Stock code:3833

新鑫矿业
XJ MINERAL INDUSTRY

2024 Environmental, Social and Governance (ESG) Report

Xinjiang Xinxin Mining Industry Co., Ltd.

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Chairman's Statement

As a mining-focused enterprise, we fully recognize the importance of sustainable development. Confronted with a complex and volatile global landscape, we actively implement ESG principles with unwavering commitment and pragmatic actions. We continuously advance the deep integration of energy transition, technological innovation, and sustainable development, while holistically balancing environmental protection, social responsibility, and corporate governance for synergistic progress.

Green Development: Technological Innovation Safeguards Lucid Waters and Lush Mountains

Mining development is not merely about resource extraction, but also a commitment to the harmonious coexistence of humans and nature. We uphold and implement the green development principle of “simultaneous development, rehabilitation, and reclamation.” In mine construction, we integrate “sustainable resource development” with “sustainable environmental protection” through synchronized planning. By adopting technological upgrades and equipment modernization, we enhance resource utilization efficiency and management standards. We actively collaborate with regional research institutions to select suitable saplings and vegetation for greening practices in desert and Gobi-type mines. All mining areas under our Group have achieved extensive green coverage, turning the vision of 'mines nestled in gardens, roads winding through forests, and people thriving in greenery' into reality. Furthermore, we comprehensively promote the adoption of clean energy across mining, mineral processing, and smelting processes. Through equipment upgrades, waste heat recovery, coal-to-electricity/gas conversion, and clean energy substitution initiatives, we have significantly improved energy efficiency and reduced carbon emissions.

Social Responsibility: Fulfilling Our Mission Through Shared Development

We adhere to a people-centric approach, prioritizing employee growth and well-being by safeguarding welfare, physical and mental health, while enriching their leisure lives to foster a sense of belonging and fulfillment. Concurrently, we emphasize staff training and development, continuously refining our talent management system to establish transparent career pathways that empower employees to realize their potential. We are committed to realizing our corporate social value by supporting local economic development. Through poverty alleviation initiatives in mining-adjacent villages, we contribute to water supply and road infrastructure projects via donations, actively participate in regional rural revitalization programs, and assist communities in developing specialty industries to boost employment and livelihoods—fulfilling our social responsibilities and mission with tangible actions.

Governance Innovation: Strengthening Development Foundations Through Compliance Management

We adhere to an innovation-driven approach, continuously advancing mechanization, digitalization, and intelligent construction and application to enhance operational and managerial efficiency. All mines under our Group have achieved full mechanization, with digital and intelligent projects progressing steadily, demonstrating initial results in the "Three Modernizations" initiative. Kalatongke Company was awarded the title of "Digital Transformation Demonstration Enterprise" by the Altay Region, and its microseismical monitoring and early warning technology project was recognized as an "Exemplary Case" by the National Mine Safety Administration. The Group upholds law-based corporate governance and compliance management, consistently strengthening internal control and risk management systems. We rigorously implement the "Three Meetings" mechanism, ensuring scientific decision-making and standardized operations to continually elevate corporate governance standards.

Future Outlook: Collaborating for a Sustainable Future

In the following year, we will continue to implement our business strategy of green development, shared development, and innovative development. With the relentless efforts of all employees and the strong support from all sectors of society, we believe the Company will achieve higher-quality growth and deliver even stronger ESG performance to reward shareholders and contribute to society.

Qi Xinhui

About This Report

Xinjiang Xinxin Mining Industry Co., Ltd. (the "Company", together with its subsidiaries, collectively referred to as the "Group" or "we") is pleased to present the Environmental, Social and Governance Report (the "ESG Report") for the year ended 31 December 2024 (the "Year 2024" or "the Year"). This ESG Report summarizes the Group's objectives, plans and performance in environmental, social and governance ("ESG") matters, and demonstrates our consistent commitment to sustainable development.

Scope of the Report

This Report covers the Company and its subsidiaries within the scope of the consolidated financial statements.

Time Frame

The reporting period of this Report covers from 1 January 2024 to 31 December 2024, with certain content appropriately extended to include relevant data from preceding and subsequent years for analytical purposes.

