Ltd. Established in 2000, Shandong Gold was listed on the main board of the Shanghai Stock Exchange in 2003, and on the main board of the Hong Kong Stock Exchange in 2018. It also holds shares in Shanjin International Gold Co., Ltd., which is listed on the main board of the Shenzhen Stock Exchange, achieving a layout in capital markets in Shanghai, Hong Kong, and Shenzhen. The Company aims to maximize enterprise value and protect the legitimate rights and interests of shareholders and has been repeatedly selected as a constituent stock of the SSE 50, SSE 180, CSI 300 indices, and three major international indices: MSCI, FTSE Russell, and S&P Dow Jones. The Company has received numerous honors, including the "Award for Top 100 Chinese Listed Companies Most Respected by Investors", "Best Practices in Corporate Governance", "Best Practices in Investor Relations Management for listed companies", and "Best Practices in ESG for listed companies." The Company currently serves as the Vice Chairman of the China Association for Public Companies and the Chairman of the Listed Company Association of Shandong.

The Company focuses on gold mining as its primary business, boasting a complete industrial chain that includes exploration, mining, ore processing, smelting (refining), and deep processing and sales of gold products, as well as a supporting technology research and development system. The Company is an industry leader in terms of gold output, resource reserves, financial returns, technological level, and talent reserve in China's gold industry. Its affiliated mining enterprises are distributed in various provinces (autonomous regions) in China, including Shandong, Fujian, Inner Mongolia, Gansu, Xinjiang, Qinghai, Heilongjiang and Jili, as well as in overseas locations like Argentina in South America and Ghana in Africa. Sanshandao Gold Mine, Jiaojia Gold Mine, and Xincheng Gold Mine have been listed among the "Top Ten Gold Producing Mines in China" for consecutive years. The Company also operates Argentina's largest gold mine, Argentina Veladero Gold Mine, in a 50%-50% partnership with Barrick Gold Company.

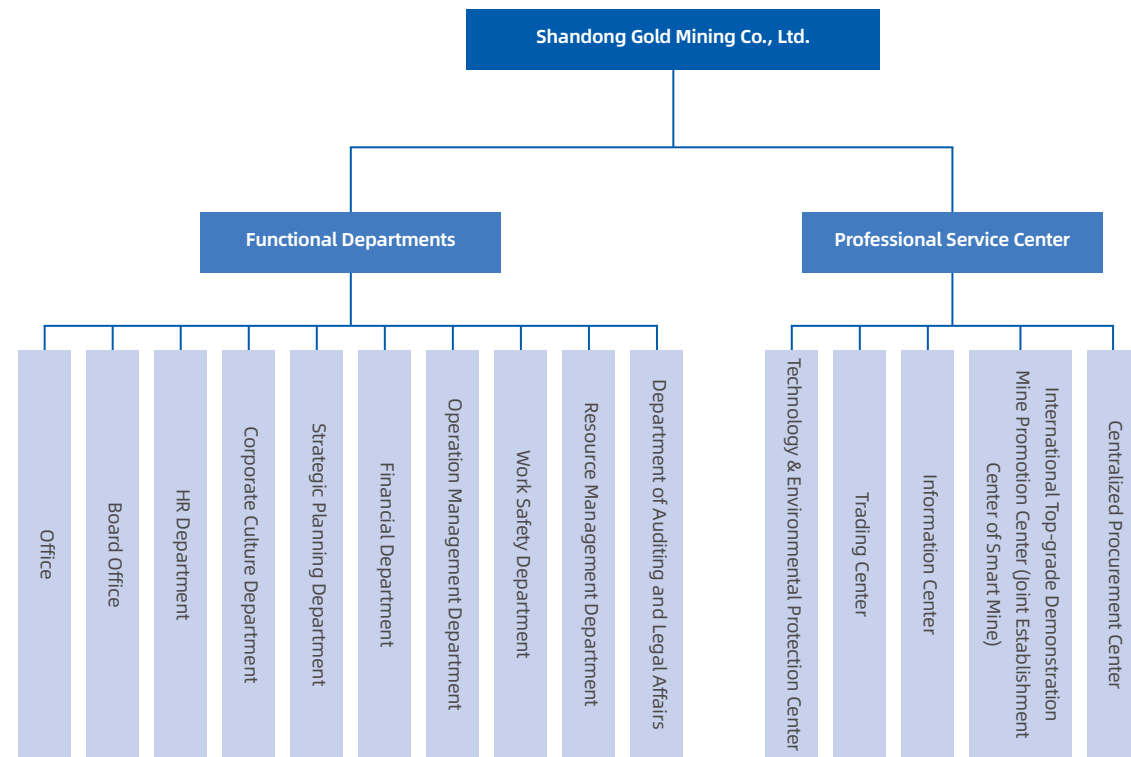
The Company is the enterprise in China that operates four mines with a total gold output exceeding 100 tons. Its subsidiary, Shanjin International Gold Co., Ltd., owns five mining companies that produce non-ferrous metals such as gold, silver, lead, and zinc, creating complementary advantages and synergy with the Company. Its subsidiary Shandong Gold Smelting Co., Ltd. is one of the first ten certified "Standard Gold Billion Providers" certified by the Shanghai Gold Exchange and one of the first registered gold billion brands by the Shanghai Futures Exchange, consistently ranking among the "Top Ten Gold Smelting Enterprises in China" for many consecutive years.

Closely adhering to the development philosophy of building a "Safe, Ecological, Vibrant and Humanistic Shandong Gold", the Company continues increasing its investment in technological research and development focusing on mastering core technologies at the forefront of the mining industry, and strives to drive its development with technological innovation. The Company is committed to building safe and green mines, continually strengthening the results of green mine construction, and establishing the brand image of "Shandong Gold, Ecological Mining". The Company cares for its employees, strives to contribute to a harmonious community, actively assumes social responsibilities, and vigorously supports public welfare undertakings, achieving win-win economic, environmental, and social benefits with concrete actions to make a positive impact and better serve society.

Looking forward, the Company will focus on promoting high-quality development, striving to build a world-class gold mining enterprise with international competitiveness with reform and innovation as the fundamental driving force, and generating more outstanding returns and operating performance for shareholders.

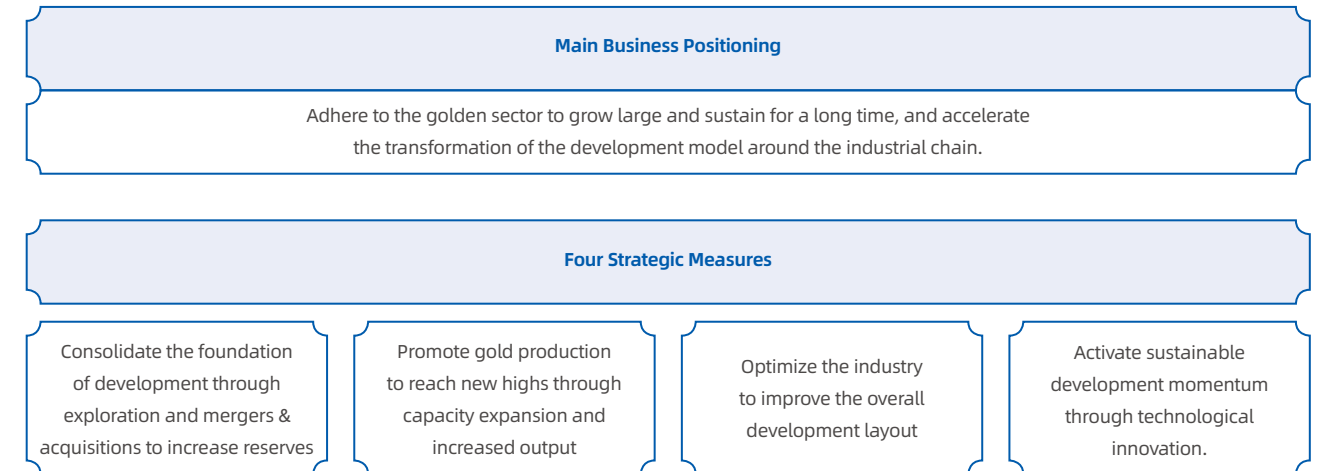


## Organizational Structure



## Development Strategy

Shandong Gold strictly follows the decision-making deployment of the Shandong Provincial Party Committee and Provincial Government, accurately grasping its positioning within the province's "Eight Major Development Strategies", closely centering on the development concepts of "Safe, Ecological, Vibrant and Humanistic Shandong Gold", and clearly proposing the long-term strategic goal of "Accelerating to Become a World-Class Gold Mining Enterprise with Excellent Technology and Management, and Sustainable Development".



## Corporate Culture





# Honor Recognition

2024.01

2023 Brand Influence Award  
Shandong radio and TV station



2023 Best ESG Practices Award for Listed Companies  
Easy-board Value Online



2024.03

Best Practices in Investor Relations Management  
China Association for Public Companies



2024.07

Special Contribution Award for Corporate Governance  
Directors & Boards Magazine



2024.09

Outstanding ESG Value Communication Award  
Outstanding IR Team  
P5W.NET



2024.11

Best Practices for Listed Company Boards  
China Association for Public Companies



Best Practice Cases for Sustainability in Listed Companies  
China Association for Public Companies



2024.12

Best Practices for Annual Performance Briefings in Year 2023  
China Association for Public Companies



2024.12

2024 RoyalFlush Information Annual Selection of Listed Companies - Top 300 Most Popular Listed Companies  
RoyalFlush Information



Best Practice Cases of Listed Company Board Offices  
China Association for Public Companies





# ESG Strategy and Management

## ESG Management

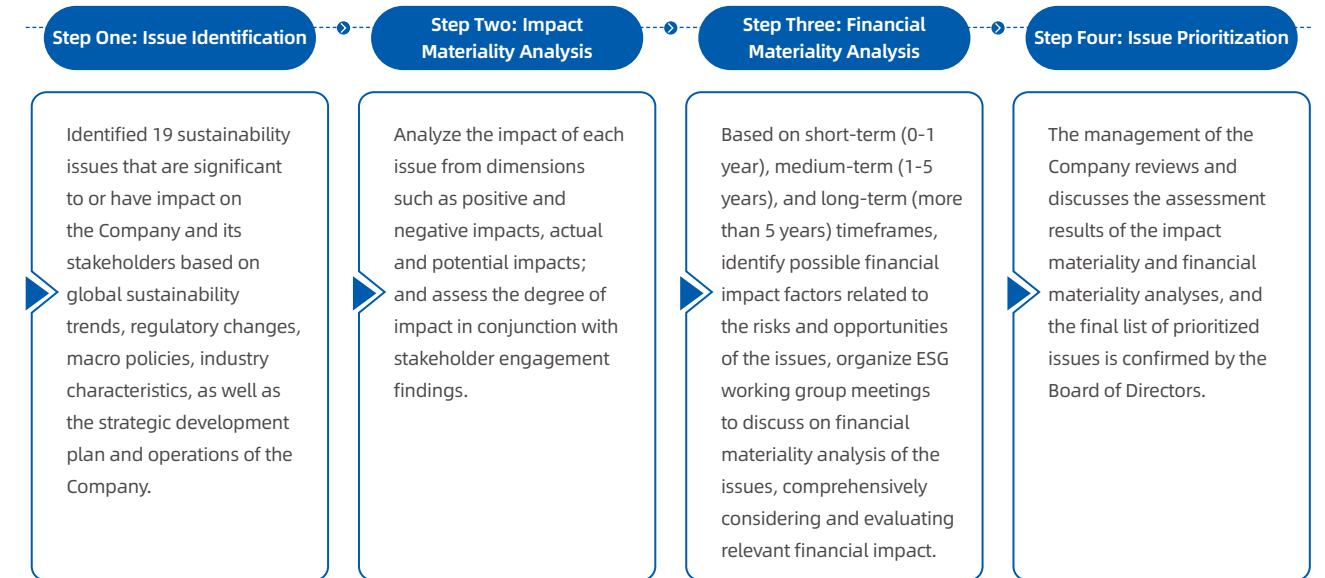
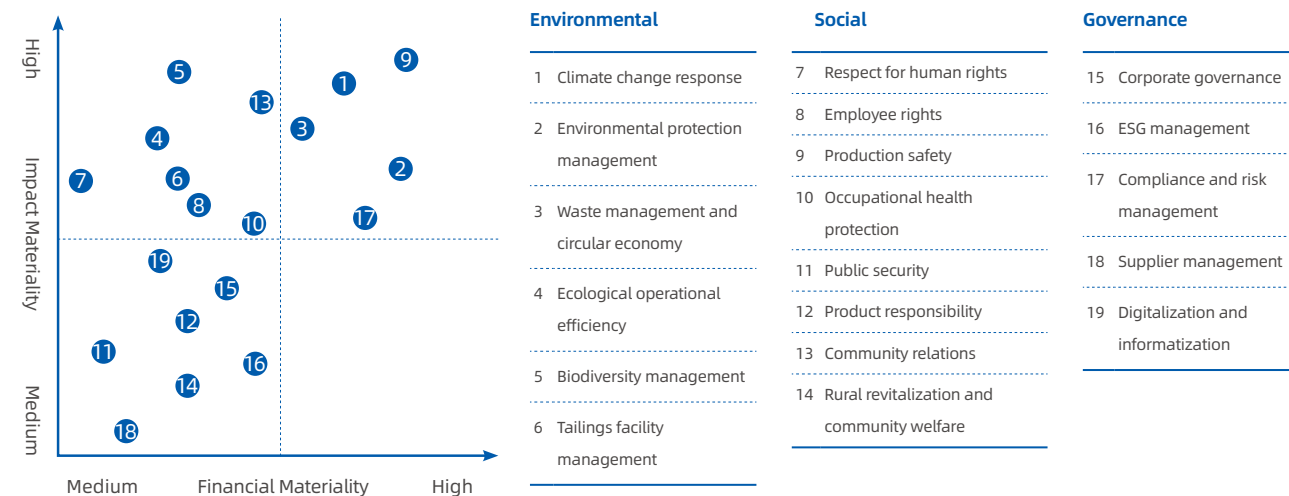
Shandong Gold has established and continuously optimizes its ESG management framework to comprehensively guide and promote all functional departments and subsidiaries to continuously enhance their sustainable development management capabilities. The Company is committed to deeply integrating the ESG management concept into all aspects of its production and operation, ensuring the successful implementation of the ESG management system, and continuously optimizing and improving to achieve a harmonious coexistence and long-term development of the enterprise with the environment and society.

The Company has established a robust management framework, with the Strategy Committee of the Board as the highest decision-making body for ESG management, in charge of laying out the top-level design of ESG governance, formulating long-term strategies, and making key decisions, to ensure the effective integration of ESG considerations into its overall strategy. Following the top-level design, all functional departments and subsidiaries actively coordinate to integrate ESG concepts into daily production, operational management, supply chain management, and other aspects, ensuring the efficient implementation of the Company's ESG management system.

|  |  |
|--|--|
| <b>Decision-making Level: Strategy Committee of the Board</b>        | <ul style="list-style-type: none"> <li>Overall planning, decision-making and deployment of key ESG matters.</li> <li>Review the Company's ESG governance strategy, ESG management systems and objectives, identification and application of material issues, identification and management of ESG-related risks and opportunities, and prepare the annual ESG report.</li> <li>Supervise and inspect the identification, assessment, management processes related to the Company's ESG activities and the progress of achieving relevant targets.</li> </ul> |
| <b>Implementation Level: Functional Departments and Subsidiaries</b> | <ul style="list-style-type: none"> <li>Promote and implement the Company's ESG strategies.</li> <li>Implement ESG related undertakings deployed by the Board and the Strategy Committee.</li> <li>Collect, organize and submit the ESG performance of each unit.</li> <li>Discuss the implementation of the Company's sustainability strategy and key issues.</li> </ul>   |

## Materiality Analysis

In 2024, the Company conducted both a financial materiality and an impact materiality analysis on relevant sustainability issues, identifying five financially material issues: production safety, climate change response, environmental management, waste management and circular economy, and compliance and risk management.



## Stakeholder Engagement

| Stakeholders                              | Key Communication Topics   | Communication Channels   |
|---|--|--|
| Government and Regulatory Authorities<br> | <ul style="list-style-type: none"> <li>ESG management</li> <li>Compliance and risk management</li> <li>Environmental protection management</li> <li>Biodiversity management</li> <li>Ecological operational efficiency</li> <li>Production safety</li> </ul> | <ul style="list-style-type: none"> <li>Daily communication and reports</li> <li>Project approval</li> <li>Government supervision</li> <li>Statistical reports</li> </ul>   |
| Shareholders and Investors<br>            | <ul style="list-style-type: none"> <li>Corporate governance</li> <li>Climate change response</li> <li>Compliance and risk management</li> <li>Waste management and circular economy</li> </ul>   | <ul style="list-style-type: none"> <li>Annual reports and other statutory information disclosure</li> <li>Performance briefing</li> <li>Investor communication meetings</li> <li>Website, hotline, research, roadshow, etc.</li> </ul> |
| Employees<br>                             | <ul style="list-style-type: none"> <li>Employee rights</li> <li>Respect for human rights</li> <li>Production safety</li> <li>Occupational health protection</li> <li>Public security</li> </ul>  | <ul style="list-style-type: none"> <li>Trade union and employee representative assemblies</li> <li>Field research</li> <li>Regular training</li> <li>Corporate cultural activities</li> </ul>  |
| Value Chain Partners<br>                  | <ul style="list-style-type: none"> <li>Supplier management</li> <li>Product responsibility</li> <li>Digitalization and informatization</li> </ul>  | <ul style="list-style-type: none"> <li>Daily business communication</li> <li>Regular visits</li> <li>Strategic cooperation negotiations</li> <li>Questionnaire survey</li> <li>Official website and WeChat interactions</li> </ul>     |
| Community<br>                             | <ul style="list-style-type: none"> <li>Community relations</li> <li>Rural revitalization and community welfare</li> <li>Environmental protection management</li> <li>Tailings facility management</li> </ul>   | <ul style="list-style-type: none"> <li>Public welfare and charity activities</li> <li>Community communication activities</li> <li>Response to external surveys</li> </ul>  |



# Optimizing Corporate Governance

# 01

|                          |    |
|--------------------------|----|
| ⊙ Corporate Governance   | 16 |
| ⊙ Business Integrity     | 21 |
| ⊙ Risk Management        | 23 |
| ⊙ Partnership Management | 24 |

- Percentage of female directors : **25%**
- Percentage of independent directors : **37.5%**





# Corporate Governance

## Corporate Governance Structure

Shandong Gold strictly abides by the "Company Law of the People's Republic of China", the "Securities Law of the People's Republic of China", and various regulatory rules established by the Shanghai Stock Exchange and the Hong Kong Stock Exchange, focusing on building a governance structure with clearly defined and transparent authorities and responsibilities, coordinated operation, and effective checks and balances. The General Meeting of Shareholders, Board of Directors, Supervisory Committee, and Senior Management of the Company fulfill their respective duties and collaborate smoothly within the scope of their well-defined authorities.

The Company has formulated the Articles of Association of Shandong Gold Mining Co., Ltd. and other 24 governance policies based on relevant laws, regulations, and the regulatory rules of its listing locations, providing institutional support to ensure standardized operation of the Company. The Company conducts ongoing research on the latest regulatory rules both domestically and overseas and makes timely revision of its policies to ensure the adequacy of its corporate governance policies.

## Corporate Governance Structure



|  |  |
|--|--|
| <b>General Meeting of Shareholders</b>         | The General Meeting of Shareholders exercises its powers according to the law as the authoritative body of the Company, convening in strict accordance with regulations to ensure that all shareholders, especially minority shareholders, can exercise their rights equally. In 2024, the General Meetings of Shareholders convened 1 annual general meeting, 6 extraordinary general meetings, and 4 shareholders' class meetings.   |
| <b>Board of Directors and Board Committees</b> | The Board of Directors, responsible for the General Meeting of Shareholders, plays a key role in corporate governance as the decision-making body of the Company. Four specialized committees are established under the Board of Directors, including the Strategy Committee, the Nomination Committee, the Audit Committee, and the Remuneration and Appraisal Committee. In 2024, the Company convened a total of 16 board meetings, with an overall attendance rate of 100% for the directors.  |
| <b>Supervisory Committee</b>                   | As a supervisory body established by the Company in accordance with the law, the Supervisory Committee reports to General Meeting of Shareholders. The Supervisory Committee supervises the Company's financial activities as well as the management behaviors of the Company's directors, managers, and other senior executives according to relevant laws and regulations, focusing on financial supervision, to ensure that the Company's assets and the rights and interests of its shareholders are not infringed upon. The Supervisory Committee consists of 3 supervisors, including a chairperson. |
| <b>Senior Management</b>                       | The Company's Senior Management includes all senior management personnel. They are appointed or dismissed by the Board of Directors, and report to the Board of Directors. The General Manager of the Company is responsible for overall production and operation management, reporting to and accepting the supervision and inspection of the Board of Directors.   |

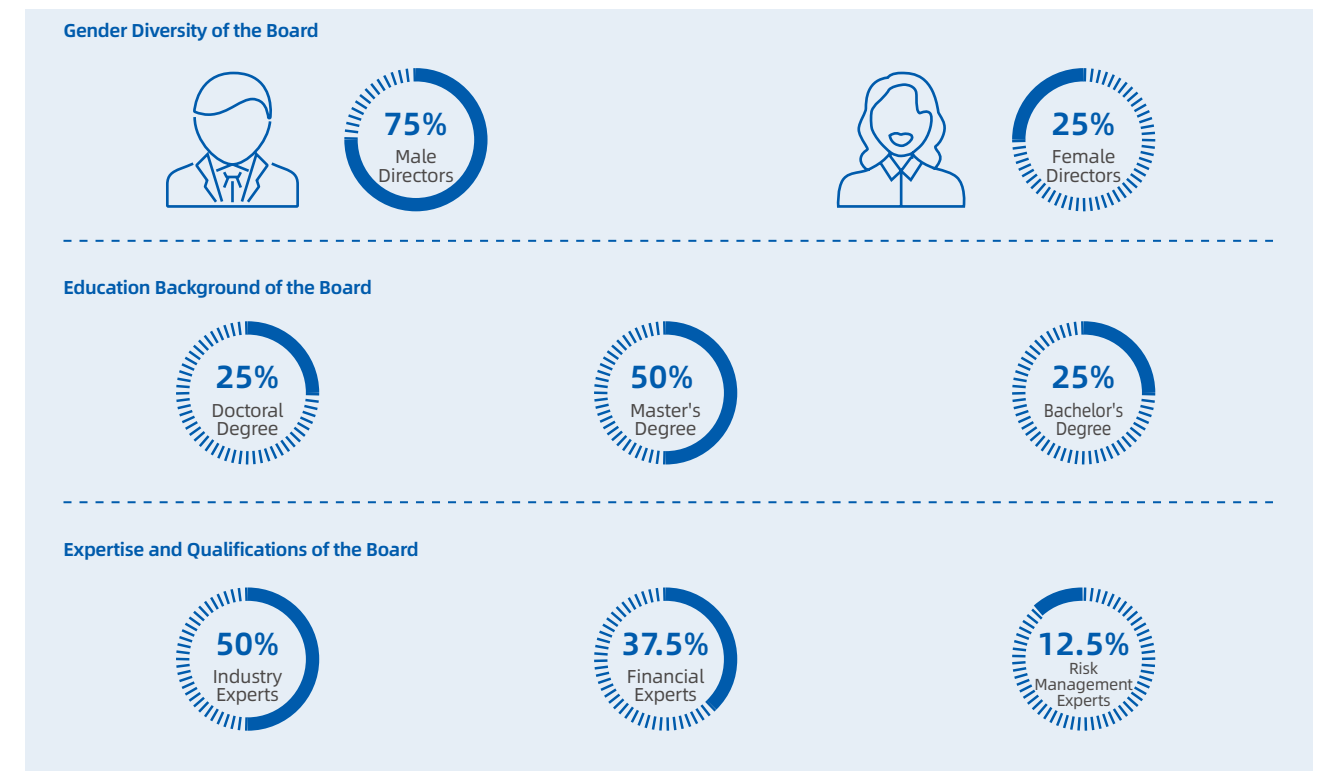
## Composition and Operation of the Board of Directors

The Board of Directors continuously strengthens its construction in accordance with relevant laws and regulations as well as the Company's Articles of Association, exercising Board authorities and promoting standardized Board operations. During the reporting period, the Board of Directors revised the Rules of Procedure for Board Meetings in accordance with relevant laws and regulations, further standardizing the deliberating methods and decision-making procedures of the Board to enhance the standardized operations of decision-making capabilities of the Board and allowing the Board and its members to more effectively fulfill their responsibilities. The Board of Directors Work Report provides detailed disclosure of the Board's work performance during the reporting period.