Basis of Preparation

This Report has been prepared in strict compliance with the requirements of Appendix 27 (Environmental, Social and Governance Reporting Guide) to the Rules Governing the Listing of Securities (the 'Listing Rules') of The Stock Exchange of Hong Kong Limited ('HKEX'), and makes reference to the following international and national standards:

Global Reporting Initiative (GRI) Sustainability Reporting Standards (2022 Edition)
International Organization for Standardization Guidance on Social Responsibility (ISO 26000:2010)
National Standard of the People's Republic of China GB/T 36000 Guidance on Social Responsibility
State-owned Assets Supervision and Administration Commission of the State Council (SASAC) Guidelines on the Fulfillment of Social Responsibilities by Central Enterprises

Data Sources

All data and information contained in this report are derived from the Group's internal statistical systems and official records. In the event of any discrepancy between the financial data disclosed in this report and that in the Group's annual report, the annual report shall prevail. Unless otherwise stated, all amounts in this report are denominated in Renminbi "CNY".

Explanation of Designations

For conciseness and readability, all abbreviated terms used in this report are consistent with those defined in the Group's 2024 Annual Report.

Report Access

The electronic version of this report has been published on the Company's website (kunlun.wsfg.hk) and the HKEX news website (http://www.hkexnews.hk), and is available for public inspection and download.

Report Version

This report is published in both Chinese and English. In case of any discrepancy or ambiguity between the two versions, the Chinese version shall prevail.

Definitions

Items	Definitions
HKEX	Hong Kong Exchanges and Clearing Limited
Kalatongke Company	Xinjiang Kalatongke Mining Co., Ltd.
Yakesi Company	Xinjiang Yakesi Resources Co., Ltd.
Hami Jubao	Hami Jubao Resources Development Co., Ltd.
Fukang Smelter	Fukang Smelter of Xinjiang Xinxin Mining Co., Ltd.

Board of Directors' Statement

The Board of Directors (the "Board") of the Company attaches great importance to ESG governance and strives to achieve harmonious development among the enterprise, society and nature. As the highest authority responsible for ESG matters and decision-making within the Group, the Board oversees and participates in the entire process of ESG affairs, and is accountable for the formulation of the Company's ESG strategy and reporting.

Oversight of ESG Matters: The Board has incorporated ESG matters into the Company's governance structure. The Strategy and Sustainability (ESG) Committee (the "ESG Committee") is responsible for reviewing and supervising the Group's ESG policies and practices, and providing recommendations to the Board on ESG management. On 27 March 2024, the ESG Committee reviewed the 2023 Annual ESG Report and Corporate Governance Report. On 28 March 2025, the ESG Committee examined the 2024 Annual ESG Report and Corporate Governance Report, assessed the effectiveness and adequacy of the ESG Committee's terms of reference, and conducted review of the shareholder communication policy.

ESG Management Principles and Policies: The Board has incorporated ESG concepts into the management system and daily operations. Based on macro policy analysis, internal strategic planning, and stakeholder engagement, the Board prioritizes and manages ESG-related matters along with internal and external risks. By defining key aspects of ESG governance and management principles, the Board continuously enhances and drives the implementation and optimization of ESG-related initiatives.

Review of ESG Objectives: The Board has continuously strengthened its oversight of the Company's ESG governance and enhanced its level of engagement. The Company has established annual environmental objectives aligned with its business operations. The Board regularly reviews and discusses the formulation of these objectives and monitors their implementation progress.

The Group has placed a high priority on materiality, quantification, balance and consistency in the preparation of the ESG Report and the Group has applied the following reporting principles in accordance with the above ESG Reporting Guidelines:
Materiality: Materiality issues were identified through a materiality assessment in the Year and the identified materiality issues have been used as the focus for the preparation of the ESG Report. The materiality of the issues has been reviewed and confirmed by the Board and the Working Group. Please refer to the Materiality Assessment section for further details.
Quantitative: The criteria and methodology used to calculate the relevant data for the ESG Report and the assumptions applied have been disclosed. Where applicable, the disclosure of key performance indicator data is supplemented in the notes for benchmarking purposes.
Balance: The ESG Report has been prepared in an objective and impartial manner to ensure that the information disclosed truly reflects the overall ESG performance of the Group.
Consistency: The statistical methods used in this ESG Report are generally consistent with those of the previous year, with explanations given for changes in the scope of disclosure and calculation methods. Any changes that may affect comparisons with previous reports will be described in the corresponding sections of this ESG Report.

The ESG Report has been subject to the Group' s internal review process and approved by the Board.
This report was reviewed and approved by the Board of Directors on 28 March 2025.

01

About Xinjiang Xinxin Mining

- Company Profile
- Core Business
- Operating Performance

Company Profile

Xinjiang Xinxin Mining Co., Ltd. ("the Group") is a joint stock limited company incorporated in the People's Republic of China ("China") on September 1, 2005, upon the approval of the People's Government of Xinjiang Uygur Autonomous Region. It was established upon initiation by Xinjiang Nonferrous Metals Industry (Group) Co., Ltd. ("Xinjiang Nonferrous Metals") in conjunction with a number of strategic investors. In October 2007, the Company's H shares were listed on the Main Board of the Stock Exchange of Hong Kong Limited (stock code: 03833.HK), and the Group became the first electrolytic nickel production enterprise listed outside China. In 2009, the Group completed the wholly-owned acquisition of Yakesi Company and Hami Jubao. In addition to the Kalatongke Nickel-Copper Mine owned by the Group at the time of its establishment, it also holds 100% interests in the Huangshandong, Huangshan and Xiangshan Nickel-Copper Mines in Hami City, Xinjiang. In recent years, the Company has been deeply promoting the reform of state-owned assets and state-owned enterprises to improve the efficiency of operation and management. The Company was consecutively included in the list of "Double Hundred Enterprises" of the State-owned Assets Supervision and Administration Commission of the State Council in 2023 and 2024, demonstrating the exemplary effect of the reform.

Core Business

The Group is a mining company principally engaged in the mining, ore dressing, smelting and refining of electrolytic nickel products and other non-ferrous metals (including copper, cobalt, gold, silver, platinum and palladium). It is the second-largest producer of electrolytic nickel in China utilizing nickel sulfide resources. The Group' s principal product is electrolytic nickel, with cathode copper as a by-product. Other products generated during the production of the Group' s principal product include cobalt, gold, silver, platinum and palladium.

Operating Performance

For the year 2024, the Group recorded revenue of approximately CNY2,281.4 million, representing an increase of approximately 11.3% as compared to approximately CNY2,049.8 million in 2023. The Group' s consolidated net profit amounted to approximately CNY173.9 million, an increase of approximately 7.1% from RMB162.3 million in 2023. During 2024, the Group produced a total of 10,274 tones electrolytic nickel and 8,792 tones cathode copper. In 2025, the Group will strengthen management practices, enhance overall operational efficiency, and tap into internal potential to ensure the smooth operation of the entire mining, ore dressing, smelting, and refining processes. The Group aims to maintain stable production levels of its key products.

Total Assets
7,723.2 Million CNY

Nickel Production
10,274 Tons

Operating Income
2,281.4 Million CNY

Copper Production
8,792 Tons

Net Profit
173.9 Million CNY

02

Efficient ESG System

- ESG Management System
- Stakeholders Engagement
- Materiality Assessment

ESG Management System

As a responsible company, the Group regards its environmental, social, and governance (ESG) commitments as part of its duties and is dedicated to incorporating ESG considerations into its decision-making processes. To achieve this goal, the Group has established an ESG management system, led by the Board of Directors and its specialized committees, and implemented by a working group composed of senior management and heads of various departments at the headquarters. This system ensures that environmental, social, and governance is aligned with the Group's business strategy, while also promoting the integration of ESG into its business operations.

ESG Governance Framework

Board of Directors:

- The Board of Directors is fully responsible for the Group' s ESG strategy and reporting, and oversees and manages ESG-related risks; and
- Responsible for setting ESG-related goals, regularly discussing and reviewing the company' s risks, opportunities, performance, progress, objectives, and specific indicators in the areas of environment, social, and governance, ensuring that ESG risk management is aligned with the effectiveness of the internal control system.

Strategy and Sustainability (ESG) Committee:

- Conduct research, analysis, and risk assessment on the Group' s sustainability and ESG-related matters, and formulate sustainability systems, strategies, and objectives;
- Coordinate and oversee the policy supervision, management review, progress tracking of objectives, and performance evaluation of sustainability and ESG matters, and propose recommendations based on the findings; and
- Review the Group' s sustainability and ESG-related reports and present the findings to the Board of Directors.

ESG Working Group :

- The Working Group, composed of senior management and heads of departments at the headquarters, is responsible for the collection and research of materials for the ESG Committee, implementing the resolutions of the ESG Committee, preparing and coordinating the meetings of the Committee, and carrying out the ESG-related tasks and resolutions of the Committee; and
- Formulate the specific implementation plan for the Group's ESG key performance indicators, prepare the Group's ESG report, and coordinate and promote ESG initiatives across different departments and subsidiaries.