Directors are elected or replaced by the General Meeting of Shareholders with a tenure of three years and re-election allowed. The General Meeting of Shareholders may remove directors before their tenure terminates through board resolution, pursuant to relevant laws and the Company's Articles of Association. Candidates for independent directors may be nominated by the Board of Directors, the Supervisory Committee, or shareholders holding more than 1% of the Company's issued shares. Candidates for non-independent directors may be nominated by the Board of Directors, or shareholders holding more than 3% of the Company's issued shares either individually or collectively. The Board of Directors is responsible for reviewing the qualifications of director candidates and submitting them to the General Meeting of Shareholders as a dedicated proposal. A cumulative voting mechanism is used for the selection of two or more directors, with the number of candidates higher than the number of positions to be elected. In addition, the elections for independent directors and non-independent directors are held separately and voted on separately.

## Board Diversity

The Company has formulated the Shandong Gold Board Member Diversity Policy, which stipulates that the nomination and appointment of board members should be based on the skills and experience required for ensuring the effective operation of the Board, as well as relevant board diversity considerations and requirements. The Company's considerations for board diversity include, but are not limited to, gender, race, language, cultural background, educational background, industry expertise, and professional experience. Members of the current Board are experienced professionals with diverse expertise in various relevant fields, such as mining enterprise management, finance, auditing, and legal, strengthening the decision-making capabilities of the Board. As of the date of the 2024 annual report, the percentage of female directors in the Board of the Company is 25%.



## Board Committees

In order to allow the Board to more effectively perform its duties and make better decisions, the Company has established four specialized committees under the Board of Directors, including the Strategy Committee, the Nomination Committee, the Audit Committee, and the Remuneration and Appraisal Committee. Members of each specialized committee are all members of the Board.

| Committee                            | Responsibilities  | Activities During the Year  |
|--------------------------------------|---|---|
| Strategy Committee                   | Provide suggestions on the Company's long-term development strategy, major investment and financing plans, capital operations and asset management projects, as well as other significant matters affecting the Company's development, and supervise the implementation of the aforementioned matters.  | The Strategy Committee is composed of 4 directors, including 2 independent directors.<br><br>During the reporting period, the committee convened a total of 2 meetings.                   |
| Nomination Committee                 | Evaluate the size, composition, and diversity of the Board, and propose adjustment recommendations; study and formulate selection criteria and procedures for directors and senior management, search for qualified candidates, review candidates, and make recommendations to the Board; assess the skills, knowledge and experience of the directors and the senior management team, and review the independence of independent directors.  | The Nomination Committee is composed of 4 directors, including 3 independent directors.<br><br>During the reporting period, the committee convened a total of 2 meetings.                 |
| Audit Committee                      | Propose to hire, renew or replace external audit agencies, review and monitor the performance of external audit agencies; supervise the establishment and implementation of internal audit systems, review annual internal audit plans and monitor operational conditions; examine the truthfulness, completeness and compliance of the Company's financial reports, supervise on major accounting and auditing issues, with a focus on financial fraud and major misstatement risks. | The Audit Committee is composed of 5 directors, including 3 independent directors.<br><br>During the reporting period, the committee convened a total of 6 meetings.                      |
| Remuneration and Appraisal Committee | Provide recommendations to the Board on compensation plans or schemes for directors and senior management; formulate specific compensation packages for all executive directors and senior management; review the performance of directors (non-independent directors) and senior management in fulfilling their responsibilities and conduct annual performance evaluations; supervise the implementation of the Company's compensation policies.                                    | The Remuneration and Appraisal Committee is composed of 5 directors, including 3 independent directors.<br><br>During the reporting period, the committee convened a total of 2 meetings. |

## Independence of the Board

The Company attaches great importance on the independence of the Board to more effectively safeguarding the interests of shareholders and other stakeholders. The Company's Articles of Association stipulates that at least one-third of the Board shall be independent directors, who cannot hold any positions other than that of director in the Company. Independent directors may concurrently serve as independent directors in no more than three domestic listed companies to ensure that they are able to dedicate sufficient time and energy to effectively fulfill their duties as independent non-executive directors. As of the date of this report, there are three independent directors sitting in the Company's Board of Directors, accounting for 37.5% of the Board. Three independent directors serve as chairpersons of the Audit Committee, the Nomination Committee, and the Remuneration and Appraisal Committee, respectively.

The Company strictly selects independent non-executive directors in accordance with the election procedures and qualification criteria specified in the Shandong Gold Independent Non-Executive Director Work System. The Company's policies require the nominators of independent directors to fully understand the nominee's professional and educational background, positions held, detailed work experience, concurrent positions, and record of ethical conducts, and issue opinions on the nominees' independence and other qualifications for serving as independent directors. The Shandong Gold Independent Non-Executive Director Work System requires independent directors to fulfill their duties and provide independent opinions on major matters of the Company, fully contributing their expertise in the decision-making process and playing an important role in the professional and scientific decision-making of the Board.

In addition, the Company has formulated the Shandong Gold Rules for Special Meetings of Independent Directors, stipulating that arrangement for both regular and ad-hoc special meetings of independent directors, with a regular annual meeting schedule once a year. Special meetings of independent directors discuss and vote on specific matters and the exercise of specific authorities, further enhancing the corporate governance of the Company and protecting the interests of minority shareholders and stakeholders.

## Conflicts of Interest

The Company recognizes that stakeholders such as board members, supervisors, senior management, employees, shareholders, and customers may have conflicts of interest. To ensure the healthy development of the Company and protect the rights and interests of all parties, the Company requires relevant personnel to adhere to the principle of integrity and identify and avoid conflicts of interest to ensure fairness and objectivity, with the Company's interests as priority and avoiding overstepping authority or seeking personal gains.

In addition, the Company's Supervisory Committee actively fulfills its supervision and inspection responsibility, monitoring the conducts of directors and senior management in performing their duties in accordance with relevant laws and regulations, as well as the Company's Articles of Association, timely remind directors or senior management personnel when their conduct may cause harm to the Company's interests and require the rectification of such activities.





## Investor Relations and Information Disclosure

The Company strictly fulfills its information disclosure obligations in accordance with the laws and regulations of each listing location. The Company has formulated the Shandong Gold Information Disclosure Management Measures and continuously optimizes the content and formats of information disclosure based on investor needs, continually enhancing the effectiveness of information disclosure with measures such as the digital release of infographic performance highlights.

The Company continuously optimizes investor relations management adhering to the Shandong Gold Investor Relations Management System, strengthening communication with investors and potential investors to enhance their understanding and recognition of the Company, contributing to more robust corporate governance and higher overall corporate value. In 2024, the Company actively responded to capital market concerns and engaged in investor communication through various forms such as holding performance briefings, participating in investor conference calls, hosting on-site research by investors, and organizing on-site visits. During the reporting period, the Company was included in the "Best Practices for Investor Relations Management of Chinese Listed Companies 2023" by the China Association for Public Companies.



### Organizing Investor On-Site Visit

On October 13, 2024, the Company hosted the "I am a Shareholder" investor on-site visit event. Investors of the Company were invited to the headquarters and hosted by the vice chairman, General Manager, and directors of the Company. Company management and investors conducted in-depth discussions and interactive Q&A on core topics such as mineral resources, production planning, cost control, and shareholder returns, further enhancing investors' understanding and confidence in the Company's strategy and development.



Investors Participating in the "I am a Shareholder" Event



Q&A Interaction between the Company's Management and Visiting Investors

## Business Integrity

### Compliance Management

During the process of pursuing high-quality development and practicing ESG concepts, Shandong Gold realizes that compliance management is the cornerstone of stable operations. The Company has established a four-tier compliance management framework that specified the compliance responsibilities at all levels, from top-level design to grassroots implementation across its affiliated enterprises, standardizing compliant operations and building a solid compliance baseline to promote coordinated development between the enterprise and society.

|  |   |
|--|---|
| <b>Board of Directors</b>              | As the highest decision-making body for the Company's compliance management, the Board of Directors sets the direction and standards of compliance management at the top level.   |
| <b>Senior Management</b>               | The senior management team is responsible for coordinating the establishment of the compliance management system and supervising the compliance management work of various departments and affiliated enterprises.  |
| <b>Compliance Management Committee</b> | Responsible for supervising and promoting the construction of the Company's overall compliance system, managing the overall compliance management of the Company, and providing decision-making references for the Board of Directors and senior management.  |
| <b>Subsidiaries</b>                    | The legal department or department with equivalent functions is responsible for leading the compliance management at each subsidiary.<br><br>Departments such as disciplinary inspection and supervision, auditing, inspection, and accountability, at all levels function accordingly within their responsibilities to ensure strict supervision of the implementation of compliance requirements. |



Shandong Gold Integrity and Compliance Handbook

The Company establishes a Chief Compliance Officer position, served by the Chief Legal Counsel of the Company, who reports to the General Manager. The Chief Compliance Officer is given sufficient authority and independence to conduct its responsibilities and report directly to the Board of Directors.

The Company's compliance management follows a "three lines of defense" mechanism. The functional departments serve as the first line of defense, responsible for establishing and optimizing business management systems and processes in their respective fields, formulating compliance management guidelines and checklists, conducting identification of compliance risks and hazards, and issuing timely compliance warnings. The Legal Department is the second line of defense for compliance management, responsible for organizing and carrying out compliance management initiatives, conducting legal compliance reviews and risk warnings, and systematically monitoring the compliance performance of the functional departments. Supervisory departments, such as the Department of Auditing and Legal Affairs and the Discipline Inspection Commission, act as the third line of defense in compliance management, exercising their supervisory responsibilities and proposing rectification opinions regarding identified violations, and assisting in conducting comprehensive or targeted compliance inspections.

Regarding compliance management training, the Company regularly conducts compliance training for management personnel through methods such as legal education classes and the Legal Observation monthly publication. Compliance management is included as a compulsory training subject for management personnel, personnel holding key positions, and new employees. Board members are also required to participate in legal compliance training to strengthen the compliance awareness among directors. In June 2024, the Company organized a mobilization meeting to initiate a comprehensively compliance deepening campaign, launching a systematic series of compliance awareness raising activities, and organizing members of the Compliance Management Committee to take the lead in signing compliance commitment documents.

## Business Ethics

The Company adheres to the management philosophy of "Upholding Integrity and Innovation, Steady Progress for the Long Term" in compliance and responsible management, comprehensively implements business ethics management initiatives. In 2024, the Company formulated and released the Shandong Gold Integrity and Compliance Handbook, which clearly defines the requirements on key business ethics issues, including legal compliance, contract integrity, loyalty and dedication, anti-unfair competition, anti-monopoly, anti-commercial bribery, anti-money laundering, conflict of interest management, trade control and sanction management, occupational health, safety and environmental protection, quality management, and information security.

## Integrity and Anti-corruption

The Company strictly adheres to relevant laws and regulations such as the "Criminal Law of the People's Republic of China", the "Supervision Law of the People's Republic of China", the "Law on Administrative Punishments for Public Officials of the People's Republic of China", and the "Regulations on the Disciplinary Actions for Management Personnel of State-owned Enterprises", as well as the laws and regulations of where it operates on the preventing of bribery, extortion, fraud, and money laundering activities, and firmly opposing corruption and unfair competition. The Company continuously strengthens and optimizes the systems and processes for combating commercial bribery and corruption, strengthening the prevention and control of integrity risks, intensifying the coverage of daily supervision, and prohibiting giving or accepting commercial bribery as well as other corrupt practices in any jurisdiction, for any reason, and in any form. The Company has formulated the Regulations on the Supervision and Disciplinary Work of the Discipline Inspection and Supervision Units of Shandong Gold (Trial), the Interim Regulations on the Handling and Disciplinary Actions of Employee Violations of Shandong Gold and other policies to continuously optimize its anti-corruption management system. The efficient and effective operation of "three-in-one" mechanism of internal control, risk control, and integrity control has resulted in a clean and honest business environment. In 2024, the Company revised several policies, such as the Implementation Plan for Building a 'Big Supervision' System and the Manual for the Integrated Implementation of the 'Three No-corruption' System, optimizing its integrity management system from the aspects of disciplinary, rectification and prevention.

### In 2024

Coverage Rate of Anti-corruption Education and Training  
**100%**

In 2024, the Company carried out a total of 2,100 anti-corruption training sessions, amounting to 2,400 class hours and reaching a 100% coverage rate for anti-corruption education and training. During the year, the Company had no incident of litigation cases related to embezzlement and corruptions, and no individuals were subject to disciplinary actions accordingly.

#### Integrity Awareness Raising Activities

Innovated the "Nine Circles of Integrity" cultural system, launched "Integrity Shandong Gold" campaign with intensified awareness raising activities, and organized the "Integrity Shandong Gold Cup" writing competition. With the wide-spread participation of senior management and affiliated enterprises, detailed implementation of the responsible parties, close collaboration across different units, as well as the participation of employee families, the Company has cultivated an inclusive integrity culture where everyone is responsible, works together, participates as a whole, and resonates in unison.

#### Targeted Inspections

Conducted on-site "Three Line" supervisions on material procurement, bidding management, and engineering project acceptance and settlement, carried out a comprehensive screening of illegit related transactions and business operations, as well as self-inspection of deposit management issues, and implemented a targeted rectification of self-benefiting activities and abuses of powers, continuously prevent against improper behaviors in management and conducting businesses through joint efforts from all levels.

#### Key Anti-corruption Initiatives in 2024

## Complaint and Whistleblowing Mechanism

Whistleblowing hotline:  
0531-67710281



Address for mail or in-person interview:  
No. 2503, Jingshi Road, Lixia District, Jinan City, Shandong Province, Discipline Inspection and Supervision Group of the Provincial Commission for Discipline Inspection and Supervision stationed at Shandong Gold and Shandong Gold Discipline Inspection Commission



Shandong Gold attaches great importance to building a robust whistleblowing mechanism, establishing various whistleblowing channels including mails, interviews, emails, and telephone hotlines, encouraging employees, customers, suppliers, subcontractors, and other external stakeholders to report violations, discipline breaches, and illegit activities.

The Company strictly protects the identity information of whistleblowers. Unauthorized handwriting or IP address analysis of anonymous whistleblowing materials is prohibited. If such materials are suspected of falsely accusing and framing, which justify the need for revealing the identity of the whistleblowers, relevant approvals and procedures have to be obtained and strictly followed. The Company prohibits against and does not tolerate acts of retaliation for whistleblowers. Intentional disclosure of the whistleblower's identify information or retaliation against whistleblowers will be duly investigated and those found accountable will be disciplined in accordance with relevant laws and disciplinary regulations.

## Risk Management

### Risk Management Mechanism

The Company has established a comprehensive risk management organizational structure covering both the headquarters and its affiliated enterprises in accordance with the principle of "Tiered Management and Categorized Responsibilities". The Department of Auditing and Legal Affairs is in charge of comprehensive risk management and reports to the senior management; the risk management functional departments of each affiliated enterprise acts as the leading unit to coordinate the collaborative risk management activities with functional departments and report to the Department of Auditing and Legal Affairs.

The Company has formulated the Shandong Gold Comprehensive Risk Management Measures to standardize and guide the comprehensive risk management covering information collection, risk assessment, risk response, supervision and improvement, and risk reporting processes. The Company has also established a robust risk assessment system following a closed-loop risk management model centered on "Risk Assessment, Risk Control, and Supervision and Improvement", exploring a comprehensive early warning monitoring mechanism. The Company implements a major risk assessment and monitoring mechanism with year beginning risk forecast and quarterly monitoring. It regularly identifies risks in key areas such as strategy, investment, production, operations, finance, legal, finance, trade, safety, and environmental protection, in line with annual business management goals, and conducts comprehensive assessments of identified risks using both qualitative and quantitative analysis methods to identify major risks for the year, thereby enhancing the risk forecast capabilities of the Company.

In 2024, the Company identified 501 risk points and 4 major key risks. During the reporting period, the Company maintained effective control of its major key risks.

### Internal Audit

The Company closely follows the latest revisions of auditing laws and regulations and the regulations on internal audit by the National Audit Office and continuously optimizes its own internal audit systems accordingly. The Company has formulated and implemented eight internal audit policies, including the Shandong Gold Internal Audit Work Regulations and the Shandong Gold Implementation Measures for Economic Responsibility Audit of Enterprise Leaders, providing auditing rules and guidelines, covering aspects such as organizational structure, resource allocation, audit management, and rectification implementation.

The Company regularly conducts economic responsibility audits, targeted audits, engineering management audits, high-risk business audits, operational management audits, and performance recognition audits, covering key ESG factors such as energy consumption, engineering settlement, anti-corruption, and material procurement.





## Partnership Management

### Supplier Management

Shandong Gold continuously optimizes supplier management to achieve win-win benefits with suppliers, fully leveraging the advantages of both parties and promoting collaborative development through resource sharing. In strict compliance with relevant laws and regulations, the Company has formulated and implemented policies such as the Shandong Gold Material Procurement Management Measures (Trial), Shandong Gold Material Procurement Bid Evaluation Expert and Expert Database Management Measures, and Shandong Gold Material Inquiry Procurement Management Measures (Trial), establishing a robust supplier management system.

The Company actively implements the supplier full lifecycle management model. In 2024, the Company launched a centralized supplier lifecycle management platform, achieving full-process supplier management covering supplier registration, admission, collaboration, assessment, to exit.

Supplier Admission

Select products with outstanding technological and quality performance in a transparent, fair and unbiased way, implement total quantity control and a survival of the fittest mechanism, and conduct supplier admission reviews. Suppliers are required to have necessary qualifications, good reputation, and a sound quality management system.

ESG-related indicators are factored in to supplier admission review process, requiring suppliers to provide environmental permits, employee social security records, and other proof documents, at the same time requiring suppliers to sign a social responsibility commitment document with specific commits on key issues such as environmental protection, employee rights protection, fair competition and market conduct, consumer rights protection, supply chain management and cooperation, community support and development, compliance with laws and regulations, and continuous improvement and innovation.

Supplier Evaluation

An annual supplier evaluation mechanism has been established with comprehensive assessment of key indicators such as product quality and contract fulfillment capabilities, aiming to timely identify supply chain issues and optimize supply chain management to ensure stable operations.

| Indicators   | Year 2022 | Year 2023 | Year 2024 |
|--|-----------|-----------|-----------|
| Number of suppliers  | 1,252     | 1,408     | 1,493     |
| Percentage of suppliers passed the ISO 14000 certification (%)   | 66.21     | 64.91     | 65.63     |
| Percentage of suppliers passed the OHSAS 18000 certification (%) | 66.21     | 64.91     | 65.57     |

### Green Procurement

The Company actively responds to the green and low-carbon environmental concept and implements green procurement standards in the procurement process. During the procurement review stage, the Company has established a strict review mechanism to audit the environmental compliance of the products submitted by suppliers. Products that fail to meet environmental requirements will be rejected. The Shandong Gold Material Management Policy explicitly states that suppliers of energy-saving and environmentally friendly products will be prioritized.

### Sunshine Procurement

The Company has formulated and implemented management measures such as the Shandong Gold Material Supplier Management Measures (Trial), Shandong Gold Implementation Rules for Handling Misconduct by Material Suppliers (Trial), and Implementation Opinions on Gradually Promoting the Integrity Co-construction Mechanism in Key Businesses, which specify the code of conduct for suppliers. Violations may result in the suspension or blacklisting of the violating suppliers.

The Company relies on a professional procurement management system and third-party big data risk control tools to strictly screen and evaluate suppliers to enhance procurement transparency and traceability and prevent corrupt practices in the supply chain. Meanwhile, the Company has established internal and external whistleblowing channels to enhance public supervision and intensify its responsible supply chain management.

### Fair Dealing with Small and Medium-sized Enterprises

The Company strictly complies with relevant laws and regulations such as the "Contract Law of the People's Republic of China" and the "Promotion Law of Small and Medium-sized Enterprises of the People's Republic of China", ensuring fair treatment of all partners during business cooperations. The Company has established and optimized its contract management system specifying contract terms such as the timing, frequency, and methods of payment to ensure timely payment. In addition, the Company regularly conducts self-inspections on contract payment to ensure there are no overdue payments. In 2024, the Company had no incidents of overdue payment to small and medium-sized enterprises.

### Responsible Mineral Management

Shandong Gold's subsidiary, the Gold Smelting Company, strictly implements supplier due diligence management to ensure compliance with mineral sourcing requirements.

Formulated and publicly released the Supply Chain Due Diligence Policy, committing to refuse gold from high-risk areas.

Formulated and publicly released the Supply Chain Due Diligence Management Policy in compliance with the due diligence management requirements of the London Bullion Market Association (LBMA), specifying the organizational structure and responsibilities of supply chain due diligence, and creating a list of high risk factors for materials including money laundering, corruption, environmental pollution, human rights violations, and unknown sources.

Strictly comply with anti-money laundering regulations and LBMA due diligence requirements, trace the sources of all raw materials, require all suppliers to fully disclose the sources of raw materials and sign a supplier commitment document.

Investigate and keep records of supplier profile information such as qualifications, raw material origins, and business overviews.

Conduct annual supplier evaluations, categorizing suppliers based on their business operations, compliance, risk management, etc.; suppliers that fail to meet the requirements will be eliminated to ensure compliance with raw material sourcing requirements.

Engage a third-party auditing agency to conduct annual supply chain due diligence audits, and apply and obtain the gold and silver certificates issued by LBMA.