Stakeholders Engagement

The Group places great emphasis on stakeholder engagement and values the feedback provided by stakeholders concerning our business operations and ESG initiatives. To proactively understand and respond to their key concerns, the Group maintains close communication with primary stakeholders, including (but not limited to) shareholders and investors, customers, suppliers, employees, government and regulatory bodies, non-governmental organizations ("NGOs"), industry associations, and local communities. In formulating our operational and ESG strategies, the Group considers stakeholder expectations through diversified engagement methods and communication channels, as outlined below:

Primary Stakeholders	Expectations and Concerns	Communication Channels
Shareholders and Investors	• Investment Returns • Corporate Governance • Business Compliance • Protection of Shareholders' and Investors' Voting Rights • Board Appointments • Information Transparency	• Annual General Meeting • Financial Reports • Announcements and Circulars • Information Disclosure • Site Visits
Customers	• High-Quality Products and Services • Protection of Customer Rights	• Customer Service Hotline • Customer Satisfaction Survey
Suppliers	• Supplier Selection • Sustainable Supply Chain	• On-Site Audit Management System • Supplier Management Meetings and Activities
Employees	• Enhancement of Manufacturing Company's Policies • Employee Compensation and Benefits • Training and Development • Occupational Health and Safety	• Employee Feedback Forms and Suggestion Boxes • Regular Meetings and Management Communications (e.g., Emails, Telephone Calls) • Performance Appraisals • Site Visits
Government and Regulatory Bodies	• Compliance with Laws and Regulations	• Legal Advisors
NGOs, Industry Associations and Communities	• Community Engagement • Business Compliance • Environmental Awareness • Community Development	• Community Investment Programs • Environmental, Social, and Governance (ESG) • Charitable Activities

Materiality Assessment

The Group's senior management and employees who are primarily involved in operations have participated in the preparation of this Environmental, Social, and Governance (ESG) Report. Their involvement assists the Group in reviewing its operations, identifying relevant ESG issues, and assessing the significance of these issues to the Group's business and stakeholders. The Group has developed a questionnaire to identify material ESG issues, collecting information from senior management, general employees, and consultants. The Group has reviewed stakeholder feedback and survey results, and based on this feedback and survey results, has identified key ESG issues.

Step 1: Identification of Potential Environmental, Social, and Governance (ESG) Issues

In accordance with the Environmental, Social and Governance Reporting Guide, the Group conducts an initial screening of relevant issues and benchmarks them against ESG topics disclosed by industry peers.

Step 2: Determine Priorities

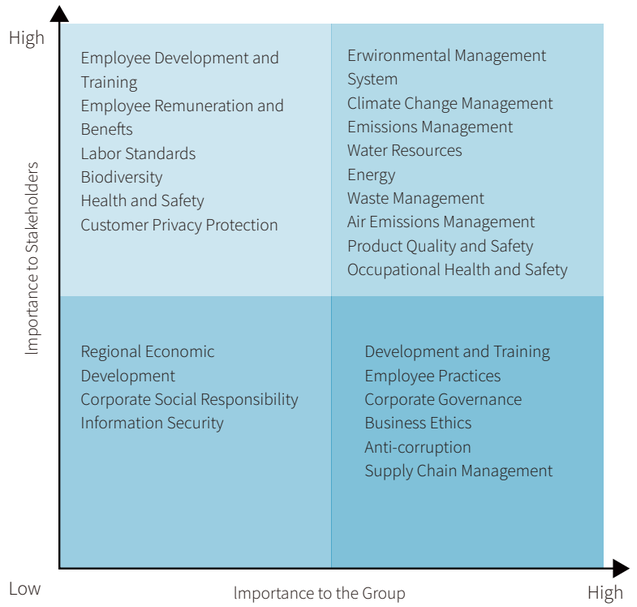
Summarize the evaluation results from different stakeholders and management representatives, integrate, analyze, and assess the importance scores of potential ESG issues, and prioritize the issues accordingly.

Step 3: Verification

The management of the Group reviews and confirms the priority list of ESG issues, which is finally approved as the key disclosures in this report.

Materiality Assessment Matrix

Based on Relative Importance, the Group' s key ESG issues are summarized as follows:



03

Corporate Governance

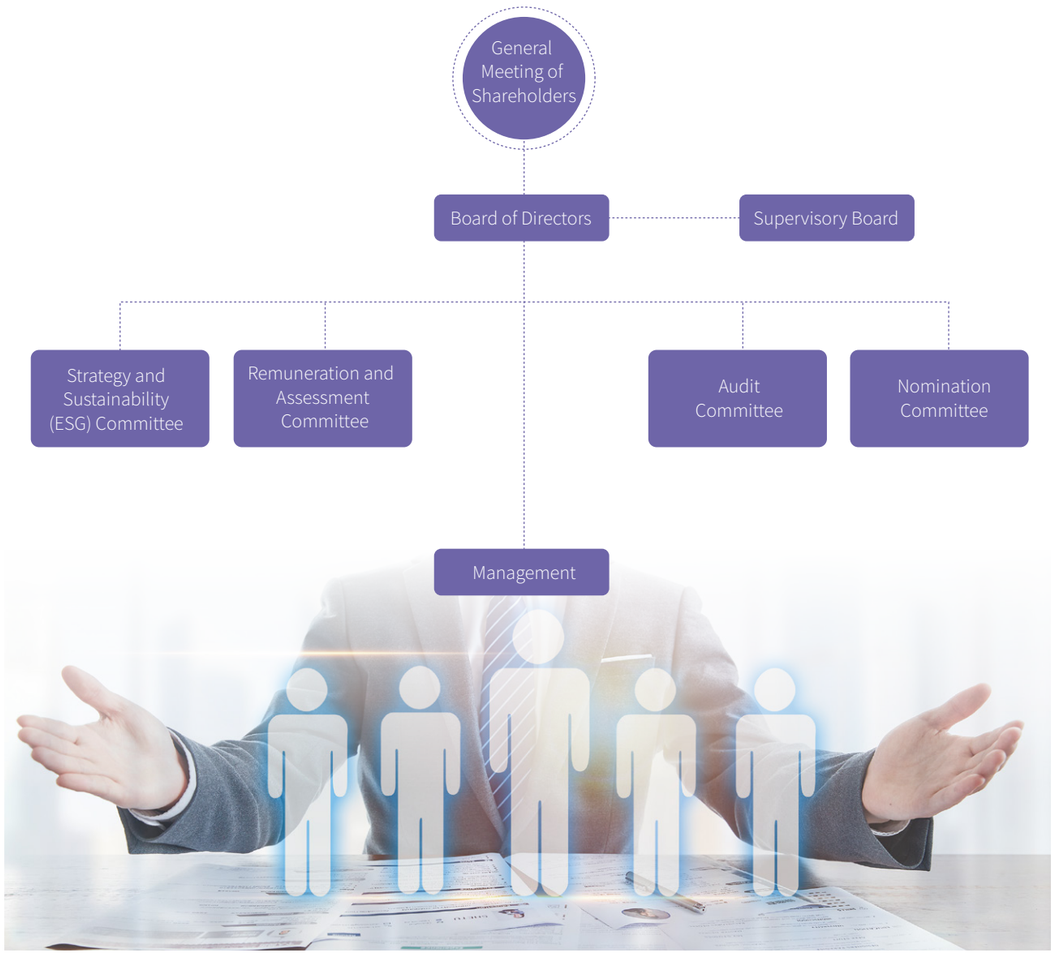
- Corporate Management
- Risk Control
- Investor Relationship
- Business Ethics
- Information Security

XinXin Mining strictly implements compliance operations and risk management mechanisms, deepens the construction of a clean and honest business culture, promotes the integration of party-building work with the production and management system, and comprehensively enhances corporate governance standards. These measures not only align with regulatory requirements for listed company governance but also provide institutional and systematic guarantees for the Group' s sustainable development.

Corporate Management

The Group strictly follows the Articles of Association and relevant laws and regulations, establishing a scientifically-based and standardized governance structure. The functions of the General Meeting of Shareholders, the Board of Directors, and the Supervisory Board are fully utilized to form a governance mechanism with clear responsibilities, mutual checks and balances, and efficient collaboration, effectively safeguarding the legal rights and interests of shareholders, the Group, and stakeholders.

Governance Structure



General Meeting of Shareholders

The General Meeting of Shareholders is the supreme authority of the Group, legally safeguarding the equal status and legal rights of all shareholders, ensuring they fully exercise their statutory rights. The convening and procedural processes of the General Meeting strictly adhere to the Articles of Association, with meetings chaired by the Chairman. Clear voting procedures and rules for proposal deliberation are established to ensure the fairness of the meeting process and the legality of resolutions.

Board of Directors

The Board of Directors is responsible for approving and reviewing the Group's overall development strategy, annual business plans, and investment projects related to the Group's business development. It evaluates the Group's performance, supervises the management's work, and ensures that the Board acts in the best interests of the Group. The Board's powers and duties include, but are not limited to: approving annual operational targets, formulating profit distribution and loss recovery plans, and performing other responsibilities conferred by the Articles of Association.