# Environmental Protection

## 02

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- Eight subsidiaries have passed ISO 14001 environmental management system certification, covering **71.49%** of operating revenue
- **13** national-level green mines, **9** provincial-level green mines, and **1** national-level green factory
- Total recycled water volume reaches **71,722,200** tons
- A total of **6** new energy photovoltaic power stations introduced, with **400 million** kWh of new energy electricity consumed





# Environmental Management

## Environmental Management System

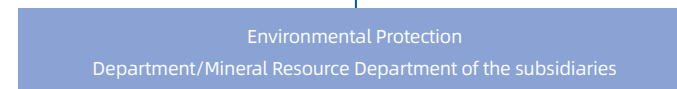
A sound environmental management system helps enterprises reduce environmental risks, ensure compliance operations, improve resource utilization efficiency, and enhance corporate competitiveness. It is a key support for achieving sustainable operations. Shandong Gold adheres to the development concept of "Shandong Gold, Ecological Mining" and is committed to building a robust environmental management framework, continuously optimizing the environmental management system.

The Company has established a comprehensive environmental governance framework, implementing a three-tier management system consisting of the "Ecological Mining Construction Committee–Technology & Environmental Protection Center–Ecological Environmental Protection Department/Ecological Mining Department of subsidiaries". At the management level, the Ecological Mining Construction Committee serves as the highest decision-making management body for the Company's environmental management work, responsible for formulating the Company's overall environmental protection strategy, supervising the execution of environmental management processes and procedural documents related to water resources, energy, waste, etc., and continuously assessing the Company's environmental protection performance. The Technology & Environmental Protection Center is responsible for formulating relevant environmental protection standards, management systems and procedural documents, conducting environmental risk assessments, and guiding and reviewing the environmental protection work of subsidiaries. At the implementation level, the Environmental Protection Department/Mineral Resource Department of the subsidiaries is responsible for implementing environmental protection measures, ensuring compliance with daily operations, and regularly reporting relevant data.

### Management Level



### Implementation Level



The Company strictly abides by laws and regulations such as the "Environmental Protection Law of the People's Republic of China" and the "Mineral Resources Law of the People's Republic of China", and formulates and implements 11 environmental management systems including the Ecological and Environmental Protection Responsibility System of Shandong Gold. In 2024, in response to regulatory amendments, the Company comprehensively enhanced ecological and environmental protection efforts, continuously improving overall environmental management. In 2024, no major administrative penalties or criminal liabilities arising from environmental incidents occurred.

Meanwhile, the Company actively promotes environmental management system certification. By the end of 2024, eight subsidiaries have obtained ISO 14001 environmental management system certification and have passed the annual audits. The operating revenue of the certified subsidiaries accounts for 71.49% of the Company's total operating revenue.

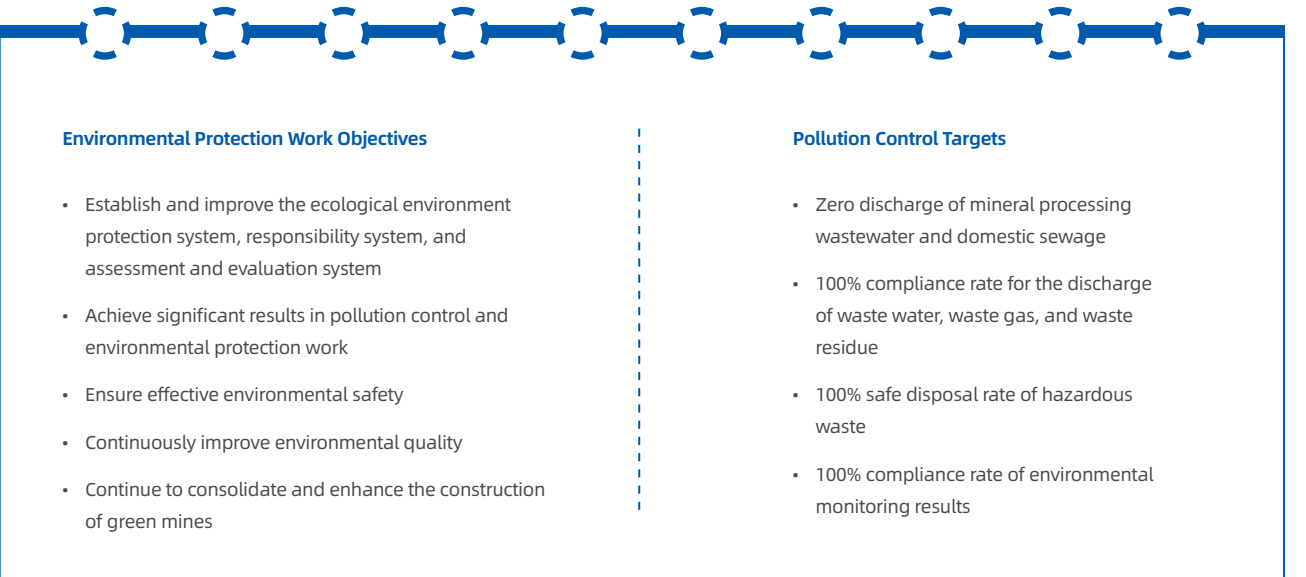
### By the end of 2024

Number of Subsidiaries that Have Obtained ISO 14001 EMS Certification and Passed the Annual Audits

8

## Environmental Protection Goals and Annual Progress

Shandong Gold understands its important responsibility for ecological environmental protection and firmly implements the environmental protection policy of "priority to protection, prevention first, and comprehensive management". The Company has signed the Ecological Environmental Protection Responsibility Agreement with its subsidiaries to clarify the environmental protection goals and the division of responsibilities, ensuring the smooth completion of annual environmental protection targets. In 2024, Shandong Gold and its subsidiaries successfully achieved their annual environmental protection goals.



## Green Mine Construction

Shandong Gold adheres to the principle of balancing resource development and environmental protection. The Company continuously promotes the construction of green mines and green factories, striving to minimize the impact of mineral resource extraction on the ecological environment, improve resource utilization efficiency, and strengthen the brand image of "Ecological Shandong Gold". In 2024, the Company's total investment in environmental protection reached RMB 147 million.

The Company continues to carry out the construction and assessment of green mines. In 2024, a total of five mining units, including Songjiazhuang Mining Area, Yinggezhuang Mining Area and Xincheng Gold Mine of Shandong Jinzhou Group, Dongfeng Mining Area of Linglong Gold Mine, and Xiaodonggou Mining Area of Xihe Zhongbao, were recognized as provincial level green mines. By the end of 2024, the Company had 13 mining units recognized as national green mines, nine mining units recognized as provincial green mines, and the Gold Smelting Company was recognized as a national green factory.

### Year 2024

Number of National Green Mines

13

Number of Provincial Green Mines

9

Number of National Green Factories

1



Garden-Style Mine of Linglong Gold Mine



Xincheng Gold Mine



## Environmental Education and Training

Employees are the core force in environmental protection practices. The Company conducts a wide range of targeted environmental training activities to comprehensively enhance employees' awareness of environmental protection, strengthen practical skills, and effectively improve the Company's ability to respond to environmental risks. In terms of environmental training, the Company organizes specialized training such as "Energy and Low Carbon Management Knowledge and Practice Training" and "Green Mine Construction and Environmental Compliance Special Training" to improve the professional capabilities of environmental management personnel. In terms of environmental education, the Company carries out themed educational activities around relevant holidays such as National Low Carbon Day, International Biodiversity Day, and World Environment Day, and conducts environmental protection publicity through various channels including the Company's official website, WeChat public account, and promotional boards, continuously enhancing employees' ecological and environmental protection awareness. In 2024, the Company conducted a total of 124 environmental training sessions, with a cumulative participation of 43,876 and total environmental training investment reached RMB 552,400.

### Year 2024

Number of environmental training sessions

**124**

Cumulative Participation in Environmental Protection Training

**43,876** attendees

Average Environmental Protection Training Duration per Person

**4.23** hours



World Environment Day Event of Chifengchai Gold Mine



Environmental Protection Emergency Drill of Chifengchai Gold Mine



Energy Conservation Promotion Activities

## Ecological Operational Efficiency

### Water Stewardship

In the Company's production processes, steps such as ore processing and smelting consume a significant amount of water resources. It is the Company's unshirkable responsibility to utilize water resources reasonably and efficiently, as well as to discharge wastewater in compliance with regulations. Shandong Gold strictly abides by the "Water Law of the People's Republic of China", "Water Pollution Prevention and Control Law of the People's Republic of China", "Regulations on Groundwater Management", and other relevant laws, regulations, and management rules. The Company has formulated and implemented management documents such as the Shandong Gold Water Management Regulations and the Shandong Gold Wastewater Pollution Prevention and Control Management System to ensure the compliant withdrawal and use of water resources and the compliant discharge of wastewater.

The sources of water used in the Company's operations mainly comes from mine water inflow reuse, third-party municipal water supply, and surface water. All subsidiaries involved in production operations have legally obtained water extraction permits and paid water resource taxes. In 2024, the Company did not encounter any violations related to water withdrawal. Taking into consideration the natural conditions and groundwater distribution of each operating region, the Company scientifically configures water withdrawal sources, prioritizing the use of mine water inflow as the main production water source, thereby significantly reducing dependence on new water withdrawal. Additionally, the Company has established facilities such as rainwater collection tanks and return water pools to fully collect rainwater, graywater, and wastewater as alternative water sources, which are treated and reused in production and landscaping, further reducing new water consumption. In 2024, the Company's total water withdrawal was 51,530,500 tons, with the amount of mine water inflow amounting to 43,974,600 tons.

### Year 2024

Total Amount of Recycled Water Volume

**71.72 million** tons

Comprehensive Utilization Rate of Water Resources

**100%**

To promote the recycling and utilization of water resources, the Company recycles mine inflow and domestic sewage during the production process, building mine water treatment plants to purify mine inflow to reclaimed water standards and installing domestic sewage treatment facilities to treat domestic sewage for use in surface spraying and green space irrigation. This enables comprehensive and efficient utilization of water resources. In 2024, the Company's total recycled water volume reached 71.7222 million tons, with a comprehensive water resource utilization rate of 100%.

In terms of wastewater discharge management, the Company strictly follows the relevant regulations and requirements of the operating area, establishes the Regulations on the Prevention and Control of Wastewater Pollution to ensure compliant treatment and discharge of wastewater. Real-time monitoring systems linked to environmental regulators have been installed at wastewater outlets to monitor key parameters such as pH, chemical oxygen demand (COD), and ammonia nitrogen, thereby ensuring that all pollutant indicators meet discharge standards. In 2024, the Company had no major violations or illegal incidents related to wastewater discharge.

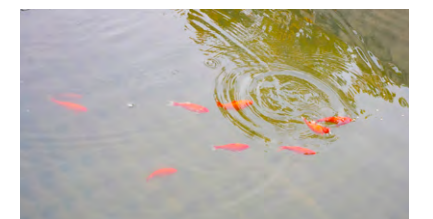
To promote the compliant and efficient use of water resources, the Shandong Gold Water Management Regulations clearly define the quota management practices for water resource use. The Company links relevant indicators such as water consumption to executive compensation and conducts performance assessments to strengthen water management accountability.



Mine Water Inflow Treatment Station of Xihe Zhongbao



Wastewater Recycling Treatment of Sanshandao Gold Mine

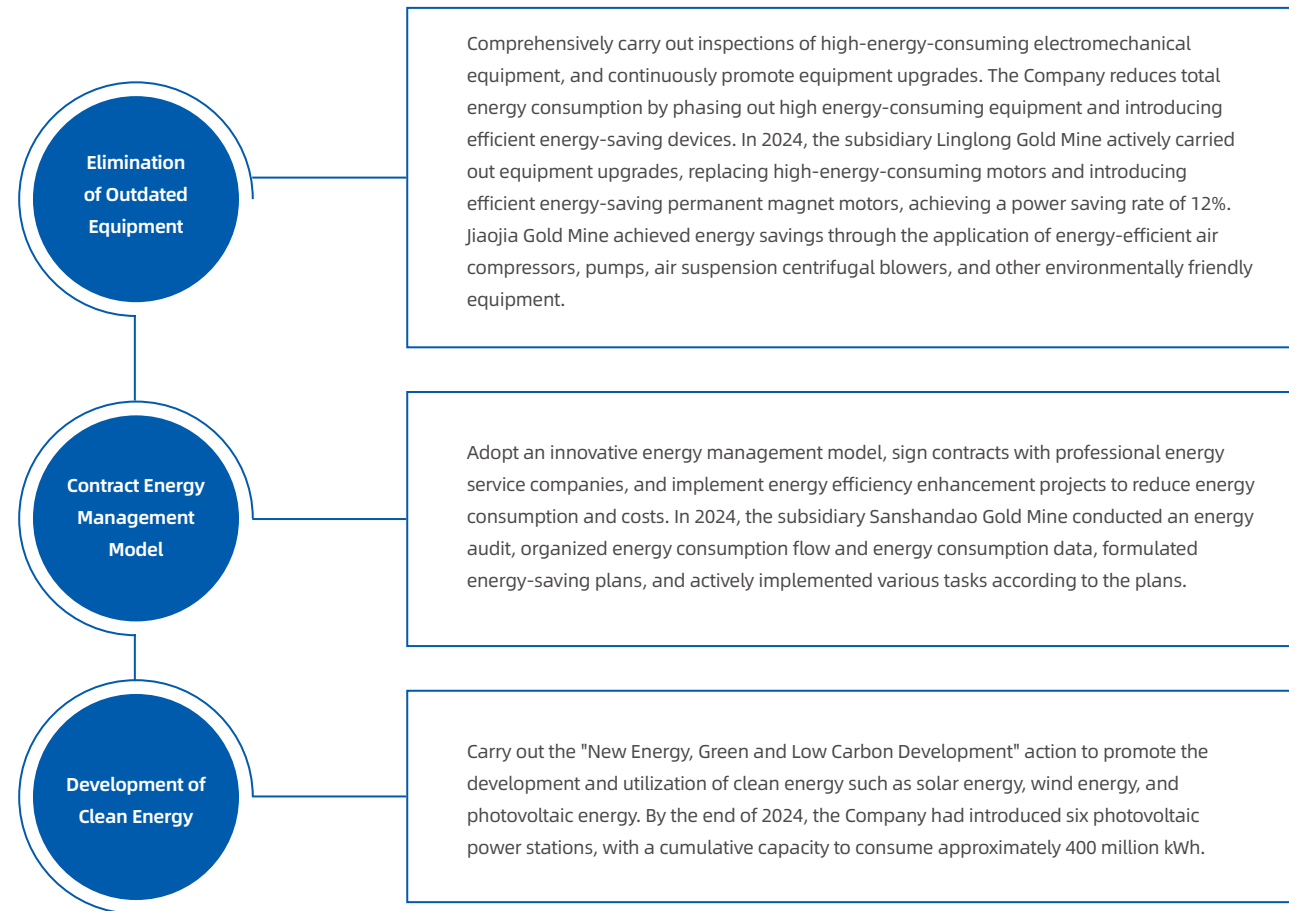


Xincheng Gold Mine Raises Fish in the Treated Wastewater Pond



## Energy Management

Shandong Gold actively builds a scientific and efficient energy management system, accelerates the elimination of outdated equipment, introduces a contract energy management model, widely promotes clean energy, optimizes the energy structure, and fully accelerates the green transition.



Laixi Company's Photovoltaic Power Stations Project

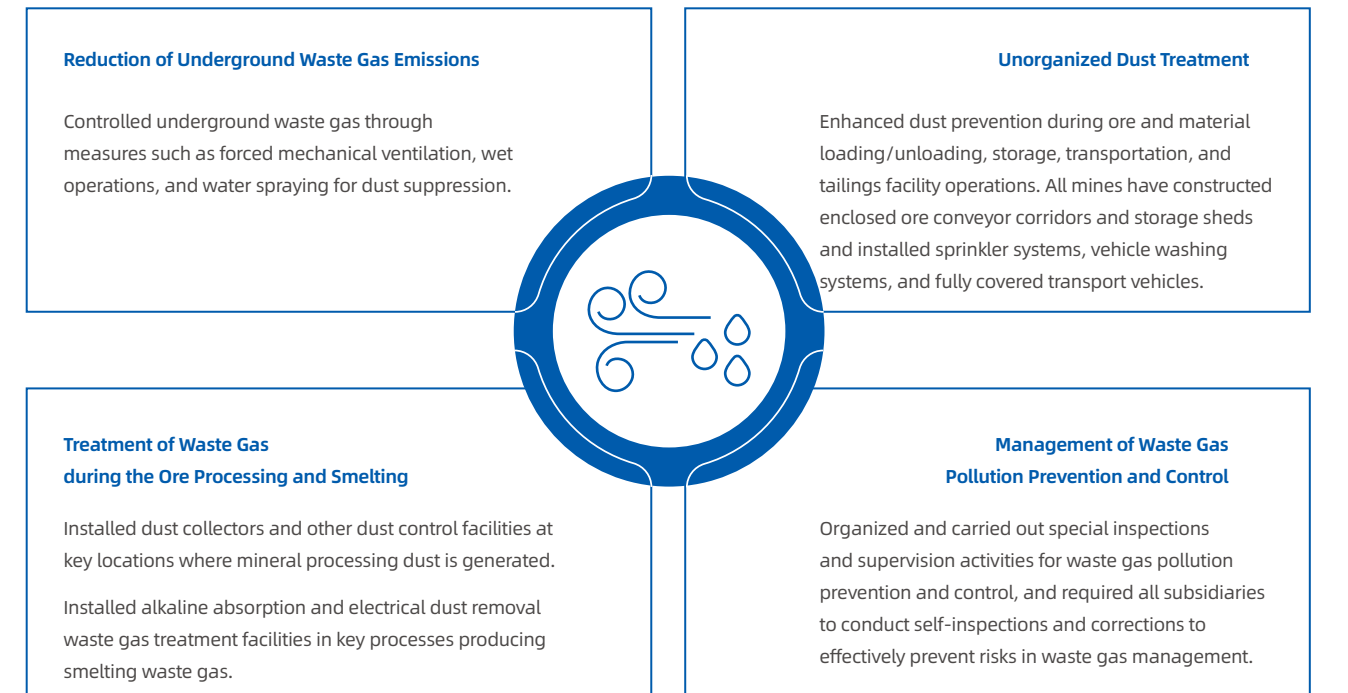
## Waste Gas Management

Shandong Gold strictly adheres to the legal requirements of the "Law of the People's Republic of China on the Prevention and Control of Atmospheric Pollution" and has formulated and implemented the Shandong Gold Waste Gas Pollution Prevention and Control Management Regulations, ensuring compliance with waste gas emissions. The dust and waste gas generated by the Company's operations mainly include boiler smoke dust, particulate matter produced during the course and fine crushing/screening of ore, acidic gases and nitrogen oxides generated during smelting and production processing, as well as unorganized dust generated from ore yards, tailings dams, and transport roads.

The Company has established a waste gas management system that covers the entire production process, systematically promoting waste gas emission reduction efforts from source control, in-process management and end-point supervision, ensuring that waste gas emissions meet environmental protection standards. In 2024, the waste gas emissions of the Company and its subsidiaries achieved a compliance rate of 100%.

### Year 2024

Waste Gas Emissions Achieved a Compliance Rate of **100%**



Dust Removal Facilities



Denitrification Facilities



## Resource Recycling and Reuse

### Circular Economy

Shandong Gold adheres to the concept of balancing resource efficiency and environmental protection, actively utilizing innovative technologies and management methods to promote the development of the circular economy. The Company insists on reasonably developing and protecting mineral resources through scientific methods, continuously optimizing the whole process of beneficiation to improve the recovery rate. In 2024, the recovery rate of beneficiation reached 93.4%.

At the same time, the Company actively promotes the recycling of waste. For the main waste generated from mining and processing activities, such as tailings and waste rock, the Company utilizes diversified technologies and processing methods for comprehensive utilization. The main method for comprehensive utilization of tailings is underground backfilling. In addition, advanced techniques such as environmental remediation, secondary resource reprocessing, and building material manufacturing are used to reduce the land occupation of tailings storage, minimize surface vegetation damage, lower tailings-related environmental risks, and alleviate the environmental burden. In terms of comprehensive utilization of waste rock, resource recycling is mainly achieved by applying it to underground backfilling, building materials production, and other methods, significantly reducing waste emissions. In 2024, the total volume of comprehensively utilized general solid waste amounted to 11.1189 million tons.

| Indicators  | Year 2024 |
|---|-----------|
| Mineral waste generated (underground mines) (10,000 tons) | 1,343.76  |
| Of which: Tailings of underground mines (10,000 tons)     | 759.14    |
| Waste rock of underground mines (10,000 tons)             | 584.62    |
| Comprehensive utilization of mineral waste (10,000 tons)  | 1,111.89  |
| Comprehensive utilization rate of mineral waste (%)       | 82.74     |

### Waste Management

The waste generated by Shandong Gold's operations can be divided into non-hazardous waste and hazardous waste. Non-hazardous waste mainly includes used tires, scrap steel, and household garbage, all of which will be handed over to third-party organizations for recycling. Hazardous waste mainly includes cyanide tailings, heap leaching residues, and waste mineral oil, which are all properly stored, while cyanide tailings and waste mineral oil are handled by third-party organizations for detoxification. In 2024, the Company generated 16,400 tons of non-hazardous waste and 4,812,100 tons of hazardous waste.

## Addressing Climate Change

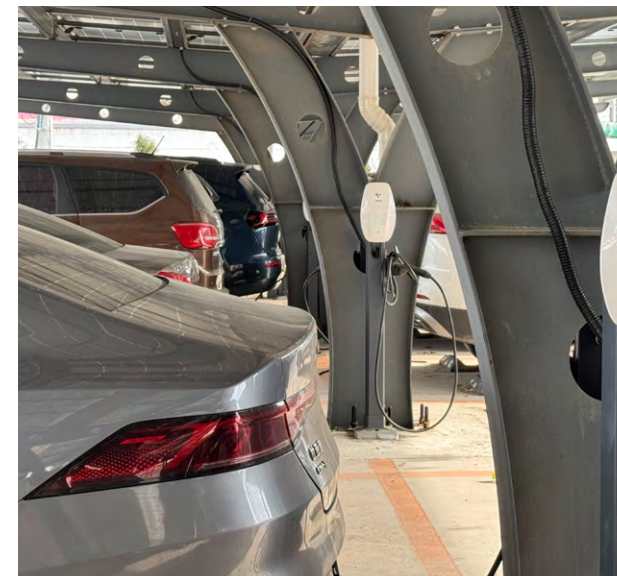
### Climate Governance Framework

Shandong Gold has established a comprehensive governance framework to address climate change. The Company has set up a Carbon Peak and Carbon Neutrality Leading Group to oversee the implementation of related action plans and ensure alignment with strategic development plans. The roles and responsibilities of the Technology & Environmental Protection Center, Operations Management Department, Strategic Planning Department, and other functional departments are clearly defined. This group is responsible for formulating key low-carbon development policies, managing funding allocations, personnel deployment, departmental coordination, and project assessments. At the subsidiaries level, all subsidiaries have established institutions to address climate change, responsible for the specific implementation of work related to Carbon Peaking and Carbon Neutrality Goals, forming a governance system with coordinated top-down advancement.