The Board of Directors has established several specialized committees, including the Audit Committee, the Nomination Committee, the Remuneration and Assessment Committee, and the Strategy and Sustainability (ESG) Committee. Among these committees, independent non-executive directors constitute the majority in the Audit Committee, the Nomination Committee, and the Remuneration and Assessment Committee. Furthermore, both the Audit Committee and the Remuneration and Assessment Committee are chaired by independent non-executive directors, ensuring the independence and professionalism of relevant decision-making. The Board is elected every three years.

Supervisory Board

The Supervisory Committee independently exercises its supervisory powers in accordance with the law, overseeing the performance of duties by members of the Board of Directors and senior management, preventing the abuse of power, safeguarding the Group's assets, and protecting the legal rights and interests of all shareholders and employees. As of the end of this reporting period, the Supervisory Committee comprises five members: Ms. Yao Wenying (Chairperson), Ms. Chen Rong, Ms. Lin Su, Mr. Li Shouqiang, and Mr. Huang Fakai.

Convene General Meetings of Shareholders
5Times

Convene Board of Directors Meetings
5Times

Convene Supervisory Committee Meetings
4Times

Number of Proposals Approved at the General Meeting of Shareholders
27Resolutions

Number of Proposals Approved at Board of Directors Meeting
43Resolutions

Number of Proposals Approved at Supervisory Committee Meeting
12Resolutions

Board Diversity

The Group values the diversity of its board members. In nominating or appointing board members, the Group comprehensively considers key factors such as gender, age, professional qualifications, and industry experience. As of 2024, the board comprises nine directors, including one executive director, five non-executive directors, and three independent non-executive directors. All current directors possess extensive industry experience and solid professional knowledge in their respective fields. The composition of the board aligns with the Hong Kong Stock Exchange's Listing Rules concerning board diversity for listed companies.

Board Members' Backgrounds

Executive Director	Mr. Chen Yin (appointed on 31 May 2024)
Non-Executive Director	Mr. Qi Xinhui (Chairman) (re-designated as Non-Executive Director on 20 December 2024), Mr. Zhou Chuanyou, Mr. Wang Lijian, Ms. Chen Yang, Mr. Hu Chengye
Independent Non-Executive Director	Mr. Hu Benyuan, Mr. Huang Yong (appointed on 31 May 2024), Mr. Li Daowei
Gender	Male (8); Female (1)
Category	Executive Director (1); Non-Executive Director (5); Independent Non-Executive Director (3)
Region	Mainland China (8); Hong Kong Special Administrative Region (1)
Age	30-39(1); 40–49(2); 50–59(4); 60–69(2)
Professional Background	Mining (3); Geology (1); Business (2); Law (1); Accounting (2)

Risk Control

Risk Management

To implement comprehensive risk management requirements and enhance regulatory compliance, the Group has initiated a special compliance risk assessment process. This process systematically identifies, quantitatively evaluates, and classifies risks, resulting in the development of a dynamic and actionable Compliance Risk Register. Based on this register, the Group has improved its risk early-warning indicator system and hierarchical control mechanisms. These measures not only provide data-driven decision-making support for risk prevention strategies but also promote continuous optimization of internal systems through a closed-loop management approach, thereby enhancing the Group's operational resilience and compliance governance effectiveness.

Risk Identification Process

Comprehensive Screening	Conduct a thorough examination of core business processes and critical operational nodes across all departments of the Group. Based on industry regulatory guidelines and internal control systems, systematically identify potential compliance risk exposures to ensure comprehensive risk coverage without omissions.
Categorization and Organization	Establish a risk classification framework based on risk domains (including legal compliance, financial compliance, business operations, etc.), integrating core elements such as risk descriptions, responsible departments, and mitigation measures. Prepare a standardized "Compliance Risk Register".
Dynamic Management	Incorporate changes in internal and external operating environments to dynamically update the risk register, ensuring the timeliness and effectiveness of risk management measures.

Risk Prevention and Control Measures

Strengthening Internal Controls	Enhance internal control processes to ensure the effective implementation of risk prevention and control measures.
Emphasizing Rectification	Develop specific rectification plans for identified risk points, clarifying responsible departments and rectification deadlines.
Strict Accountability	Hold relevant parties accountable for risk events arising from non-compliant operations, establishing a stringent regulatory environment for compliant business practices.