### Strategy for Addressing Climate Change

Shandong Gold actively responds to the global trend of combating climate change by formulating and implementing the "Carbon Peaking Action Plan". Through optimizing industrial layout and adjusting the energy structure, the Company accelerates the development of clean energy, strengthens energy conservation and comprehensive resource utilization, continually enhances digitalization and intelligence levels, and promotes low-carbon technological innovation capabilities. It aims to transform the industry towards high-end, intelligent, green, and low-carbon development, establishing the goal of becoming a world-class gold mining enterprise characterized by excellence in technology and management, health, and sustainable development by 2030, and strives to create a new model of international leadership in mining development.

In 2024, the Company actively conducted carbon emission research and assessment throughout the entire mining development process, calculating greenhouse gas emissions generated by its operational mines, mineral processing, smelting, and mechanical processing enterprises. By conducting carbon accounting, the Company gains a clearer understanding of its own greenhouse gas emissions, identifies major sources of emissions, and implements targeted emission reduction measures to promote optimal resource allocation, improve energy use efficiency, and reduce greenhouse gas emissions.



Charging Station at Sanshandao Gold Mine



Installation of Solar Hot Water Facilities at Xincheng Gold Mine



## Climate Change Risk Management

Shandong Gold fully recognizes the challenges posed by climate change to mining operations and societal development. The Company proactively undertakes its social responsibility in responding to climate change, actively carries out the identification and management of internal climate change risks and opportunities, and is continuously committed to enhancing the Company's climate resilience. The Company references the "International Financial Reporting Sustainability Standard 2 - Climate-related Disclosures (IFRS S2)" published by the International Sustainability Standards Board (ISSB) to systematically identify the environmental and climate risks and potential opportunities brought by climate change, fully incorporating them into the Company's risk management system.

| Risk/Opportunity Description  | Impact Period                      | Countermeasures  |
|---|------------------------------------|--|
| <p><b>Acute Risks</b></p> <p>Extreme weather events such as heavy rain and typhoons may lead to mine closures, transportation interruptions, dam failures in tailings ponds, and other incidents, affecting the Company's normal operations.</p>  | Short-term, medium-term, long-term | <ul style="list-style-type: none"> <li>Conduct timely warning of extreme weather events through meteorological monitoring.</li> <li>Establish and improve emergency response mechanisms for extreme weather events.</li> </ul>   |
| <p><b>Long-term risk</b></p> <p>Changes in temperature may alter geological and topographical conditions, affecting the formation and distribution of mineral deposits, which in turn can lead to changes in the distribution of mineral resources and increase difficulty in extraction.</p>                 | Long-term                          | <ul style="list-style-type: none"> <li>Strengthen geological research, employing advanced geological survey and remote sensing technology to monitor geological and topographical changes.</li> <li>Develop and implement new technologies to reduce the impact on surface geology and terrain.</li> </ul> |
| <p><b>Legal risks</b></p> <p>As global attention to climate change increases, more environmental regulations and standards may be enacted, requiring a reduction in carbon emissions and environmental impact. This may lead to increased compliance costs and even affect the Company's operating model.</p> | Short-term, medium-term, long-term | <ul style="list-style-type: none"> <li>Regularly review and update laws and regulations to ensure business activities align with climate change-related laws.</li> <li>Closely monitor the dynamics of laws and regulations to ensure a quick response to policy changes.</li> </ul>                       |
| <p><b>Reputational risk</b></p> <p>With the increasing global focus on climate change, failure to effectively manage carbon emissions and environmental impacts may lead to criticism from the public and media, resulting in reputational damage.</p>  | Short-term, medium-term, long-term | <ul style="list-style-type: none"> <li>Enhance communication with stakeholders, publicly disclose environmental information, and showcase the Company's achievements in actively addressing climate change.</li> </ul>   |
| <p><b>Technology risk</b></p> <p>There is a need to invest in new technologies, such as purchasing more efficient mining equipment and investing in new technologies for utilizing renewable energy, which involves risks like rising costs and production disruptions due to immature technologies.</p>      | Mid-term, Long-term                | <ul style="list-style-type: none"> <li>Increase research and promotion efforts for green low-carbon technologies, encourage subsidiaries to optimize production processes, and adopt clean low-carbon technologies to help achieve carbon reduction targets.</li> </ul>                                    |

## Goals and Indicators

Shandong Gold actively responds to the national implementation of the Carbon Peak and Carbon Neutrality action call, and formulates corresponding management goals based on the actual situation of the Company's production and operation. In 2024, the Company actively introduced clean energy such as wind power and photovoltaic power, with a total greenhouse gas emissions of 1.2769 million tons of carbon dioxide equivalent.

### Shandong Gold's Climate Change Management Goals



| Indicators   | Year 2024 |
|--|-----------|
| Scope 1: Direct greenhouse gas emissions (10,000 tons of CO <sub>2</sub> equivalent)   | 30.87     |
| Scope 2: Indirect greenhouse gas emissions (10,000 tons of CO <sub>2</sub> equivalent) | 96.82     |
| Total greenhouse gas emissions (10,000 tons of CO <sub>2</sub> equivalent)             | 127.69    |

### Shandong Gold's Emission Reduction Measures

**Continuously Increase the Proportion of Clean Energy**

- Promote "coal-to-gas" "gas-to-electricity" and "coal-to-electricity" transitions. Companies in Inner Mongolia, Xinjiang, and Qinghai are gradually replacing coal-fired boilers with electric boilers and upgrading existing boilers for ultra-low emissions.
- Constantly expand the grid-connected photovoltaic energy generation paths and increase the proportion of green electricity consumption.
- Encourage mines with resources such as subsidence areas, spoil tips, and waste rock fields to build centralized photovoltaic power stations and wind farms.
- Support qualified mining areas to build distributed wind power on their own scattered vacant land, and actively develop distributed photovoltaics on the roofs of buildings in production and living areas.

**Promote the Electrification of Production Energy Usage**

- Use electric boilers, electric kilns, electric heating, high-temperature heat pumps, and high-power electric thermal storage boilers to replace traditional process technology equipment.
- Promote energy-efficient air conditioners, lighting fixtures, and other production auxiliary equipment.
- Carry out electrification transformation of heavy machinery such as excavators, loaders, forklifts, and lifters.
- Promote the electrification of vehicles such as official cars and commuter buses to reduce the use of gasoline in public cars and passenger buses in mining areas.



# Biodiversity Conservation and Land Use

## Commitment to Biodiversity

Shandong Gold strictly adheres to the "Environmental Protection Law of the People's Republic of China", the "Environmental Impact Assessment Law of the People's Republic of China", the "National-Level Natural Resource Management Measures", and the "Technical Specifications for Ecological Environment Protection and Restoration in Mines (Trial)", standardizing the ecological environment protection and restoration work during the development of mineral resources. All operating mines of the Company have complied with comprehensive environmental impact assessments and firmly avoid developing in areas prohibited by ecological red lines.

In order to effectively fulfill its ecological and environmental protection responsibilities, the Company commits to strictly adhere to the requirements of categories Ia, Ib, II, III, IV, V, and VI of protected areas as stipulated by the International Union for Conservation of Nature (IUCN). It ensures that mining activities do not harm local biodiversity, and avoids world heritage sites, ecological red line areas prohibited for development, and internationally recognized legal protected areas during exploration and extraction, thereby minimizing interference with natural ecology. In addition, the Company actively promotes land reclamation and ecological restoration projects, systematically rehabilitating affected lands and striving to achieve a balance between resource development and ecological protection.

### Landscape of Our Biodiversity



## Biodiversity Protection Actions

Shandong Gold emphasizes biodiversity protection by managing throughout the entire lifecycle of the project - before construction, during construction, and after construction, continuously reducing the impact of mining activities on biodiversity and the ecological environment. In 2024, the Company did not record any incidents that harmed biodiversity.

All of the Company's operating mines have conducted ecological environment status and biodiversity surveys during the environmental impact assessment phase, ensuring that there are no rare or endangered plant species or nationally protected wild animals around the operating mines, thereby implementing biodiversity protection from the source. In the actual exploration and mining process, the Company actively promotes low-ecological-impact mining technologies, such as underground mining and controlled blasting, to reduce damage to surface vegetation and habitats. The use of electric or new-energy-powered equipment helps reduce noise and air pollution, thereby lowering disturbances to wildlife. At the same time, the Company strictly prohibits employees from destroying animal nests, hunting, feeding, or intentionally disturbing wild animals, and conducts training related to the protection of wild fauna and flora to enhance employees' awareness of biodiversity protection.

## Land Reclamation

### Year 2024

Annual Land Reclamation Area

**53.06** hectares

The development of mineral resources inevitably causes ecological problems such as surface disturbance, vegetation degradation, and soil erosion. Shandong Gold adheres to the concept of "Ecology First, Green Development" and comprehensively establishes a land reclamation model of "Mining and Reclamation Simultaneously", incorporating land reclamation and ecological restoration into the entire process management of production operations. The Company strictly follows the technical specifications for mineral geological environmental protection and land reclamation plans, fully assessing the damage caused to the geological environment and land by mining construction and production activities, and clearly defining reclamation goals, tasks, measures, and timelines. In addition, the Company selects a diversified range of local advantageous species based on actual conditions to enhance plant diversity. In 2024, the annual land reclamation area reached 53.06 hectares, and the total investment in land reclamation and geological environment management reached to RMB 49.5012 million.



Environmental Conditions of Xinjiang Jinchuan Mine



Greening of Chifengchai Gold Mine



Land Reclamation Seeding in Xihe Zhongbao

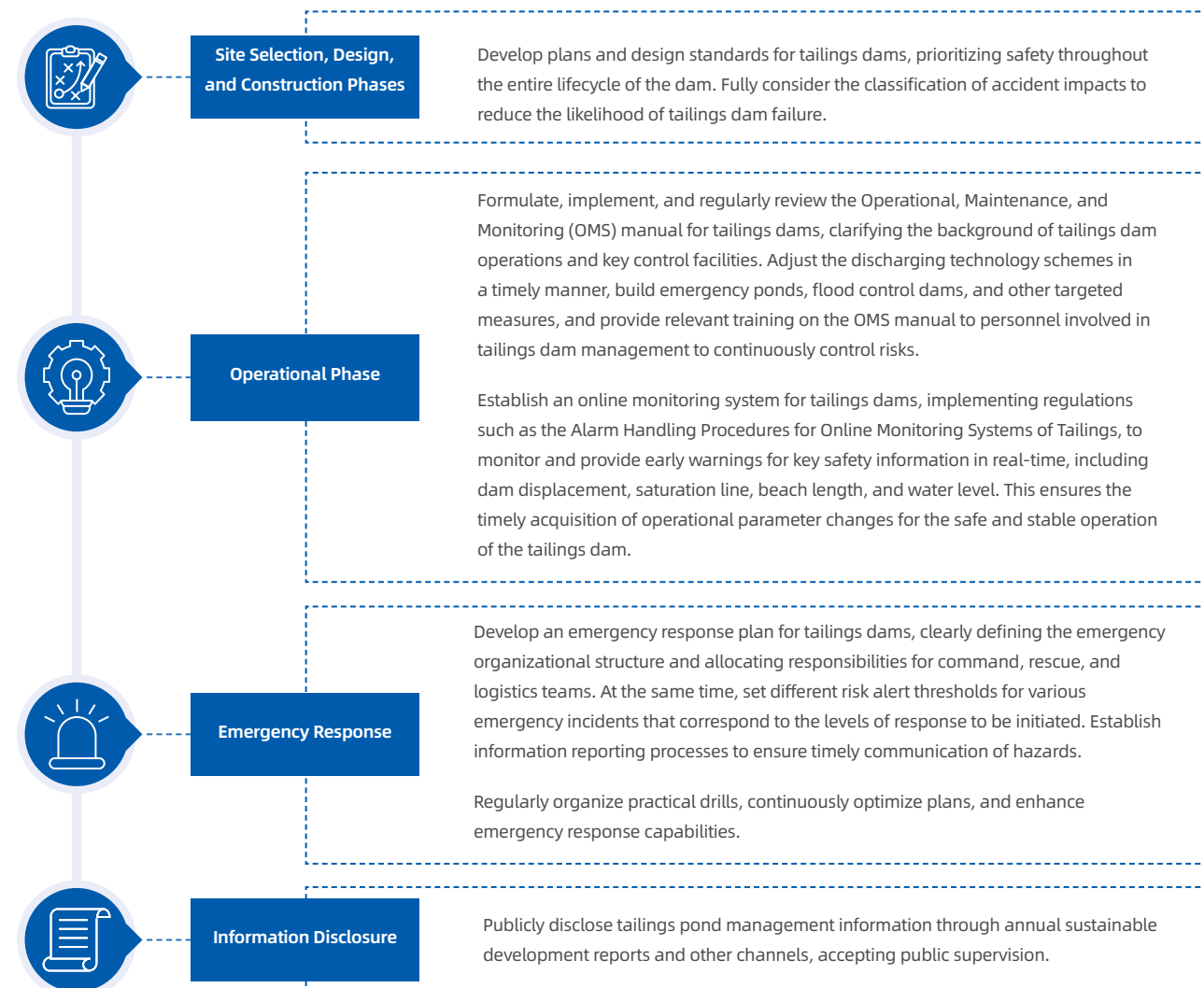


# Tailings Management

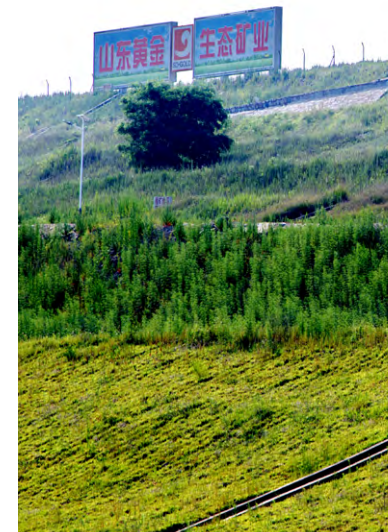
Shandong Gold follows the "Global Tailings Management Industry Standards" and the "Management Measures for Tailings Pollution Prevention and Control", and carries out tailings management work in accordance with the "Tailings Storage Facility Safety Regulations" and other requirements. The Company has formulated and implemented a series of management systems and procedural documents including the Safety Management System for Tailings Construction, the Safety Management System for Tailings Operations, the Safety Management System for Tailings Closure, and the Hazard Identification and Mitigation System for Tailings Storage Facility Accidents. These systems embed responsible management principles throughout the entire lifecycle of tailings storage facilities, from site selection, design, construction, operation to closure, in order to minimize the impact of tailings storage facilities on the surrounding environment and communities.

The Company has established a comprehensive governance framework for the tailing's storage facility, with the Work Safety Committee as the highest governing body, making commitments to the safety management, emergency preparedness, and response of the tailings facilities, and supervising the execution of tailings management work. On-site, the Company has designated a special position responsible for tailings storage management, filled by personnel with relevant work experience and professional backgrounds, responsible for identifying and analyzing risks in the tailings storage facility and formulating preventive measures. The Company has established a performance appraisal mechanism for tailings storage management personnel, linking indicators such as the safety and environmental protection of the tailings storage facility to the performance assessments of the management personnel, further solidifying management responsibilities.

## Life-Cycle Management of the Tailings



In 2024, the Company actively carried out environmental management work for tailings ponds. Linglong Gold Mine conducted dust control work at the tailings pond, implementing multiple measures such as covering with dust nets, spraying dust suppressants, watering to reduce dust, as well as soil capping and greening to minimize dust emissions. Jiaojia Gold Mine carried out greening of downstream slopes and maintenance of inspection roads and slope protection projects in the reservoir area to ensure the dam's safety and stability.



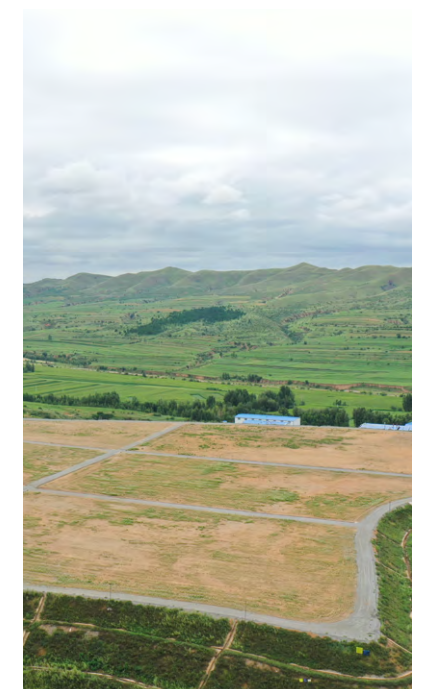
Tailings Management at Sanshandao Gold Mine



Emergency Drill at Xihe Zhongbao's Tailings



Emergency Drill at the Shandong Jinzhou Group's Tailings



Tailings Storage Area at Chifengchai Gold Mine



# Safety Management

# 03

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| ◎ Occupational Health Protection | 49 |
| ◎ Public Security                | 53 |

- Investment in safety production amounts to RMB **1.256 billion**
- Conducted **4,405** safety training sessions
- Organized **824** emergency drills





# Safe Production

## Occupational Health and Safety Management System

Employees are essential to enterprise development, and their safety and health are vital to the well-being of countless families. Caring for employee health and safety is a fundamental corporate responsibility. Shandong Gold always prioritizes production safety and employee well-being, upholding the development concept of "Safe Shandong Gold". The Company continues to improve its Occupational Health and Safety Management System, reinforces safety and occupational health management efforts, and strives to become a fundamentally safe mining enterprise, building a strong defense line for employee life and health.

The Company has established a comprehensive occupational health and safety governance structure based on a three-tier model: the Work Safety Committee, the Work Safety Department, and the Work Safety Department of subsidiaries. At the management level, the Work Safety Committee is the highest decision-making and supervisory body responsible for formulating overall strategy, overseeing the implementation of relevant procedures and policies, and assessing safety performance. The Work Safety Department formulates safety standards, management systems, and procedures, conducts risk assessments, and guides subsidiaries in occupational health and safety practices. At the implementation level, the Work Safety Departments of subsidiaries are responsible for the specific implementation of various safety measures to ensure compliance in daily operations.

### By the end of Year 2024

Number of Subsidiaries Passed ISO 45001 Occupational Health and Safety Management System Certification and Annual Reviews

**5**

The Company strictly complies with the "Production Safety Law of the People's Republic of China", the "Mine Safety Law of the People's Republic of China", and the "Regulations on Safety Production Permits". It has formulated and implemented implementing safety production management systems such as the Shandong Gold Safety Production Responsibility System, the Shandong Gold Safety Operation Procedures, and the Shandong Gold Safety Training System. These apply to all subsidiaries and require contractor compliance as well. The Company actively advances the certification of its Occupational Health and Safety Management System. By the end of 2024, five subsidiaries had passed ISO 45001 Occupational Health and Safety Management System certification and annual audits, with the revenue of these certified subsidiaries entities accounting for 68.04% of the Company's total revenue.

To ensure effective system operation, occupational health and safety performance is integrated into performance reviews, compensation, and promotion assessments of management personnel, thereby reinforcing accountability. No major safety incidents occurred in 2024.

## Safety Strategy

Shandong Gold always adheres to the principle of "Safety First, Prevention-Oriented, and Comprehensive Management", treating work safety as the lifeline of the Company's development. With a commitment to addressing both the symptoms and root causes of safety issues—focusing on fundamental solutions—the Company centers its efforts on preventing and mitigating major safety risks, with the ultimate goal of protecting the lives of its employees. Shandong Gold strengthens safety governance through law-based management, technological advancement, source control, and targeted risk prevention. It continues to address shortcomings and reinforce weak areas in safety philosophy, safety responsibilities, safety planning, safety standards, safety technologies, safety engineering, and employee safety competency. The Company is promoting a shift toward proactive, preventive safety management to provide a solid foundation for high-quality development.

In 2024, safety performance data of the Company showed three work-related fatalities, a lost time injury rate (LTIR) of 0.23 per million man-hours, and a total recordable injury rate (TRIR) of 0.82 per million man-hours. Moving forward, the Company will continue to enhance its safety management capabilities to reduce accident rates and minimize the risk of injury and fatality.

## Risk Identification and Hazard Investigation

### Year 2024

Number of Hazards Rectified

**2,570**

Hazard Rectification Completion Rate

**100%**

Shandong Gold has established a dual prevention mechanism for the classification and control of safety risks and the investigation and rectification of hazards, comprehensively strengthening its efforts in safety risk prevention and hazard management, and effectively preventing and containing production safety incidents. The Company has formulated the Interim Measures for the Classification and Control of Work Safety Risks and the Interim Measures for the Investigation and Rectification of Work Safety Hazards, providing an institutional foundation for risk and hazard management.

In terms of risk management, the Company carries out comprehensive identification and assessment of safety risks across all aspects of production and operations. Based on the severity of the risks, they are categorized into four levels—Red, Orange, Yellow, and Blue—representing major, significant, moderate, and low risks, respectively. Corresponding control measures are formulated for each level, with clear assignment of responsible departments and personnel to ensure that all risks are kept under control. In 2024, the Company further refined its risk classification standards in light of new technologies and processes to ensure scientific and accurate classification. In hazard investigation and rectification, the Company has developed a detailed inspection plan that specifies the scope, methods, and frequency of inspections. Through routine inspections, special inspections, and seasonal inspections, comprehensive checks are conducted on production sites, equipment and facilities, work environments, and employee operations. This ensures timely identification and elimination of safety hazards, effectively preventing accidents. In 2024, the Company identified 2,570 hazards, all of which were successfully rectified—achieving a rectification completion rate of 100%.

## Emergency Response

Shandong Gold has established a sound emergency management system and has strictly formulated and implemented the Production Safety Accident Emergency Rescue, Reporting and Investigation Handling Measures of Shandong Gold. The Company has also developed a comprehensive set of emergency response plans, including general emergency plans, specialized contingency plans, and on-site response plans, forming a well-structured and highly coordinated emergency response framework to ensure rapid reaction, scientific handling, and proper resolution of unexpected incidents.

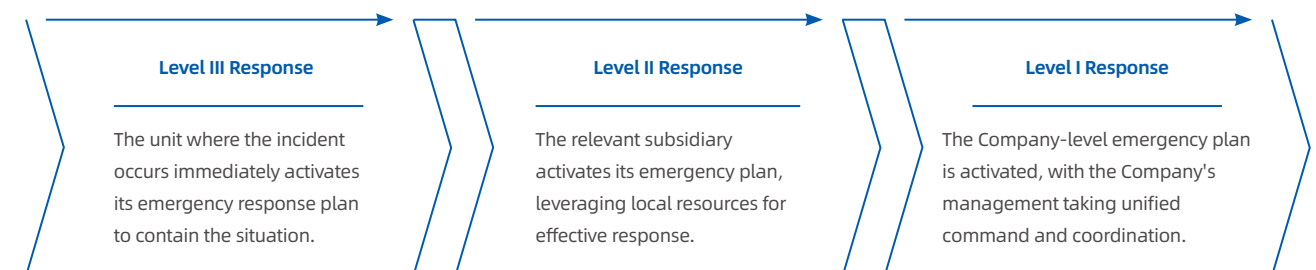
The Company strictly follows the principles of "Scientific Rigor, Legal Compliance, Seeking Truth from Facts, and Effectiveness-Oriented Action" and adopts a tiered response based on the severity of incidents. A three-level accident response and information transmission mechanism has been established to ensure that critical information is promptly and accurately conveyed to decision-makers, thereby enabling timely and informed decisions and targeted rescue efforts. The Company also requires the preparation of comprehensive, detailed, and continuously updated accident reports to provide decision-makers with real-time information and reinforce preparedness for emergency situations.

A professional emergency rescue team has been established, equipped with appropriate rescue supplies and facilities. The Company regularly organizes emergency drills to continuously enhance employees' emergency response capabilities, ensuring swift and effective response in the event of an incident and minimizing potential losses. In 2024, the Company organized a total of 824 emergency drills, simulating scenarios such as roof falls and slope collapses, significantly strengthening emergency preparedness for various unexpected situations.

### Year 2024

Number of Emergency Drills Conducted

**824**





## Key Areas Safety Management

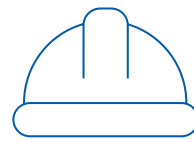
Shandong Gold places high importance on safety management in critical areas and continuously improves its performance in the management of fire protection, hazardous chemicals, explosives, and tailings.

### Fire Safety Management

The Company has established a comprehensive fire safety management system that clearly defines responsibilities at all levels, standardizes inspection procedures, regulates fire safety practices for contractors, and ensures proper record-keeping. These efforts aim to normalize, standardize, and institutionalize fire management across the Company, effectively protecting the safety of personnel and property.

### Hazardous Chemical Management

Dedicated warehouses are set up in accordance with national standards, with strict entry and exit registration procedures, along with monitoring and alarm systems. The Company develops leak prevention plans and regularly organizes emergency drills to enhance employees' emergency response capabilities. In addition, a hazardous chemicals management responsibility system is in place, defining clear requirements for the procurement, transportation, storage, use, and disposal of hazardous substances.



### Explosives Management

The Company exercises strict control over the procurement, transportation, storage, and use of explosives. Suppliers are carefully selected to ensure product quality compliance. Professional logistics companies are commissioned for transportation, with real-time monitoring enabled through a satellite positioning system. Underground explosive storage facilities are established in accordance with national standards and are managed by designated personnel on a 24-hour basis. Blasting personnel are required to be certified and must strictly follow operating procedures.

### Tailings Management

The Company has developed and implemented a series of systems, including the Tailings Management Measures. Advanced monitoring technologies and equipment are used to conduct real-time monitoring of critical parameters in tailings ponds. Professional teams are organized to carry out specialized hazard identification and rectification campaigns. Emergency response plans for tailings ponds have been developed and regular drills are conducted to continuously improve safety management in this area.

| Indicators  | Year 2022 | Year 2023 | Year 2024 |
|---|-----------|-----------|-----------|
| Investment in production safety (RMB 100 million)                   | 6.83      | 8.91      | 12.56     |
| Investment in production safety liability insurance (RMB 10,000)    | -         | -         | 1,382.42  |
| Employee coverage rate of production safety liability insurance (%) | -         | -         | 100       |



Training on Fire Extinguishers at Sanshandao Gold Mine



Fire Evacuation Drill at SDG Heavy Industry

## Contractor Safety Management

Shandong Gold integrates contractor safety management into its overall safety management system, strictly adhering to relevant national laws and regulations. The Company has formulated the Interim Measures for Work Safety Management of Outsourced Construction in Mining Enterprises to clarify contractors' safety responsibilities and standardize the full-process safety management requirements—from qualification review and contract signing to on-site construction supervision, performance assessment, and penalty enforcement. The Company upholds the principle of the "Five Unifications", implementing unified management, training, inspection, evaluation, and rewards and penalties for both contractors and in-house employees. This approach effectively eliminates the risks associated with "outsourcing without supervision" and ensures that contractor safety management is seamlessly aligned with the Company's internal standards.

## Safety Empowerment

Shandong Gold regards the development of a strong safety culture as a fundamental pillar of work safety. Through a variety of initiatives—including safety training, awareness campaigns, and safety-related activities—the Company fosters a culture of safety and enhances employees' awareness and competence in safe operations. In terms of training, the Company provides three-tiered safety education for new employees and conducts regular refresher training for existing personnel. The training covers work safety laws and regulations, safe operating procedures, safety skills, and accident case studies, thereby continuously improving employees' safety awareness and operational capabilities. In 2024, the Company delivered a total of 4,405 safety training sessions, effectively strengthening safety awareness and technical proficiency across the workforce.



### Safety Training

- Leveraging the Gold Training Center, the Company organized training for "three categories of personnel" (key positions), specialized safety technology sessions, and on-site practical training. It also partnered with domestic universities, industry associations, and research institutes to deliver advanced safety training.
- A weekly safety training system was implemented, providing topic-specific safety training to management personnel by function, with a focus on both theoretical and hands-on instruction.



### Safety Education

- The Company utilized cloud platforms to launch the "Safe Shandong Gold" safety knowledge competition.
- The Company held special lectures and events during "Safety Production Month" and "Occupational Disease Prevention Week", and produced educational posters and videos as part of its promotional efforts.





Safety Presentation Session at the Jiaojia Gold Mine



Organized Participation in Hubei Province Emergency Management Law Knowledge Competition



Work Safety Publicity and Consultation Day at the Jiaojia Gold Mine



Self-rescue Equipment Hands-on Competition at the Xincheng Gold Mine

The Company follows the strategy of enhancing safety through technology by continuously increasing its investment in safety technologies, actively introducing and applying advanced technologies, equipment, and processes. These efforts help raise the levels of automation and intelligence in production, reduce human error, and improve the Company's intrinsic safety performance.

**"Smart Inspection + Firefighting Linkage" System for Precision Monitoring**

To address issues such as heavy electrical loads, delayed inspections, and high fire risk at the Power Center, the Gold Smelting Company developed and implemented a "Smart Inspection + Firefighting Linkage" system. This system enables real-time monitoring of equipment conditions and environmental changes, ensuring comprehensive, real-time control of the Power Center. Through precise monitoring, the system effectively prevents electrical cabinet accidents, significantly reduces safety risks, and ensures the stable and continuous operation of equipment.

**AI-powered Video Analysis and Early-warning System**

Xinhui Company established an AI-powered video analysis and early-warning system by installing video servers, supercomputing hosts, and other storage and analysis devices in its dispatch center. Intelligent monitoring systems were deployed in key areas such as the pump room, distribution room, and belt conveyor sections to identify violations such as belt misalignment, electrical fires, pump overheating and leaks, and the failure of personnel to wear safety helmets, vests, or self-rescue equipment. The system provides real-time monitoring of illegal, non-compliant, and unsafe behaviors during operations.

## Occupational Health Protection

### Occupational Health Management

Shandong Gold consistently adheres to the fundamental principle of "Prevention First, Supplemented by Prevention-Treatment Integration". The Company and its subsidiaries strictly comply with the "Law of the People's Republic of China on the Prevention and Control of Occupational Diseases" and other relevant laws and regulations, by establishing sound management structures, assigning dedicated (or part-time) management personnel, and continuously improving various management systems and responsibility mechanisms for the prevention and control of occupational disease hazards. The Company formulates annual targets, plans, and implementation programs for occupational disease prevention and control, with clearly defined task assignments and individual responsibilities, supported by rigorous performance assessments. Occupational disease prevention funding is incorporated into the annual budget, earmarked for improving working conditions and environments. By actively promoting relevant laws and regulations, the Company continues to raise employees' awareness of occupational health. Through persistent efforts over the years, the number of new occupational disease cases has steadily declined, while employee awareness of occupational health and safety has significantly increased. The workplace environment has seen tangible improvements, and the incidence of accidents and occupational diseases has dropped markedly.

### Occupational Health Protection

Shandong Gold places great importance on identifying and managing occupational hazards at the source by optimizing production layouts and process flows, and strictly enforcing the "Three Simultaneities" (simultaneous design, construction, and use) management of occupational health to ensure the effectiveness and reliability of protective facilities. The Company adopts a dual approach of internal self-monitoring and external professional assessment. It is equipped with comprehensive monitoring devices, conducts regular monthly monitoring, and commissions qualified third-party agencies to carry out annual comprehensive inspections and triennial assessments of occupational disease hazard status.

**Year 2024**

Number of Subsidiaries Awarded the Title of "Provincial Healthy Enterprise"

**28**

Number of Subsidiaries Awarded the Title of "Municipal Healthy Enterprise"

**9**

Through robust management systems, comprehensive protective facilities and equipment, targeted health surveillance, and systematic education and training, Shandong Gold has built a well-rounded occupational health protection system.


The Company continues to advance its "Healthy Enterprise" initiative. By 2024, all production and operation units under the Company had achieved full coverage. Among them, 28 subsidiaries were recognized as "Provincial Healthy Enterprises" and 9 subsidiaries as "Municipal Healthy Enterprises".



Women's Health Lecture at Sanshandao Gold Mine




**Management and Services**




- Adequately staffed with qualified occupational health management personnel, all of whom have completed certified training and assessments, hold valid certificates, and regularly participate in retraining.
- The Company continues to enhance the diagnostic and treatment capabilities of the Shandong Gold Occupational Disease Prevention and Treatment Hospital, striving to establish a provincial-level regional center that integrates prevention, treatment, and rehabilitation.

**Protective Facilities and Labor Protection Equipment**




- The Company strictly implements the "Three Simultaneities" principle to ensure that all labor protection supplies used at production sites meet national occupational health standards.
- Protective facilities and adequate supplies are provided in areas with poor air quality, dust generation, or exposure to hazardous substances.
- Employees receive seasonal workwear, safety shoes, and other protective equipment on schedule, with a 100% timely distribution rate.
- Employees are required to correctly wear and use personal protective equipment to ensure workplace safety.

**Occupational Health Monitoring**



- The Company rigorously enforces its employee health surveillance system and fully implements the "Three-level Prevention" approach.
- Employees exposed to occupational hazards undergo mandatory pre-job, on-the-job, and post-job health examinations each year, with examination items tailored to specific hazard exposures.
- Qualified occupational health institutions are commissioned to perform these examinations and provide written reports to employees. Health records are updated promptly.

**Occupational Disease Prevention Education and Training**



- The Company develops and implements a structured training program on occupational disease prevention.
- Annual training is conducted on occupational health and mental wellness management.
- Promotional videos on the proper use of personal protective equipment are produced and distributed.
- Occupational Disease Prevention and Control Awareness Week activities are carried out to reinforce public education.







**Newly Commissioned Outpatient Complex of the Occupational Disease Prevention and Treatment Hospital**

Since its inception, the Shandong Gold Occupational Disease Prevention and Treatment Hospital has been dedicated to delivering comprehensive occupational health services to workers. It consistently provides occupational health check-ups for employees of Shandong Gold and surrounding mining enterprises, conducts medical evaluations based on examination results, issues professional recommendations, and produces analytical reports to ensure early detection, diagnosis, and treatment. In 2024, a new seven-story outpatient complex was officially put into use, further enhancing the hospital's prevention and treatment capacity.



Outpatient Complex of the Occupational Disease Prevention and Treatment Hospital



**VR Training Base for Underground Mining Equipment**

The Company established the industry's first domestically developed VR Training Base for Underground Mining Equipment, simulating real-life operational environments using virtual reality technology. This enhances employees' psychological adaptability and awareness of occupational health protection.



Remote-controlled Underground Operation

**Mental Health Support**

Shandong Gold places high importance on the physical and mental well-being of its employees and is committed to fostering a positive and uplifting work environment. The Company has established employee activity centers equipped with a wide range of fitness and recreational facilities to help staff alleviate physical and psychological stress from work. By participating in these activities, employees not only enjoy relaxation and recovery but also build closer connections with colleagues, strengthening team cohesion and collaboration. Additionally, the Company regularly organizes mental health seminars to enhance psychological resilience, improve stress management capabilities, and promote a positive and optimistic mindset.

**Public Security**

To ensure the stable operation of its overseas mines and the safety of overseas employees, Shandong Gold has invested substantial resources in public security management and established an efficient, comprehensive management framework. Professional security teams have been engaged at both Argentina Veladero Gold Mine and Ghana Cardinal Resources Company. These security personnel receive rigorous training, are well-acquainted with the terrain and potential risks in the mining areas, and are capable of effectively responding to emergencies. The sites are equipped with advanced closed-circuit television (CCTV) surveillance systems, security alarm systems, and communication equipment that cover all key areas to ensure a swift emergency response. Additionally, multiple safety isolation zones and emergency shelters have been established to allow personnel to evacuate to secure areas quickly when needed.

The Company places great importance on safeguarding human rights in its security practices and actively works to minimize the risk of conflict between security personnel and local communities. A well-developed human rights management mechanism for security operations has been implemented to uphold employee safety and operational stability while maintaining harmonious relationships with surrounding communities.

| Security Personnel Recruitment   | Security and Human Rights Training  | Security Incident Response   | Community Engagement and Feedback Mechanisms   |
|--|---|--|--|
| <p>Security service providers are required to provide human rights training to all personnel. All security staff undergo human rights due diligence, and human rights protection clauses are explicitly included in service contracts.</p> | <p>All security personnel receive training on human rights principles, safety protocols, and the Voluntary Principles on Security and Human Rights. The training emphasizes respect for local communities and ensures that all security practices are carried out in a responsible and standardized manner.</p> | <p>The Company has established clear security protocols that prioritize de-escalation strategies and non-violent conflict resolution methods. All security incidents are reported to and investigated by local law enforcement authorities in accordance with the law.</p> | <p>The Company actively engages with local communities to understand their needs and concerns through regular consultation and dialogue, helping to build mutual trust. In parallel, a grievance mechanism has been established to facilitate community feedback regarding security personnel conduct, ensuring that all issues are handled in a transparent and equitable manner.</p> |





# Employee Relations

# 04

|                                    |    |
|------------------------------------|----|
| ⦿ Respect and Protect Human Rights | 56 |
| ⦿ Employees                        | 58 |

- Female employees accounted for **16.55%**, a relatively high proportion in the mining industry
- The Company invested RMB **47.0 million** in employee training, delivering **232** systematic training sessions, covering **35,971** participant engagements





## Respect and Protect Human Rights

Shandong Gold strictly adheres to the "National Human Rights Action Plan" and international human rights conventions. The Company maintains zero tolerance for any form of discrimination, harassment, threats, violence, or bullying in the workplace, and is committed to treating all employees with fairness and inclusiveness. By establishing relevant internal systems and implementing targeted human rights initiatives, the Company actively promotes human rights protection across communities, host country governments, and contracting partners—striving to ensure that all aspects of its operations align with international human rights standards. In 2024, there were no reported incidents of human rights violations.

The Company strictly complies with human rights-related laws and regulations enacted by the governments of its host countries/regions, as well as international human rights frameworks such as the "Universal Declaration of Human Rights" and the "International Bill of Human Rights". It continues to strengthen its human rights management systems. Shandong Gold unequivocally prohibits human rights violations such as forced labor, child labor, human trafficking, and harassment. The Company is also committed to eliminating workplace discrimination and promoting diversity by ensuring fairness in recruitment and promotion processes, regardless of gender, race, ethnicity, nationality, religion, disability, age, or cultural background.

In its overseas operations, the Company has implemented a series of management measures to ensure alignment with international human rights standards and to reduce human rights risks for both local communities and employees.

While cultural conflicts may occasionally arise during international operations, Shandong Gold is committed to respecting and protecting the rights and cultures of indigenous peoples throughout both its current operations and future expansions. The Company follows the principle of Free, Prior, and Informed Consent (FPIC) when engaging with indigenous communities. During the reporting period, there were no incidents involving the infringement of ethnic minority or indigenous rights.

### Human Rights and Indigenous Rights Protection

#### Management Principles and Policies

- Principles and Standards: Prioritize the identification and prevention of potential human rights risks in mining operations.
- Responsible Procurement Policy: All suppliers are required to comply with the Company's human rights standards.
- Community Relations Policy: Safeguard the rights and interests of local communities.

#### Management Mechanisms

- Human Rights Due Diligence: Conduct regular assessments focused on key human rights issues such as land use, community impact, and labor rights.
- Monitoring and Reporting System: Utilize internationally recognized tools to track human rights conditions in real time; establish internal and external reporting mechanisms while protecting whistleblower confidentiality.
- Independent Third-Party Evaluation: Regularly engage independent third-party agencies to conduct human rights assessments.

#### Communication Mechanisms

- Stakeholder Engagement Platforms: Establish community liaison offices and provide timely responses to local concerns.
- Multi-Stakeholders Participation: Collaborate with local governments, communities, and NGOs to jointly develop local human rights management frameworks.



### Prohibition of Forced and Child Labor

Shandong Gold firmly opposes all forms of forced labor and child labor. The Company strictly complies with the "Labor Law of the People's Republic of China" and the labor laws and regulations of its host countries, particularly regarding minimum working age requirements. A recruitment review mechanism is in place to verify applicants' identification documents and birth dates to prevent the inadvertent hiring of minors. The Company also actively advocates for its contractors to implement child labor and forced labor screening and management procedures. In 2024, there were no reported cases of forced labor or child labor.

### Management of Artisanal and Small-Scale Mining

The Company fully recognizes the potential environmental, safety, labor rights, and socio-economic risks associated with artisanal and small-scale mining (ASM) and is committed to eliminating such activities.

Currently, there are no ASM activities in or around Shandong Gold's domestic mining operations in China. Should such issues arise in future operations, the Company will actively address them and mitigate associated impacts. In its overseas operations, the Company works closely with host governments and local communities to enhance relevant systems, develop training programs, and provide financial support to help remediate unauthorized ASM activities and promote long-term, sustainable solutions.



#### Remediation of ASM at the Argentina Veladero Gold Mine

In areas surrounding the Argentina Veladero Gold Mine, some community members engaged in unauthorized artisanal and small-scale mining. In response, Argentina Veladero Gold Mine partnered with the Argentine government to carry out a targeted campaign against illegal mining activities. This initiative included reforms to the mining licensing system, financial assistance, and job training for former illegal miners and their families. Additionally, a small enterprise support fund was established to assist with community entrepreneurship. As a result, approximately 150 families transitioned away from illegal mining activities.

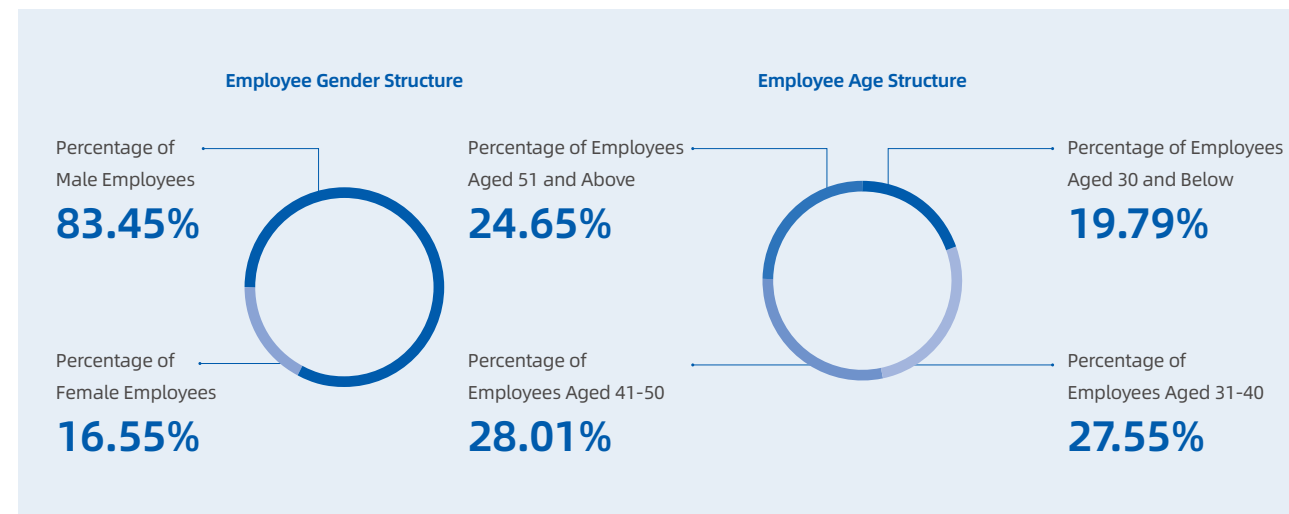


# Employees

## Employee Composition

Employees are a valuable asset and the driving force behind the Company's development. Shandong Gold strictly complies with labor laws and regulations in China and its project host countries/regions, and has established sound employment systems and compensation and benefits mechanisms. The Company facilitates open communication with employees, prioritizes employee well-being, supports career growth, and strives to achieve mutual development between employees and the Company.

As of the end of 2024, the Company had a total of 17,439 employees, including 2,887 female employees, accounting for 16.55% of the workforce—a relatively high proportion for the mining industry. Committed to building a diverse workforce, the Company adopts flexible employment models to meet operational needs, broadens recruitment channels, and attracts individuals with diverse backgrounds, skills, and experience. Fair and equitable opportunities for career development and compensation are provided to all employees.



## Protection of Employee Rights

By the end of 2024

Employee Union Membership Rate  
**100%**

The Company fully complies with the "Labor Law of the People's Republic of China", the "Labor Contract Law", and other regulations such as the "Medical Treatment Period for Employees with Illnesses or Non-Work-Related Injuries". It enters into, fulfills, modifies, or terminates labor contracts lawfully, ensures timely and compliant salary payments, and contributes in full to the five social insurance programs and housing fund. The Company is committed to providing a safe and comfortable work environment that effectively safeguards employees' lawful rights and interests.

Employees are encouraged to express their demands through legal channels. The Company actively responds to complaints, and facilitates the resolution of labor disputes.

The Company has established robust communication mechanisms with employees, making full use of the trade union's role in tripartite labor coordination. Collective bargaining has been expanded in scope and impact to cover areas such as employment management, compensation, occupational safety and health, and protection of female employee rights. By the end of 2024, the Company achieved a 100% employee union membership rate.

## Compensation and Benefits System

Shandong Gold continuously improves its compensation and benefits system, in strict compliance with the "Labor Law of the People's Republic of China" and other relevant laws and regulations. The Company has established and refined a series of internal management mechanisms governing the distribution of salaries, allowances, subsidies, and benefits. It adopts work and rest arrangements appropriate to the characteristics of the mining industry, enhances the employee medical security system, and provides a comprehensive benefits structure and a sound working environment for employees.