Compliance Operations

In line with the Group's principle of tiered and classified management, we are committed to enhancing our institutional management system. The Legal Department, in collaboration with various functional departments, is conducting a systematic review and standardized revision of the existing compliance management system. This process is guided by regulatory requirements of "establishing where necessary" and tailored to the Group's operational needs. We are also supplementing relevant implementation details to ensure that our institutional framework aligns dynamically with the company's business development, thereby effectively enhancing the coherence between governance mechanisms and business operations.

In 2024, the Group revised **32** policies and introduced **123** new ones, bringing the total number of policies in the compilation to **241**.

The Group upholds compliance operations as the foundation for sustainable corporate development. Through enhancing the governance framework, optimizing business processes, and strengthening risk control measures, we ensure the continued achievement of efficient and standardized operations within the legal regulatory framework.

Legal Opinion Mechanism for Major Decisions

The Legal Department coordinates with business departments to provide legal opinions and formal letters, reinforcing compliance endorsement for major decisions.

Legal Participation and Compliance Opinions

The Legal Department oversees significant business matters throughout the process, ensuring a 100% legal review rate for major decisions.

Dynamic Management System

In response to amendments in national laws and external market risks, the system identifies new risk points in contract management and institutional development, dynamically enhancing the risk prevention and control system, with a 100% legal review rate for contract documents.

Contract Management System

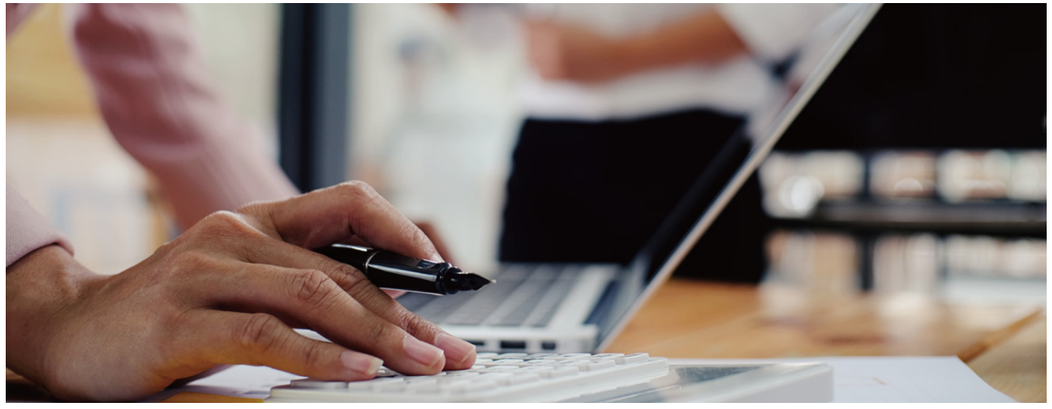
Through random checks, organized contract management, and joint reviews by relevant departments, the system improves contract review quality and efficiency, elevating the overall level of contract management.

Compliance Culture Promotion

The Group adheres to the principles set out in the Civil Code of the People's Republic of China, the Company Law of the People's Republic of China, the Archives Law of the People's Republic of China, and the Bidding Law of the People's Republic of China, among other relevant laws and regulations. We have clearly defined and standardized the key areas of legal publicity and education. Through the Group's official website and new media platforms, we promptly publish authoritative interpretations of laws and regulations. Simultaneously, we make full use of internal notice boards and electronic displays to continuously update legal education content, thereby strengthening the legal awareness of all employees and fostering a corporate culture that emphasizes compliance and adherence to the law.

Conducting Legal Awareness Promotion Activities

In the year of 2024, the headquarters of Xinxin Mining Industry conducted several times legal awareness promotion activities, covering core legal norms such as the Constitution of the People's Republic of China, the Production Safety Law of the People's Republic of China, the Archives Law of the People's Republic of China, and the Tendering and Bidding Law of the People's Republic of China. The Group systematically guided all employees to deepen their understanding of the rule of law, strengthen compliance awareness, and effectively enhance their ability to act in accordance with the law through various forms such as thematic lectures, legal knowledge competitions, and on-site consultations.



Internal Audit System

The Group attaches great importance to the institutionalization, standardization, and digitalization of the internal audit system. By implementing a "three-tier review" mechanism, audit conclusions are independently reviewed at three levels: the audit team, department heads, and the audit committee, ensuring the objectivity and fairness of audit conclusions through rigorous procedures.