### Compensation Management

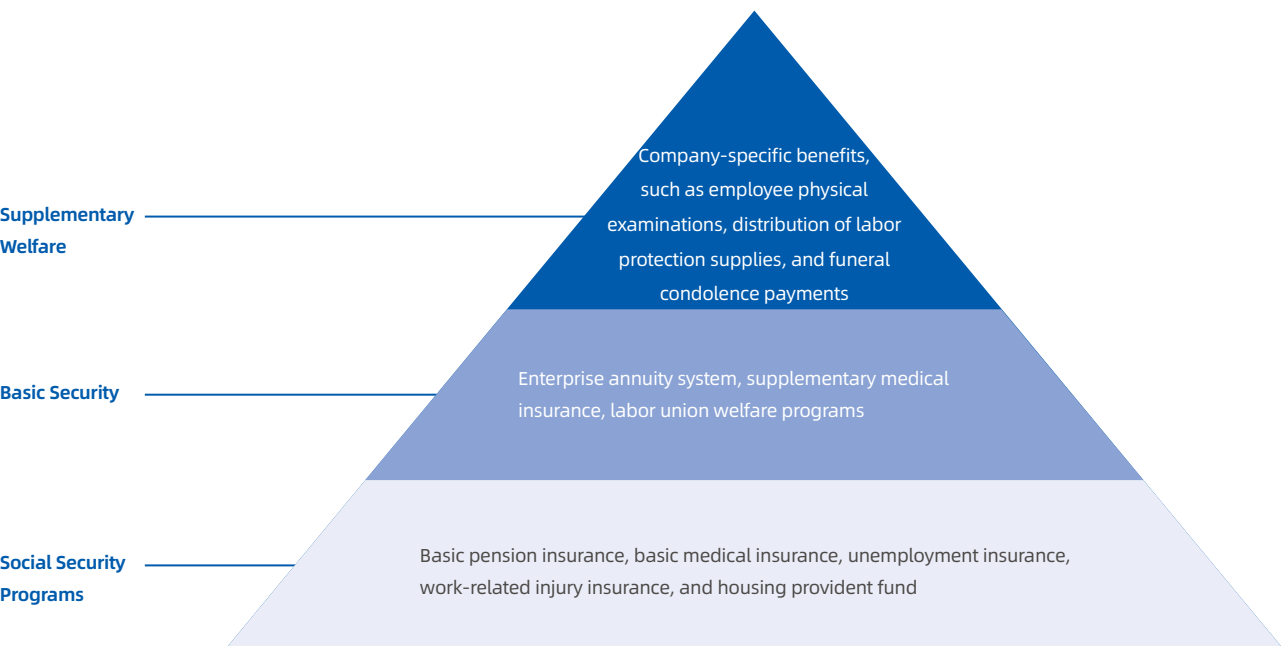
The Company has developed and implemented the Shandong Gold Total Wage Management Measures, continuously optimizing the compensation plan to ensure that employee salaries remain aligned with the labor market and linked to the Company's economic performance and labor productivity. At the same time, the Company conducts annual performance assessments for employees, linking employee salaries to the results of these assessments to effectively motivate employee performance.

### Leave

The Company provides employees with humane and employee-centric vacation benefits. It has established and implemented the Shandong Gold Employee Paid Annual Leave Management Measures, strictly adhering to requirements concerning paid annual leave, sick leave, parental leave, and other statutory holidays. The Company actively enforces paid leave policies and, in consideration of the remote locations of mining enterprises, offers flexible leave options. Employees who do not work in mines follow a standard two-day weekend policy, while employees who work at the mining area may choose between weekly or accumulated time-off arrangements based on their individual needs.

### Welfare Programs

The Company has developed and implemented systems including the Guiding Opinions on Establishing a Supplementary Medical Insurance System for Shandong Gold Employees, offering comprehensive welfare protection. At the same time, the Company continuously improves its multi-tiered retirement welfare structure and has established an enterprise annuity system, integrating eligible subsidiaries into the enterprise annuity plan.





## Talent Development

Shandong Gold places great importance on talent development and cultivation. The Company continuously improves its recruitment and vocational training systems, establishing a scientific, rational, and effective talent development mechanism. It provides employees with multi-path, multi-channel career development opportunities, helping them realize career value and achieve mutual growth with the Company.

## Employee Recruitment

The Company has developed and implemented the Employee Open Recruitment Management Measures, adhering to the principles of "openness, equality, competition, and merit-based selection". It conducts recruitment through various channels, including campus and social recruitment, to identify and hire outstanding talent in support of the Company's high-quality development. In 2024, the Company organized multiple recruitment teams and subsidiaries to visit universities during spring and autumn recruitment seasons, holding dedicated presentations. It also actively conducted overseas talent recruitment to attract high-level professionals and maintained close engagement with municipal and county governments, headhunting agencies, and associations by participating in talent fairs and exchange events to match talent supply and demand. In 2024, the Company recruited a total of 893 new employees, including 613 fresh graduates, making a positive contribution to job creation and social employment.

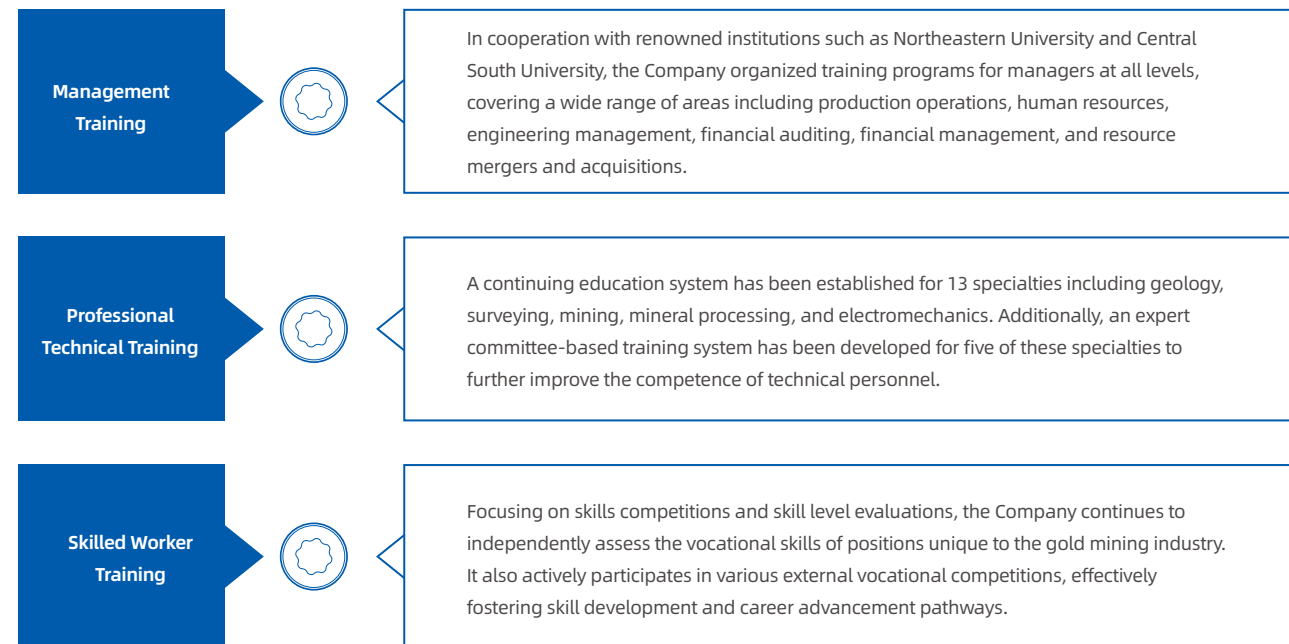
## Employee Training

The Company attaches great importance to talent cultivation and adheres to the philosophy of "gathering global talent and putting it to good use". It regards talented professionals as its most valuable asset and provides employees with diverse and well-structured training programs to build a high-caliber workforce and ensure strong human capital support for the Company's long-term growth.

By the end of 2024

Employee Training Investment  
**RMB 47 million**

The Company continues to strengthen the construction of its training system. Tailored training programs are developed for different positions to ensure that all employees receive skills training aligned with their job competency requirements. In 2024, the Company further deepened cooperation with external institutions and launched a series of employee training programs, including the "Training Delivered to the Enterprise" initiative. These efforts significantly enhanced the overall capacity of the talent pool. In 2024, the Company invested RMB 47 million in training, launched 232 systematic training sessions that benefited 35,971 participants.



## Sanshandao Gold Mine Participates in Technical Training and Organizes Skills Competitions

In 2024, Sanshandao Gold Mine successfully completed its annual training plan. It organized skills competitions for key operational roles including backfill workers, scooptram operators, jumbo drill operators, hoist operators, and electricians—further enhancing employee technical capabilities through competitive training.



Scooptram Operator Skills Competition Organized by Sanshandao Gold Mine

## Career Development

The Company continues to develop clear pathways for talent advancement and has established a three-track career development system covering management, technical, and skilled roles. This framework supports diversified promotion opportunities and fosters mutual growth between employees and the Company.

### Management Track

Actively selecting and employing high-caliber and accountable professional individuals with strong work ethics to promote the construction of a young cadre team.

### Technical Track

Continuously improving the technical position and ranking system to facilitate career advancement for technical professionals.

### Skilled Track

Using skills competitions and skill-level evaluations to establish an independent certification system for skilled workers in gold mining-specific roles.





## Employee Communication and Care

### Employee Communication

The Company continuously explores and broadens channels for democratic management and supervision. It has established a democratic management system centered on the Employee Representative Congress, which extensively gathers suggestions and feedback, and has formed a democratic management structure where employees "have a place to participate, someone who listens, and proposals that are implemented". The Employee Representative Congress actively solicits employee suggestions. Based on reasonable suggestions, the Company simultaneously formulates detailed plans and continuously advances rectification efforts to ensure that employee concerns are properly addressed.

To safeguard employees' right to know, the Company regularly implements the Factory Affairs Disclosure Mechanism, incorporating content such as corporate reform and development plans, major decisions related to production and operations, and other matters into the scope of factory affairs disclosure. This helps enhance employees' sense of ownership and promotes harmonious and stable labor relations.

### Employee Care

Year 2024

Number of Employees Assistance  
**910**

Assistance Funds Approximately  
**RMB 4.3199 million**

The Company has formulated and complies with the Shandong Gold Employee Assistance Fund Usage Management Measures (Trial), continuously optimizing the institutional foundation for assistance programs. It adheres to the commitments of "ensuring that employee income grows in step with corporate performance, ensuring that employees have broader space for growth, and ensuring that employees work in safer and more comfortable conditions", and the promises of "not allowing employee families to live below the local poverty line, not allowing employees to be unable to afford medical treatment, and not allowing employees' children to be unable to attend school". These commitments put the concept of care into concrete action, ensuring that every employee can work without worries and share in the results of development. In 2024, the Company carries out around 910 employees assistances with total assistance amounting to approximately RMB 4.3199 million.



Fujian Yuanxin Company Distributed Employee Assistance Funds



Shandong Jinzhou Group Distributed Employee Assistance Funds

Mining enterprises are usually faced with the problem of remote geographical locations. Employees often experience inconvenient commuting and insufficient office and living infrastructure in their daily work. To improve the convenience of employees' daily lives and enhance the comfort of their working environment, the Company has added new employee shuttle buses and constructed new office building in mining areas, reflecting the warmth of the enterprise and organizational care.



New Office Building Constructed in Chifengchai Gold Mine



New Shuttle Buses at Chifengchai Gold Mine

The Company actively organizes employee care and health check-up activities, showing concern for employees' work and life conditions. It also holds a variety of cultural and sports activities to cultivate a people-oriented culture at Shandong Gold.

### Employee Care



Xincheng Gold Mine Conducted Summer "Cooling Relief" Employee Care Activities



Xincheng Gold Mine Conducted International Workers' Day Employee Care Activities

### Health Check-ups



Chifengchai Gold Mine Organized Employee Health Check-ups



Fujian Yuanxin Company Organized Health Check-ups for Female Employees

### Cultural and Sports Activities



Fun Sports Games



2024 Employee Basketball Games



Fujian Yuanxin Company Organized a Tree-planting Activity



# Social Contributions

# 05



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- Total hours of employee volunteer service:  
**1,013** hours
- Total employee volunteer service participation:  
**2,492** people
- Total social contribution investment amount:  
**RMB 6.2282 million**





## Community Relations

### Community Impact Management and Communication

Every step of the Company's mining operations carries the hope of development and the responsibility to protect local communities. Shandong Gold always embraces the concept of "mutual benefit and shared prosperity, walking hand in hand" in its community development efforts, integrating care for the community into production and operational activities.

Before embarking on new projects, the Company establishes a social impact assessment procedure, actively conducts community impact assessments, and advances work such as social baseline studies, environmental impact assessments, and archaeological surveys. It also follows the principle of "Free, Prior and Informed Consent (FPIC)" to engage in friendly communication with local residents regarding the survey findings, and based on the results of consultations, implements ESG management for new projects. These actions ensure that the entire process of mineral exploration and development meets local regulations and public expectations.

The Company actively builds bridges for communication with local communities and stakeholders, focusing on creating harmonious and amicable enterprise-community relationships. We have established a community development action management system to improve communication mechanisms, each subsidiary has dedicated personnel responsible for community relations, working in coordination with departments such as environmental protection and human resources to respond promptly and effectively to community matters arising during operations. In addition, we have set up a community feedback and supervision reporting mechanism to collect suggestions, enabling timely identification and resolution of issues.

### Land Use and Resettlement

Shandong Gold strictly adheres to the legal and regulatory requirements regarding land expropriation and resettlement in China and the countries or regions where its projects are located, and actively promotes the management of related work. Prior to launching a project, detailed assessments of local environmental and social impacts are carried out to identify potential risks of resettlement and demolition, and reasonable coping measures are planned during the project planning phase. When determining the compensation standards for acquired land and other assets, the Company upholds the principles of fairness and impartiality, ensuring that affected local residents receive reasonable compensation. Furthermore, Shandong Gold actively integrates resources from multiple parties to provide support services such as employment skills training and entrepreneurial guidance for affected residents, helping them acquire livelihood skills and better adapt to their new lives.



## Community Development

Shandong Gold is committed to fostering harmonious communities. In the countries and regions where its projects are located, the Company leverages its advantages as an employer to give priority to hiring local employees and promotes local economic and cultural development through local procurement, public welfare initiatives, and community development programs.

In 2024, the proportion of locally hired employees in the Company's domestic operations reached 81.17%. Overseas operating companies prioritize meeting the employment needs of local residents. Among the employees and contractors of Ghana Cardinal Resources Company, 86.4% are Ghanaian nationals. The localization employment rate at the Argentina Veladero Gold Mine reached 98.8%. Since its commencement of operations, the Argentina Veladero Gold Mine has created more than 1,000 jobs for local residents, providing ample employment opportunities.

Overseas operating companies strictly adhere to the local procurement regulations of the countries and regions where they operate, supporting and prioritizing the purchase of locally produced goods and services. The Company's local procurement content includes mining equipment, construction materials, daily necessities, transportation services, and catering services. The Argentina Veladero Gold Mine has set a public timeline for local procurement and has gradually increased the proportion of local purchasing, effectively promoting local economic development. In 2024, the proportion of local procurement at the Argentina Veladero Gold Mine reached 87%.

The overseas operating company has invested USD 1.425 million in community development in 2024. Through the establishment of Community Development Action Projects, the Company led the integration of resources from partners, contractors, and others, providing support to surrounding communities in areas including education, local culture preservation, healthcare, agriculture, and infrastructure improvement. Shandong Gold is committed to sharing the fruits of development with community partners and working together to create a better future.

#### Year 2024

Localization Employment Rate in Domestic Operations Reached

**81.17%**

#### Community Development Investment





### Shandong Gold Overseas Operations Community Development Action Projects

#### Education



- Cooperate with local education bureaus to provide training programs for teachers.
- Allocate funding to support the construction of new school buildings and the purchase of teaching equipment.
- Cooperate with the education department to establish scholarship programs to help children from disadvantaged families complete basic education.
- Carry out awareness-raising activities regarding children's rights and collaborate with NGOs to enhance community understanding of the importance of children's education.
- Provide food subsidies and microloans to affected families to alleviate financial pressure and encourage children to return to school.

#### Culture



- Immediately suspend operations and protect cultural heritage discovered during mining activities.

#### Healthcare



- Donate dialysis machines and essential consumables to hospitals in the Bolgatanga region to improve local medical conditions.

#### Agriculture



- Donate agricultural raw materials, tools, and machinery to the community.

#### Infrastructure Construction



- Improve a main road approximately 4.2 kilometers long in a Ghanaian community, significantly enhancing local transportation conditions.



#### Ghana Cardinal Resources Company's Local Employment and Procurement Measures

Ghana Cardinal Resources Company has established a proactive and transparent stakeholder engagement mechanism, quickly responding to community demands, consistently investing in community development projects, prioritizing job opportunities for local residents, and providing focused support to local communities. In 2024, Ghana Cardinal Resources Company procured materials and services worth USD 1.267 million from suppliers in surrounding communities. 86.4% of its employees and contractors are Ghanaian nationals, with 48.5% coming from surrounding communities.



#### Argentina Veladero Gold Mine Supports Local Community Education

Argentina Veladero Gold Mine allocated funding to support local schools in building new classrooms and purchasing teaching equipment. It also partnered with the education department to establish scholarship programs aimed at helping children from poor families complete their basic education. Additionally, it provided food subsidies and microloans to affected families to alleviate financial pressure and encourages children to return to school.

Since the implementation of the project, the enrollment rate in primary and secondary schools around the Argentina Veladero Gold Mine has increased by 25%, and the dropout rate has decreased significantly, with over 300 children in aggregate receiving scholarships from the project.

## Rural Revitalization and Social Welfare

Shandong Gold firmly follows the national strategy and actively responds to the call for rural revitalization support. The Company proactively undertakes corporate social responsibilities, engages in rural revitalization construction and public welfare activities, and gives back to society through practical actions to promote rural development and common prosperity, contributing to the improvement of social well-being. In 2024, the total amount of social contributions made by the Company was RMB 6.2282 million.

### Rural Revitalization

The Company actively responds to the national rural revitalization strategy and fulfills its social responsibility as a state-owned enterprise. By means of industrial assistance, consumption assistance, and educational assistance, it effectively combines its support actions with local rural characteristics, resources, and industries. This has fostered a collaborative and deeply integrated approach to rural revitalization. In 2024, the Company's investment in rural revitalization amounted to RMB 4.6965 million, benefiting a total of 2,832 people.



#### Industrial Assistance

Through in-depth investigations, we have gained a detailed understanding of the natural resource conditions, agricultural planting structures, and the living conditions of villagers in the areas receiving assistance. We formulated industrial assistance plans and signed seven industrial assistance agreements with these assisted areas.



#### Consumption Assistance

Carry out cooperation on consumption assistance projects in the assisted areas, purchase characteristic products such as agricultural and sideline products and fruits, and achieve the goal of "replacing aid with sales and promoting production through consumption".



#### Education Assistance

Support the construction of basic education facilities and assistance for disadvantaged students at the Aoyiman Bulake Primary School in Xinjiang, helping improve the quality of local rural education.



#### Futures Company Carried Out "Insurance + Futures" Training to Assist Farmers in Targeted Poverty Alleviation Areas

In 2024, Futures Company signed a framework agreement for rural revitalization assistance with eight regions including Yining County in Ili Prefecture, Xinjiang, Ulan Daba Sumu in Bairin Left Banner, Inner Mongolia, and Lindong Town. It leveraged the risk management advantages of futures instruments to promote the "Insurance + Futures" risk management concept in supported areas. A total of eight training sessions were held, covering topics such as hedging strategies and trading risk control techniques, bringing "futures wisdom" and "futures solutions" to stabilize agricultural product prices and protect farmers' incomes.



## Public Welfare and Volunteer Activities

Shandong Gold actively undertakes social responsibilities, engages in public welfare activities, and vigorously promotes the volunteer spirit of dedication, friendship, mutual assistance, and progress. Upholding the mission of "allowing as many individuals and as broad a scope as possible to benefit from the presence of Shandong Gold", the Company conveys warmth through organized volunteer activities, participation in emergency rescue efforts, and other efforts, building a caring society together. In 2024, the Company's investment in public welfare and charity amounted to RMB 1.5317 million. Employees provided a total of 1,013 hours of volunteer service, with 2,492 instances of volunteer participation.



### Sanshandao Gold Mine Conducted Volunteer Activities

In 2024, Sanshandao Gold Mine organized a variety of volunteer activities such as legal education promotion and environmental hygiene cleaning. Employees, as volunteers, went deep into communities, schools, and scenic spots, showcasing the spirit of volunteering through their actions.



Sanshandao Gold Mine Employees Participated in Beach Cleaning Volunteer Activities



Sanshandao Gold Mine Employees Organized Legal Education Volunteer Promotion Activities in the Community



Sanshandao Gold Mine Employees Voluntarily Carried out Campus Environmental Cleaning Volunteer Activities



### Xincheng Gold Mine Volunteer Participation in Wildfire Rescue

At approximately 3:00 PM on April 13, 2024, a wildfire broke out in Beishan, Xia Jia, Huangwu Street, Zhi Fu District, Yantai City, and quickly spread due to the wind. Upon receiving the notification, Xincheng Gold Mine responded swiftly, assembling personnel and suppliers in a short time. Two rescue teams of 50 people each set off that night and succeeded in containing the wildfire by early morning on April 14. Subsequently, the Xincheng Gold Mine rescue team engaged in mopping up hot spots and conducted 24-hour patrols. That afternoon, six employees volunteered to extinguish a flare-up. On the morning of April 15, after confirming no risk of reignition, the rescue team members returned safely, completing their rescue mission successfully.



Xincheng Gold Mine Wildfire Rescue Team Assembled for Emergency Response



Xincheng Gold Mine Wildfire Rescue Team at the Firefighting Site



# Technology Empowerment

# 06



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- A total of **311** scientific research projects carried out, with R&D investment reaching RMB **863 million**
- In 2024, **176** patent were granted. By the end of 2024, the total number of valid patents reached **1,071**
- The product qualification rate has reached **100%**, with zero customer complaints reported
- By the end of 2024, **10** smart scenarios successfully promoted, and **123** smart mining projects implemented





# Technology Management System

## Innovation Management

Shandong Gold regards technological innovation as an important driving force for the Company's high-quality development and fully promotes the construction of a scientific research talent team and the improvement of incentive mechanisms.

### Scientific Research Team Construction

The Company places great importance on the cultivation and recruitment of scientific research talents, increasing training efforts for research personnel, and continuously optimizing research team structures to ensure the sustained advancement of technological innovation and the continuous output of scientific and technological achievements. In 2024, the Company introduced 287 new research personnel. By the end of 2024, the Company had a total of 1,707 research personnel.

### Research Incentives and Rewards

The Company emphasizes innovation incentives for research personnel, stimulating their creativity and research enthusiasm through various means. The Company has established an incentive mechanism and formulated the Administrative Measures for Science and Technology Awards, conducting annual evaluations of Science and Technology Progress Awards and Technological Innovation Awards, granting bonuses and other material rewards to individuals with outstanding achievements in research projects. These encourage the application of innovations to production and promote the transformation of R&D outcomes into economic benefits.

## Key Achievements

Shandong Gold continues to drive high-quality development through technological innovation. It has made a series of breakthroughs in major R&D fields such as deep well mining, filling technology, intelligent support, and tailings resource utilization. In 2024, the Company carried out a total of 311 scientific research projects, with R&D investment reaching RMB 863 million. By the end of 2024, a total of 13 subsidiaries have been recognized as high-tech enterprises.

Year 2024

R&D Investment

**RMB 863 million**

In 2024, the project "Key Technologies and Equipment for Intelligent Mining of Underground Metal Mines" won the Second Prize of the National Science and Technology Progress Award for the year 2023, being the only project in the national gold mining industry to receive this honor that year. The project "Green and Efficient Mining Technology for Deep, Gently Inclined, Thick and Hard-to-Mine Ore Bodies", in which Xincheng Gold Mine participated, won the Second Prize of Hunan Province's Science and Technology Progress Award. The project "Development and Application of Precision Green Intelligent Mining Equipment and Processes for Fractured Gold Deposits", jointly developed by Sanshandao Gold Mine and the Filling Laboratory, won the Second Prize of Henan Province's Science and Technology Progress Award.

### Intelligent Support System for Mines

The Deep Mining Laboratory conducted research on the intelligent support system for mines, using the Xishan mining area of the Sanshandao Gold Mine as the engineering background. This study established a logical inference relationship among rock mass quality, ground stress, blasting vibration, support methods, and support parameters, forming a recommended design plan for mine roadway support. It provides a scientific and standardized method for mine support design management, significantly enhancing the safety and productivity of mining operations.

### Tailings Resource Utilization Technology

To address the large volume and difficult treatment of gold mine tailings, the Mineral Processing Laboratory conducted research on the "Pre-concentration and Sorting of Ore before Selection". The project has achieved pre-concentration and waste sorting of crushed ore through experimental research using AI-based sorting, X-ray sorting, color sorting machine sorting, and microwave heating sorting, thus reducing the amount of tailings generated from the source.

### Intelligent Collaborative Construction Technology for Ultra-deep Vertical Shafts

Sanshandao Gold Mine, in collaboration with Northeast University, Beijing University of Science and Technology, and other universities and research institutions, carried out research on the project "Key Technologies for Intelligent Collaborative Construction of Ultra-deep Vertical Shafts". This project addresses the complex challenges of drilling high-depth wells in deep mining and high geological stress, achieving several key technological results. Currently, the construction depth of the ultra-deep vertical shaft has exceeded 1,750 meters, making it the deepest shaft under construction in Asia, and greatly enhancing the Company's mining capacity and technical standards.

### Full Tailings Paste Filling Technology

The Filling Engineering Laboratory helped Yulong Mining build its first full tailings paste filling mine. This project doubled the strength of the filling body compared to classified tailings while using the same amount of binding materials, achieving multiple technological innovations, including the independently developed deep cone intelligent pressure prevention rake technology, forced diversion mixing equipment, and arch-breaking stable flow feeding technology. A three-dimensional visual intelligent management and control platform has also been established, enabling the system to have a "one-click filling" function, laying a solid foundation for intelligent filling.

## Industry-academia-research Cooperation

Shandong Gold places great importance to collaboration between industry, academia, and research. By establishing academician workstations and industry-academia-research cooperation platforms, the Company has formed long-term cooperative relationships with well-known universities and research institutions, creating a technology innovation system characterized by "enterprise-led, market-oriented, and deep integration of industry, academia, and research".

In 2024, the Company fully leveraged the capabilities of high-level talents represented by academician of the Chinese Academy of Sciences. Through its academician workstations, it promoted cooperative research on topics such as "Gold Mineralization System and Exploration Prediction of the Jiaojia Fracture Zone" and "Research on Mineralization Laws and Three-Dimensional Mineralization Prediction of Typical Gold Deposits in the Xiahe-Cooperation Gold mining Area of Gansu Province", thereby accelerating the transformation of new and old driving forces for enterprises and promoting the integration of production, education, and research to a higher level.

## Intellectual Property Protection and Patent Management

The Company strictly adheres to relevant laws and regulations such as the "Patent Law of the People's Republic of China", the "Trademark Law of the People's Republic of China", and the "Implementation Regulations of the Copyright Law of the People's Republic of China". It has formulated and implemented systems such as the Shandong Gold Trademark Management Measures (Trial) and Shandong Gold Trademark Authorization Maintenance Management Measures (Trial) to standardize the management of trademarks and other intellectual property.

### Trademark Management

The Company strictly follows the principles of unified authorization, legal use, and rights protection, and strictly implements trademark re-authorization management for its subsidiaries. The Trademark Administration Department strictly safeguards the Company's brand rights and interests through measures such as regular inspections, contract constraints, and legal action.

### Patent Management

The Company has dedicated personnel responsible for patent application, review, protection, and technical safeguarding. Through effective patent layout and protection, the Company continuously promotes technological innovation and enhances market competitiveness. In 2024, the Company applied for 265 patents and obtained 176 patent authorizations. By the end of 2024, the total number of valid patents held by the Company reached 1,071.



## Product Responsibility

### Quality Management

The Company's main products include standard gold ingots, investment gold bars, alloy gold, and silver ingots. As strictly standardized precious metal products, the Company fully recognizes the importance of these products in safeguarding investors' rights and maintaining market order, and thus enforces stringent quality management throughout the entire production process. From source mining, ore selection, smelting processes, and to the final formation of standard products, every step showcases Shandong Gold's dedication to product quality.

The Gold Smelting Company, a subsidiary of Shandong Gold, is one of the first ten companies certified by the Shanghai Gold Exchange as a "standard gold bar providers" and one of the first gold bar brands registered by the Shanghai Futures Exchange. It has been recognized as an "advanced provider of standard gold bars" by the Shanghai Gold Exchange for several consecutive years and has received qualification for high-quality trading bars from the London Bullion Market Association (LBMA), earning international recognition for its high-quality gold and silver market products. Its production quality and scale have reached an internationally advanced level. In 2024, the Gold Smelting Company upgraded its product technology. By addressing visual quality defects caused during the casting process, it significantly enhanced the appearance of its products and received unanimous praise from customers. By the end of 2024, Gold Smelting Company and SDG Heavy Industry, the subsidiaries of the Company have both passed the ISO 9001 international quality management system certification and established quality management standards that meet international standards. In 2024, the Company's product qualification rate reached 100%, with no product recalls occurring throughout the year.

By the end of 2024

### Gold Smelting Company and SDG Heavy Industry

Passed ISO 9001 International Quality Management System Certification



### Customer Communication

Shandong Gold adheres to the service philosophy of "Customer First, Integrity-based", establishing a sound customer relationship management mechanism committed to providing high-quality products and efficient services for customers. The Company centrally manages the sales of its self-produced gold, with the Shanghai Gold Exchange, the Shanghai Futures Exchange, and other financial institutions as its main customers. The Company actively builds and maintains strong cooperative relationships with exchanges, commercial banks, and investment and research institutions, ensuring close and effective communication. In 2024, the Company received no customer complaints.

In 2024, the Company completed its first gold futures to spot business, achieving a record high in gold delivery volume on the Shanghai Futures Exchange. The Company was awarded the title of "Best Bidding Trading Agent Member of the Year" and the "Third Prize for Outstanding Comprehensive Member of the Year" by the Shanghai Gold Exchange.

## Digitalization and Informatization

### Information Security Protection

Shandong Gold has established a comprehensive information security and cybersecurity protection system by formulating and improving management systems, strengthening technical protection measures, and conducting training for all employees, ensuring the security of the Company's trade secrets, customer data, and network systems.

#### Information Security Protection

The Company strictly implements systems such as the Shandong Gold Information Security Management Measures, the Shandong Gold Information Security Management Handbook, and the Shandong Gold Integrity and Compliance Handbook. Employees are required to properly manage and use classified information. Without prior approval, employees are prohibited from retaining, copying, or carrying confidential documents, and it is strictly forbidden to handle or transmit such information through unclassified mediums. Employees must avoid discussing confidential matters in public places and private interactions. Any incident involving information leakage must be reported immediately and remedial measures taken. In addition, the Company has incorporated information security requirements into employee performance assessments and reward-and-punishment management, further regulating employee behavior in information security protection. As of the end of 2024, the Company's official website and other five systems have passed the Level 2 certification under the Classified Protection of Cybersecurity. The Shanjin Cloud Platform has passed the Level 3 certification. In 2024, no information security-related penalties were incurred by the Company.

#### Cybersecurity Protection

The Company strictly implements regulations such as the Shandong Gold Industrial Network Cybersecurity Management Measures (Trial), regularly conducts cybersecurity certification, tests, and risk assessment, and has built a comprehensive cybersecurity prevention and control system to promptly address system vulnerabilities, viruses, and cyberattacks. Employees are required to adhere to internet access regulations, and are prohibited from accessing illegal websites, receiving suspicious emails, downloading malicious software, or posting illegal or non-compliant information. The Company conducts cybersecurity training sessions twice a year, covering confidentiality systems, cybersecurity laws and regulations, and emergency response procedures to enhance employees' cybersecurity awareness and response capabilities.





## Digital Transformation

Shandong Gold adopts digital technology as a driving force, data resources as a core asset, and a digital ecosystem as an enabling approach. Based on business needs, the Company aims to become a pioneer in the digital transformation of the global gold mining industry. Focusing on smart production, operational excellence, and shared services, the Company empowers digital transformation in the field of work safety through standardized protocols and business system design.

### Annual Highlights

#### Construction of the Dispatch Center

- Proposed the "1157" Work Safety Empowerment Framework, focusing on building an integrated production dispatch and emergency command system, and a unified data and business support platform. The framework aims to horizontally enhance "five major capabilities": data integration, intelligent decision-making, collaborative dispatch, emergency command, and panoramic empowerment, while vertically covering "seven major scenarios": geology, production, equipment, energy, safety, emergency response, and engineering, achieving full-process digital management.
- Developed digital standards and enablement system solutions.
- Completed on-site decoration and renovation as well as intelligent hardware construction.
- Advanced construction of SD-WAN network and IoT platforms for data collection, establishing real-time network and industrial data connectivity with subsidiaries, laying a solid data foundation for production management, equipment monitoring, and decision-making.
- Organized experts to participate in the revision of data collection standards, gradually promoting the standardized collection of industrial data.
- Advanced the construction of the data middle platform, completed on-site testing of its functions, and built a digital application for the production operation scenes in the Dispatch Center, which displayed key production operation data in real-time, providing visual support for decision-making.

#### Digital Supply Chain System

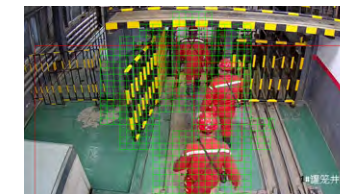
- Through the launch and continuous optimization of the supply chain management system, the Company transitioned from decentralized procurement to a unified, precise centralized procurement model. The application of the supply chain management system has optimized the procurement business process, improved warehousing management efficiency, broadened internal information communication and material flow channels, and achieved compliance, transparency, and visualization throughout the entire procurement process.

## Smart Mine Construction

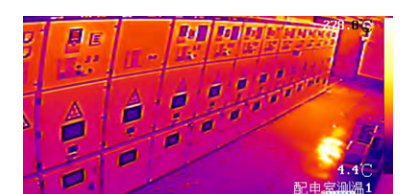
### AI Video Surveillance Platform

Shandong Gold is actively building a smart mine that is "Safe, Green, Efficient, and Intelligent" by promoting various intelligent scenario applications and continuously advancing smart mine construction. By the end of 2024, the Company successfully promoted 10 smart scenarios and established 123 smart mining projects, achieving preliminary results in "Enhancing Safety, Reducing Manpower, and Improving Efficiency".

The AI video surveillance platform utilizes front-end IoT sensing devices and the intelligent management platform for safety production in mining enterprises to achieve visualization and intelligent management of the production process. The system integrates authorization, permission control, and security management business processes through a unified database and management interface. At the same time, the system can automatically identify unsafe conditions related to people, objects, and the environment, effectively enhancing the efficiency of safety supervision.



Violations Recognition in Wearables



Abnormal Temperature Recognition

### 5G+AI Ground-Air Integrated Drone Application System

The 5G+AI Ground-Air Integrated Drone Application System plays a role in mine inspections, with drones equipped with high-definition cameras and sensors that monitor the safety conditions of tailings ponds, tailings conveyors, and overhead lines in real time. This system supports fully automated drone inspection, automatic battery swapping, automatic take-off and landing, and automatic flight. Leveraging the high-speed transmission capability of the 5G network, drones transmit high-definition video and other data in real time to the cloud platform, allowing AI recognition and analysis to be faster and more accurate, thereby achieving broader coverage, shorter inspection time, and more precise recognition and analysis in mine inspections.

In addition, the Sanshandao Gold Mine actively plays a leading role in the construction of smart mines. In 2024, it led the formulation of several standards, including: "Technical Regulations for Fixed-Station Drone Inspection Technology for Mines (T/NDAS99-2024)" "Technical Specifications for Smart Mine Data Collection Management System (T/CIET641-2024)" "Technical Specifications for Digital Energy Management in Smart Mines (T/CIET641-2024)", and the industry standard "General Requirements for Digital Workshops in the Gold Industry (YS/T3046-2024)".





## Performance Report <sup>Note 1</sup>

### Economic Performance

| Indicators  | Year 2022 | Year 2023 | Year 2024 |
|---|-----------|-----------|-----------|
| Revenue (RMB 100 million)   | 503.06    | 592.75    | 825.18    |
| Total profit (RMB 100 million)  | 20.06     | 35.63     | 56.82     |
| Total assets (RMB 100 million)  | 907.22    | 1,345.99  | 1,606.60  |
| Net assets attributable to shareholders of the listed company (RMB 100 million) | 328.77    | 330.85    | 377.98    |

### Governance Performance

#### Anti-corruption

| Indicators   | Year 2022 | Year 2023 | Year 2024 |
|--|-----------|-----------|-----------|
| Number of anti-corruption training sessions (times)                                    | -         | -         | 2,100     |
| Anti-corruption training hours (hours)   | -         | -         | 2,400     |
| Anti-corruption training coverage rate (%)   | -         | -         | 100       |
| Number of participants in anti-corruption training                                     | -         | -         | 17,447    |
| Of which: Board members  | -         | -         | 8         |
| Senior management employees  | -         | -         | 212       |
| Middle management employees  | -         | -         | 756       |
| Primary employees  | -         | -         | 16,471    |
| Of which: Coverage rate of board members participating in anti-corruption training (%) | -         | -         | 100       |
| Coverage rate of senior management participating in anti-corruption training (%)       | -         | -         | 100       |
| Coverage rate of middle management participating in anti-corruption training (%)       | -         | -         | 100       |
| Coverage rate of primary employees participation in anti-corruption training (%)       | -         | -         | 100       |
| Number of corruption litigation cases during the reporting period                      | -         | -         | 0         |
| Number of corruption litigation cases concluded during the reporting period            | -         | -         | 0         |
| Number of people involved in corruption litigation cases                               | -         | -         | 0         |
| Of which: Board members  | -         | -         | 0         |
| Management level employees   | -         | -         | 0         |
| Primary employees  | -         | -         | 0         |

Note 1: In 2024, we consolidated the ESG performance data of Shanjin International, a listed company controlled by Shandong Gold, into our ESG data. The ESG data about Economic Performance, Technological innovation, Resource Management, Environmental performance, Investment in Safety Production, Injury, Safety Training, Employee Care, and Rural revitalization and public welfare charity of Shanjin International is consolidated already.

#### Anti-unfair Competition

| Indicators  | Year 2022 | Year 2023 | Year 2024 |
|---|-----------|-----------|-----------|
| Number of lawsuits or penalties due to unfair competition during the reporting period | -         | -         | 0         |
| Amount involved (RMB)   | -         | -         | 0         |
| Number of incidents rectified and improved by the Company during the reporting period | -         | -         | 0         |

#### Technological Innovation

| Indicators                                      | Year 2022 | Year 2023 | Year 2024 |
|---|-----------|-----------|-----------|
| R&D funding investment (RMB 100 million)        | 6.51      | 7.96      | 8.63      |
| Number of research platforms                    | -         | 8         | 8         |
| Number of research projects                     | -         | 279       | 311       |
| Number of technological innovation achievements | -         | 199       | 190       |
| Number of R&D staff                             | -         | -         | 1,707     |
| Number of "high-tech enterprise" certifications | -         | -         | 13        |

#### Patent Management

| Indicators  | Year 2022 | Year 2023 | Year 2024 |
|---|-----------|-----------|-----------|
| Number of invention patents applied to the main business (items)            | -         | -         | 74        |
| Number of patent applications during the reporting period (items)           | 234       | 259       | 265       |
| Of which: invention patents (items)   | -         | 54        | 76        |
| Number of patent grants during the reporting period (items)                 | -         | 173       | 176       |
| Of which: invention patents (items)   | -         | 19        | 74        |
| Total number of valid patents as of the end of the reporting period (items) | -         | -         | 1,071     |



## Product Quality

| Indicators  | Year 2022 | Year 2023 | Year 2024 |
|---|-----------|-----------|-----------|
| Quantity of product recalls (tons)  | -         | -         | 0         |
| Percentage of sold or shipped products that are subject to recall for safety and health reasons (%) | -         | -         | 0         |
| Product-conforming ratio (%)  | -         | -         | 100       |
| Number of complaints about products and services (items)  | -         | -         | 0         |
| Number of major liability accidents related to product and service safety and quality (items)       | -         | -         | 0         |
| Client complaint ratio (%)  | 0         | 0         | 0         |
| Number of customer privacy breach incidents (items)   | -         | -         | 0         |

## Resource Management

| Indicators                               | Year 2022 | Year 2023 | Year 2024 |
|--|-----------|-----------|-----------|
| Reclaimed ore volume (ten thousand tons) | 48.54     | 172.19    | 30.32     |
| Mining recovery rate (%)                 | 95.76     | 95.18     | 94.92     |
| Ore recovery rate (%)                    | 92.96     | 92.96     | 93.40     |
| Mining loss rate (%)                     | 5.18      | 4.82      | 5.08      |
| Ore dilution rate (%)                    | 5.79      | 5.75      | 5.76      |

## Environmental Performance

### Environmental Protection Investment and Training

| Indicators  | Year 2022 | Year 2023 | Year 2024 |
|---|-----------|-----------|-----------|
| Total investment in environmental protection (RMB 100 million)          | 1.68      | 1.54      | 1.47      |
| Total investment in environmental protection training (RMB 10 thousand) | -         | -         | 55.24     |
| Number of environmental protection training sessions                    | 64        | 71        | 124       |
| Participants in environmental training                                  | 24,193    | 31,155    | 43,876    |
| Average environmental training duration per person (hours)              | -         | -         | 4.23      |

## Waste Management

| Indicators   | Year 2022 | Year 2023 | Year 2024 |
|--|-----------|-----------|-----------|
| Hazardous waste generated (10,000 tons)  | -         | -         | 481.21    |
| Of which: Cyanide tailings (10,000 tons)   | -         | -         | 346.38    |
| Heap Leach Residue (10,000 tons)   | -         | -         | 111.51    |
| Waste mineral oil (including waste engine oil) (10,000 tons)                                     | -         | -         | 0.02      |
| Other hazardous waste (10,000 tons)  | -         | -         | 23.30     |
| Compliant disposal amount of hazardous waste (10,000 tons) <sup>Note 1</sup>                     | -         | -         | 369.51    |
| Of which: Third-party disposal amount of cyanide tailings (10,000 tons)                          | -         | -         | 46.72     |
| Disposal amount of cyanide tailings in tailings (10,000 tons)                                    | -         | -         | 299.47    |
| Third-party disposal amount of waste mineral oil (including waste engine oil) (10,000 tons)      | -         | -         | 0.02      |
| Other disposal amount (10,000 tons)  | -         | -         | 23.30     |
| Non-hazardous waste generation (10,000 tons)   | -         | -         | 1.64      |
| Of which: Scrap steel (10,000 tons)  | -         | -         | 0.51      |
| Used tires (10,000 tons)   | -         | -         | 0.06      |
| Household waste (10,000 tons)  | -         | -         | 0.82      |
| Other harmless waste (10,000 tons)   | -         | -         | 0.25      |
| Non-hazardous waste generation intensity (tons/RMB million)                                      | -         | -         | 0.20      |
| General solid waste (including underground mine tailings and waste rock) generated (10,000 tons) | -         | -         | 1,343.76  |
| Of which: Tailings of underground mines (10,000 tons)  | -         | -         | 759.14    |
| Waste rock of underground mines (10,000 tons)  | -         | -         | 584.62    |
| Comprehensive utilization of general solid waste (10,000 tons) <sup>Note 2</sup>                 | -         | -         | 1,111.89  |
| Comprehensive utilization rate of general solid waste (%)  | -         | -         | 82.74     |

Note 1: Some heap leaching residues will continue to be produced through heap leaching. A small amount of cyanide tailings is stored in cyanide residue greenhouses and will be gradually handed over to third-party disposal institution for compliant disposal.

Note 2: The comprehensive utilization methods for underground mine tailings include underground filling, construction materials production, brick making, ecological remediation, etc.. The comprehensive utilization methods for underground mine waste rock include underground filling, tailings dam construction, paving, construction gravel making, etc.

### Water Resource Management

| Indicators   | Year 2022 | Year 2023 | Year 2024 |
|--|-----------|-----------|-----------|
| Water withdrawn amount (10,000 tons) <sup>Note 3</sup> | 663.98    | 499.28    | 5,153.05  |
| Of which: Surface water (10,000 tons)                  | -         | -         | 129.78    |
| Mine water inflow (10,000 tons)                        | -         | -         | 4,397.46  |
| Municipal water (10,000 tons)                          | -         | -         | 625.81    |

Note 3: In 2024, due to changes in statistical scope, water withdrawal amount has increased compared to the previous two years.



| Indicators                                   | Year 2022 | Year 2023 | Year 2024 |
|--|-----------|-----------|-----------|
| Recycled water volume (10,000 tons)          | -         | -         | 7,172.22  |
| Water resource utilization rate (%)          | -         | 100       | 100       |
| Water withdrawn intensity (tons/RMB million) | 131.99    | 84.23     | 624.48    |

### Energy Management

| Indicators                                     | Year 2022    | Year 2023    | Year 2024               |
|--|--------------|--------------|-------------------------|
| Total energy consumption (million kWh)         | 1,690.13     | 1,910.18     | 2,099.01                |
| Energy consumption intensity (MWh/RMB million) | 33.6         | 32.23        | 25.44 <sup>Note 1</sup> |
| Of which: Gasoline consumption (tons)          | 492.76       | 619.08       | 707.28                  |
| Diesel consumption (tons)                      | 21,725.96    | 26,273.62    | 26,994.15               |
| Coal consumption (tons)                        | 12,891.41    | 12,326.54    | 23,374.14               |
| Natural gas consumption (10,000 cubic meters)  | 185.65       | 167.52       | 76.65                   |
| Electricity consumption (MWh)                  | 1,317,739.33 | 1,491,057.21 | 1,555,170.00            |
| Of which: Green electricity purchase (MWh)     | -            | -            | 129,054.95              |
| Photovoltaic power generation (MWh)            | -            | -            | 22,207.48               |
| Wind power generation (MWh)                    | -            | -            | 22,901.40               |
| Other renewable energy consumption (MWh)       | -            | -            | 10,502.19               |

Note 1: The increase in revenue caused the decrease in intensity. This revenue growth was primarily due to the consolidation of Shanjin International's whole year revenue for the first time, the increase in production sold, and the rise of gold prices.

### Greenhouse Gases

| Indicator <sup>Note 2, 3</sup>   | Year 2022 | Year 2023 | Year 2024                |
|--|-----------|-----------|--------------------------|
| Total greenhouse gas emissions (10,000 tons of CO <sub>2</sub> equivalent)             | 129.5     | 132.97    | 127.69 <sup>Note 4</sup> |
| Greenhouse gas emission intensity (tons of CO <sub>2</sub> equivalent / RMB million)   | 25.74     | 22.43     | 15.47 <sup>Note 5</sup>  |
| Scope 1: Direct greenhouse gas emissions (10,000 tons of CO <sub>2</sub> equivalent)   | 16.83     | 11.95     | 30.87                    |
| Scope 2: Indirect greenhouse gas emissions (10,000 tons of CO <sub>2</sub> equivalent) | 112.68    | 121.02    | 96.82                    |

Note 2: The calculation method for greenhouse gas emissions refers to the "Guidelines for the Accounting and Reporting of Greenhouse Gas Emissions from Chinese Mining Enterprises (Trial)" and "General Principles for the Accounting and Reporting of Greenhouse Gas Emissions from Industrial Enterprises (GB/T32150-2017)", among others. The relevant coefficients used in the calculations are taken from the "Guidelines for the Accounting and Reporting of Greenhouse Gas Emissions from Chinese Mining Enterprises (Trial)", the "General Energy Consumption Calculation Principles (GB/T2589-2020)", and the Ministry of Ecology and Environment's "Announcement on the Release of Carbon Emission Factors for Electricity in 2022". The calculation factor of greenhouse gas emission of overseas subsidiaries refers to the "IEA, Emissions Factors 2023".

Note 3: In terms of the carbon emissions factor of purchased electricity for our domestic mines. The factor taken in 2022 and 2023 ESG Report referred to the average CO<sub>2</sub> emission factor of China's regional power grid in 2012, which is out of date. While the factor in 2024 is calculated using the latest average CO<sub>2</sub> emission factor for national electricity in 2022.

Note 4: In 2024, the scope of consolidated greenhouse gas emissions has expanded to include Shanjin International (a controlling company), the Argentina Veladero Gold Mine (a joint venture), and Ghana Cardinal Resources Company (a controlling company). However, due to an update and a significant decrease in the carbon emission factor for purchased electricity, the Company's total greenhouse gas emissions data for 2024 showed a decrease.

Note 5: The decrease in intensity is mainly caused by the increase in revenue. This revenue growth is primarily due to the consolidation of Shanjin International's whole year revenue for the first time, the increase in production sold, and the rise of gold prices.

### Emission Management

| Indicator <sup>Note 1</sup>                              | Year 2022 | Year 2023 | Year 2024 |
|--|-----------|-----------|-----------|
| Nitrogen oxides (tons)                                   | 20.12     | 19.02     | 56.95     |
| Sulfur dioxide (tons)                                    | 14.35     | 15.04     | 31.21     |
| Smoke dust (boiler emissions only) (tons)                | 2.26      | 3.95      | 12.87     |
| Particulate matter (production process emissions) (tons) | 63.63     | 53.78     | 77.61     |
| Wastewater discharge (ten thousand tons)                 | 2,919.82  | 2,558.61  | 2,106.06  |
| Total chemical oxygen demand (COD) emission (tons)       | 233.88    | 222.08    | 160.07    |
| Total ammonia nitrogen emissions (tons)                  | 11.4      | 10.5      | 8.06      |

Note 1: In 2024, we combined the emission data of Shanjin International (a listed company controlled by Shandong Gold) for the first time. The mines of Shanjin International are located in cold areas, which leads to a large amount of boiler usage. Thus, the emissions of nitrogen oxides, sulfur dioxide, and smoke dust have increased this year.

### Land Reclamation

| Indicators  | Year 2022 | Year 2023 | Year 2024 |
|---|-----------|-----------|-----------|
| Annual land reclamation area (hectares)   | -         | -         | 53.06     |
| Total investment in land reclamation and geological environment management (RMB 10,000) | -         | -         | 4,950.12  |

## Social Performance

### Employee Diversity

| Indicators                                    | Year 2022 | Year 2023 | Year 2024 |
|---|-----------|-----------|-----------|
| Total number of all employees                 | 16,993    | 17,602    | 17,439    |
| Of which: Number of male employees            | 13,919    | 14,599    | 14,552    |
| Number of female employees                    | 3,074     | 3,003     | 2,887     |
| Of which: Number of full-time employees       | 16,993    | 17,602    | 17,439    |
| Number of part-time employees                 | 0         | 0         | 0         |
| Number of employees (age ≤ 30)                | 2,135     | 3,013     | 3,451     |
| Of which: Number of employees (31 ≤ age ≤ 40) | 4,641     | 4,758     | 4,805     |
| Number of employees (41 ≤ age ≤ 50)           | 5,866     | 5,504     | 4,885     |
| Number of employees (age ≥ 51)                | 4,351     | 4,327     | 4,298     |



| Indicators                                      | Year 2022 | Year 2023 | Year 2024 |
|---|-----------|-----------|-----------|
| Of which: Number of senior management employees | 238       | 221       | 212       |
| Number of middle management employees           | 932       | 766       | 756       |
| Number of primary employees                     | 15,823    | 16,615    | 16,471    |
| Of which: Number of domestic employees          | -         | -         | 17,413    |
| Number of overseas employees                    | -         | -         | 26        |
| Of which: Number of local employees             | -         | -         | 15,120    |
| Labor contract coverage rate (%)                | 100       | 100       | 100       |
| Social Insurance coverage rate (%)              | 100       | 100       | 100       |

### New Employees

| Indicators  | Year 2022 | Year 2023 | Year 2024 |
|---|-----------|-----------|-----------|
| Number of newly added employees                     | -         | -         | 893       |
| Of which: Number of newly added male employees      | -         | -         | 640       |
| Number of newly added female employees              | -         | -         | 253       |
| Of which: Number of newly added employees(age ≤ 30) | -         | -         | 829       |
| Number of newly added employees(31 ≤ age ≤ 40)      | -         | -         | 58        |
| Number of newly added employees(41 ≤ age ≤ 50)      | -         | -         | 5         |
| Number of newly added employees(age ≥ 51)           | -         | -         | 1         |

### Employee Turnover Rate

| Indicators                                   | Year 2022 | Year 2023 | Year 2024 |
|--|-----------|-----------|-----------|
| Number of turnover employees                 | -         | -         | 1,056     |
| Turnover rate of employee (%)                | 2.91      | 5.61      | 5.71      |
| Of which: Turnover rate of male employee (%) | 2.19      | 4.09      | 4.03      |
| Turnover rate of female employee (%)         | 0.72      | 1.52      | 1.68      |

| Indicators   | Year 2022 | Year 2023 | Year 2024 |
|--|-----------|-----------|-----------|
| Of which: Turnover rate of employee (age ≤ 30) (%) | 1.22      | 0.62      | 0.69      |
| Turnover rate of employee (31 ≤ age ≤ 40) (%)      | 0.55      | 0.44      | 0.55      |
| Turnover rate of employee (41 ≤ age ≤ 50) (%)      | 0.49      | 1.02      | 1.12      |
| Turnover rate of employee (age ≥ 51) (%)           | 0.65      | 3.53      | 3.35      |

### Employee Training

| Indicators  | Year 2022 | Year 2023 | Year 2024 |
|---|-----------|-----------|-----------|
| Occupational training investment (RMB 10 thousand)                | 3,900.83  | 4,320.58  | 4,699.74  |
| Number of employee training sessions held (session)               | 131       | 169       | 232       |
| Number of employees participating in training                     | -         | 29,878    | 35,971    |
| Average training duration per employee (hours)                    | -         | -         | 19.95     |
| Of which: Average training duration for male employees (hours)    | 15.43     | 18.55     | 20.28     |
| Average training duration for female employees (hours)            | 12.96     | 16.83     | 18.36     |
| Of which: Average training duration for senior management (hours) | 24.33     | 24.57     | 25.34     |
| Average training duration for middle management (hours)           | 18.56     | 19.43     | 22.99     |
| Average training duration for primary employees (hours)           | 15.72     | 16.34     | 17.64     |
| Employee training coverage (%)                                    | -         | -         | 86.22     |
| Of which: Male employee training coverage (%)                     | -         | -         | 85.49     |
| Female employee training coverage (%)                             | -         | -         | 89.79     |
| Of which: Senior management training coverage (%)                 | -         | -         | 88.17     |
| Middle management training coverage (%)                           | -         | -         | 89.34     |
| Primary employees training coverage (%)                           | -         | -         | 81.16     |

### Employee Care

| Indicators                                      | Year 2022 | Year 2023 | Year 2024 |
|---|-----------|-----------|-----------|
| Number of employee assistance                   | 1,024     | 1,031     | 910       |
| Amount of employee assistance (RMB 10 thousand) | 594       | 493.43    | 431.99    |



## Investment in Safety Production

| Indicators  | Year 2022 | Year 2023 | Year 2024 |
|---|-----------|-----------|-----------|
| Investment in production safety (RMB 100 million)                         | 6.83      | 8.91      | 12.56     |
| Of which: Investment in safety facilities and equipment (RMB 100 million) | -         | -         | 3.06      |
| Investment in safety protective equipment (RMB 100 million)               | -         | -         | 0.62      |
| Investment in safety equipment testing (RMB 100 million)                  | -         | -         | 0.55      |
| Investment in major hazard source remediation (RMB 100 million)           | -         | -         | 1.32      |
| Investment in safety production training (RMB 100 million)                | -         | -         | 0.51      |
| Others (RMB 100 million)  | -         | -         | 6.50      |
| Investment in production safety liability insurance (RMB 10,000)          | -         | -         | 1,382.42  |
| Employee coverage rate of production safety liability insurance (%)       | -         | -         | 100       |
| Number of special governance activities related to safety                 | 29        | 62        | 176       |
| Number of enterprises awarded the provincial health enterprise title      | -         | 22        | 28        |
| Number of enterprises awarded the municipal health enterprise title       | -         | 5         | 9         |

## Injury

| Indicators  | Year 2022 | Year 2023 | Year 2024 |
|---|-----------|-----------|-----------|
| Number of work-related deaths                                     | 0         | 0         | 3         |
| Of which: Number of employee fatalities                           | 0         | 0         | 0         |
| Number of contractor fatalities                                   | 0         | 0         | 3         |
| Number of major safety production accidents (cases)               | 0         | 0         | 0         |
| Number of lost time injury incidents (LTI) (cases)                | -         | -         | 9         |
| Lost time injury rate per million man-hours (LTIR)                | -         | -         | 0.23      |
| Number of recordable injury incidents (TRI) (cases)               | -         | -         | 32        |
| Recordable injury rate per million man-hours (TRIR)               | -         | -         | 0.82      |
| Number of workdays lost due to occupational injuries (days)       | 0         | 0         | 886       |
| Number of working hours lost due to occupational injuries (hours) | -         | -         | 7,088     |

## Safety Training

| Indicators                                      | Year 2022 | Year 2023 | Year 2024 |
|---|-----------|-----------|-----------|
| Investment in safety training (RMB 10 thousand) | -         | -         | 5,062     |
| Number of safety training sessions (sessions)   | -         | -         | 4,405     |
| Total number of participants in safety training | -         | -         | 373,574   |
| Average safety training duration (hours)        | -         | -         | 56.84     |
| Safety training coverage rate (%)               | -         | 100       | 100       |

## Supplier Management

| Indicators   | Year 2022 | Year 2023 | Year 2024 |
|--|-----------|-----------|-----------|
| Number of suppliers                                  | 1,252     | 1,408     | 1,493     |
| Number of overseas suppliers                         | 0         | 0         | 0         |
| Number of domestic suppliers                         | 1,252     | 1,408     | 1,493     |
| Percentage of suppliers certified by ISO 14000 (%)   | 66.21     | 64.91     | 65.63     |
| Percentage of suppliers certified by OHSAS 18000 (%) | 66.21     | 64.91     | 65.57     |

## Fair Dealing with Small and Medium-sized Enterprises

| Indicators  | Year 2022 | Year 2023 | Year 2024 |
|---|-----------|-----------|-----------|
| As of the end of the reporting period, the number of overdue payments to small and medium-sized enterprises           | -         | -         | 0         |
| As of the end of the reporting period, overdue unpaid amount for small and medium-sized enterprises (RMB 10 thousand) | -         | -         | 0         |

## Rural Revitalization and Social Welfare

| Indicators  | Year 2022 | Year 2023 | Year 2024 |
|---|-----------|-----------|-----------|
| Total amount of social contribution (RMB 10 thousand)             | -         | -         | 622.82    |
| Amount invested in rural revitalization (RMB 10 thousand)         | -         | -         | 469.65    |
| Number of people benefited from rural revitalization work         | -         | -         | 2,832     |
| Investment amount in public welfare and charity (RMB 10 thousand) | -         | -         | 153.17    |
| Number of employee volunteer services (participants)              | -         | -         | 2,492     |
| Total hours of employee volunteer services (hours)                | -         | -         | 1,013     |



## Outlook

The year 2025 marks the culmination of the 14th Five-Year Plan period and represents a pivotal year for the Company as it expedites the pursuit of its vision to become a world-class gold mining enterprise. The Company adheres to a practical spirit and is brave in pioneering and innovating, focusing on expanding capacity, increasing production, improving quality, empowering development, strengthening the foundation, and forging the core spirit, continuously promoting healthy, sustainable, and high-quality development to reach new heights. We set our annual goal of "nurturing strengths and achieving leapfrog development", and continuously deepen our actions in implementing responsibilities and enhancing values in areas such as corporate governance, ecological protection, safety production, talent cultivation, and social responsibility. We strive to create new advantages and new driving forces for high-quality development, and make every effort to win the final battle of the 14th Five-Year Plan, laying a solid groundwork for a propitious commencement of the 15th Five-Year Plan.

## Abbreviation

| Company   | Abbreviation                            |
|---|---|
| Shandong Gold Mining Co., Ltd.                                | Shandong Gold, the Company, we, our, us |
| Shandong Gold Group Co., Ltd.                                 | the Group                               |
| Shandong Gold Mining (Laizhou) Co., Ltd. Sanshandao Gold Mine | Sanshandao Gold Mine                    |
| Shandong Gold Mining (Laizhou) Co., Ltd. Jiaojia Gold Mine    | Jiaojia Gold Mine                       |
| Shandong Gold Mining Co., Ltd. Xincheng Gold Mine             | Xincheng Gold Mine                      |
| Shandong Gold Mining (Linglong) Co., Ltd.                     | Linglong Gold Mine                      |
| Shandong Gold Group Penglai Mining Co., Ltd.                  | Penglai Mining                          |
| Shandong Gold Mining (Yinan) Co., Ltd.                        | Yinan Gold Mine                         |
| Chifeng Chaihulanzi Gold Mining Co., Ltd.                     | Chifengchai Gold Mine                   |
| Shandong Gold Guilaizhuang Mining Co., Ltd.                   | Guilaizhuang Gold Mine                  |
| SDG Heavy Industry Co., Ltd.                                  | SDG Heavy Industry                      |
| Shandong Gold Smelting Co., Ltd.                              | Gold Smelting Company                   |
| Shandong Gold Mining (Xinhui) Co., Ltd.                       | Xinhui Company                          |
| Shandong Jinzhou Mining Group Co., Ltd.                       | Shandong Jinzhou Group                  |
| Xihe Zhongbao Mining Co., Ltd.                                | Xihe Zhongbao                           |
| Xinjiang Jinchuan Mining Co., Ltd.                            | Xinjiang Jinchuan Mining                |
| Shandong Gold Mining (Laixi) Co., Ltd.                        | Laixi Company                           |
| Fujian Zhenghe Yuanxin Mining Co., Ltd.                       | Fujian Yuanxin Company                  |
| Shanjin Futures Co., Ltd.                                     | Futures Company                         |
| Argentina Veladero Gold Mine Co., Ltd.                        | Argentina Veladero Gold Mine            |
| Cardinal Namdini Mining Limited                               | Ghana Cardinal Resources Company        |
| Shanjin International Gold Co., Ltd.                          | Shanjin International                   |
| Inner Mongolia Yulong Mining Co., Ltd.                        | Yulong Mining                           |



# Index

## HKEX ESG Reporting Guide Content Index

### Environmental

| Subject Areas  | Aspects            | General Disclosures and KPIs  | Pages              |
|--|--------------------|---|--------------------|
| A1 Emissions   | General Disclosure | Information on:<br>a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste. | 33-37              |
|  |                    | A1.1 The types of emissions and respective emissions data.  | 33; 85             |
|  | 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).  | 37; 84             |
|  |                    | A1.3 Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).   | 34; 83             |
|  |                    | A1.4 Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).   | 34; 83             |
|  |                    | A1.5 Description of emissions target(s) set and steps taken to achieve them.  | 37                 |
|  |                    | A1.6 Description of how hazardous and non-hazardous wastes are handled, and a description of reduction target(s) set and steps taken to achieve them.   | 34                 |
| A2 Use of Resources  | General Disclosure | Policies on the efficient use of resources, including energy, water and other raw materials.  | 31-32              |
|  |                    | A2.1 Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (kWh in '000s) and intensity (e.g. per unit of production volume, per facility).   | 84                 |
|  | KPI                | A2.2 Water consumption in total and intensity (e.g. per unit of production volume, per facility).   | 31; 83-84          |
|  |                    | A2.3 Description of energy use efficiency target(s) set and steps taken to achieve them.  | 32; 37             |
|  |                    | 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.   | 31                 |
|  |                    | A2.5 Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.   | Not applicable     |
|  |                    | A3 The Environment and Natural Resources  | General Disclosure |
| A3.1 Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them. | 28-29; 38-39       |   |                    |

| Subject Areas     | Aspects            | General Disclosures and KPIs  | Pages |
|-------------------|--------------------|---|-------|
| A4 Climate Change | General Disclosure | Policies on identification and mitigation of significant climate-related issues which have impacted, and those which may impact, the issuer.                  | 35-37 |
|                   |                    | 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. | 35-37 |

### Social

| Subject Areas                   | Aspects            | General Disclosures and KPIs  | Pages     |
|---------------------------------|--------------------|---|-----------|
| Employment and Labour Practices |                    |   |           |
| B1 Employment                   | General Disclosure | Information on:<br>(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, equity opportunity, diversity, anti-discrimination, and other benefits and welfare. | 58-59     |
|                                 |                    | B1.1 Total workforce by gender, employment type (for example, full- or part-time), age group and geographical region.   | 58; 85-86 |
|                                 | KPI                | B1.2 Employee turnover rate by gender, age group and geographical region.   | 86-87     |
| B2 Health and Safety            | General Disclosure | Information on:<br>(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.  | 44-52     |
|                                 |                    | B2.1 Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.  | 44; 88    |
|                                 |                    | B2.2 Lost days due to work injury.  | 88        |
| B3 Development and Training     | General Disclosure | B2.3 Description of occupational health and safety measures adopted, and how they are implemented and monitored.  | 44-52     |
|                                 |                    | Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.   | 60-61     |
|                                 | KPI                | B3.1 The percentage of employees trained by gender and employee category (e.g. senior management, middle management).   | 87        |
| B4 Labour Standards             | General Disclosure | B3.2 The average training hours completed per employee by gender and employee category.   | 87        |
|                                 |                    | Information on:<br>(a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labour.   | 57        |
|                                 | KPI                | B4.1 Description of measures to review employment practices to avoid child and forced labour.   | 57        |
|                                 |                    | B4.2 Description of steps taken to eliminate such practices when discovered.  | 57        |



| Subject Areas              | Aspects            | General Disclosures and KPIs   | Pages     |
|----------------------------|--------------------|--|-----------|
| Operating Practices        |                    |  |           |
|                            | General Disclosure | Policies on managing environmental and social risks of the supply chain.   | 24-25     |
|                            |                    | B5.1 Number of suppliers by geographical region.   | 89        |
|                            |                    | B5.2 Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, and how they are implemented and monitored.   | 24-25     |
| B5 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.  | 24-25     |
|                            |                    | B5.4 Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.   | 24        |
|                            | General Disclosure | Information on:<br>(a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress. | 76        |
| B6 Product Responsibility  |                    | B6.1 Percentage of total products sold or shipped subject to recalls for safety and health reasons.  | 82        |
|                            | KPI                | B6.2 Number of products and service related complaints received and how they are dealt with.   | 76; 82    |
|                            |                    | B6.3 Description of practices relating to observing and protecting intellectual property rights.   | 75        |
|                            |                    | B6.4 Description of quality assurance process and recall procedures.   | 76        |
|                            |                    | B6.5 Description of consumer data protection and privacy policies, and how they are implemented and monitored.   | 76        |
|                            | General Disclosure | Information on:<br>(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.  | 22        |
| B7 Anti-corruption         |                    | B7.1 Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases.  | 22; 80    |
|                            | KPI                | B7.2 Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored.  | 22        |
|                            |                    | B7.3 Description of anti-corruption training provided to directors and staff.  | 22        |
| Community                  |                    |  |           |
| B8 Community Investment    | General Disclosure | 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.   | 67-71     |
|                            | KPI                | B8.1 Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).   | 67-71; 89 |
|                            |                    | B8.2 Resources contributed (e.g. money or time) to the focus area.   | 67-71     |

## Guidelines No.14 of Shanghai Stock Exchange for Self-regulatory of Listed Companies-Sustainability Report (Trial)

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| Environmental                      | 4   | Ecosystem and Biodiversity Conservation         | Article 32        | 38-39  |
|                                    | 5   | Environmental Compliance Management             | Article 33        | 28-30  |
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|                                    | 7   | Water Utilization                               | Article 36        | 31; 83-84  |
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|                                    | 11  | Innovation Drive                                | Article 42        | 74-75; 77-79   |
| Social                             | 12  | Technological Ethics                            | Article 43        | Not applicable. The Company has not engaged in scientific research, technological development and other activities in scientifically and ethically sensitive fields such as life sciences and artificial intelligence. Therefore, this subject is not applicable to the Company. |
|                                    | 13  | Supply Chain Security                           | Article 45        | 24-25; 89  |
|                                    | 14  | Fair Dealing with Small and Midsize Enterprises | Article 46        | 25; 89   |
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|                                    | 20  | Anti-commercial Bribery and Corruption          | Article 55        | 22; 80   |
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**SD-GOLD**