Improvement of the Systematic Framework

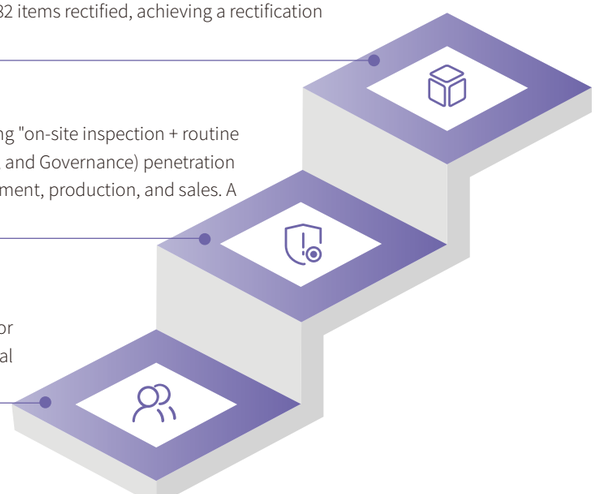
The Group has established the Internal Audit Management Measures and the Special Audit (Investigation) Measures and other system documents, clearly defining the principles of audit independence and coverage.

End-to-End Risk Management

Post-Audit Follow-up
After the completion of the audit, a closed-loop management system for audit issues was established, with 82 items rectified, achieving a rectification completion rate of 87%.

In-Process Control:
The audit adopted an operational model combining "on-site inspection + routine audits," implementing ESG (Environmental, Social, and Governance) penetration audits targeting operational areas such as procurement, production, and sales. A total of 94 issues were identified in 2024.

Preventive Measures:
Integration of the finance, legal, and audit departments for collaborative supervision, timely identification of potential risk points.



Enhancing the Professionalism of the Internal Audit Team

The Group's internal audit personnel continuously strengthen their professional capabilities by forming dedicated audit teams and adopting a "learning through auditing" approach to systematically train the next generation of auditors, with the aim of enhancing the effectiveness of professional audit practices.

Investor Relationship

Shareholder Communication Policy

Pursuant to Rule 2.07 of the Listing Rules under the expanded paperless listing regime and the electronic publication of corporate communications effective from 31 December 2023, the Company has adopted arrangements for the electronic publication of corporate communications. The Company communicates with shareholders through the publication of annual reports, interim reports, results announcements, and other announcements. Relevant corporate communications will be available on the Company's website at kunlun.wsfg.hk and the Hong Kong Stock Exchange website at www.hkexnews.hk.

The Group strictly adheres to relevant legal regulations and enhances corporate transparency through measures such as improving the quality of information disclosure. The Group also strengthens communication mechanisms with shareholders and investors to effectively safeguard investors' right to know and other legal rights and interests.

Investor Relations

Since 2007, the Company has engaged a professional public relations consultancy to organize various investor relations activities, including regular briefings with analysts, aiming to enhance the Company's transparency, strengthen communication with shareholders and investors, and deepen their understanding and confidence in the Group's business. At the same time, these investor relations activities also seek to improve the Company's market visibility and support.

The Group acknowledges the importance of maintaining continuous communication with its shareholders and encourages them to attend general meetings to stay informed about the Group's business and to raise any concerns with the Board of Directors and senior management.

The Group Secretary and the Securities Department provide comprehensive services to shareholders, responding to their inquiries in a timely manner to keep them informed about the Company's affairs. They also maintain effective communication with shareholders to ensure that their views are conveyed to the Board of Directors.

To ensure that the Group's general meetings provide a useful platform for shareholders to exchange views with the Board, the Company provides shareholders with relevant information on resolutions to be proposed at general meetings in a timely manner, in accordance with the Listing Rules. In addition, the Chairman of the Board or his representative, other Board members, the Chairman of the Board committees, appropriate management personnel, and external auditors will attend general meetings to answer shareholders' questions. The Company also regularly monitors and reviews the procedures of general meetings and makes changes when necessary to ensure that shareholders' needs are met as far as possible.

During the reporting period, the Board reviewed the implementation and effectiveness of the Shareholders Communication Policy and concluded that it remains effective. The Board believes that the policy facilitates effective two-way communication between the Group and its investors and shareholders through regular meetings and appropriate updates on the Company's financial performance and developments.

Business Ethics

The Group adheres to principles of fairness, transparency, and integrity in its business ethics, strictly complies with laws and regulations such as the Company Law of the People's Republic of China, Anti-Money Laundering Law of the People's Republic of China, Anti-Unfair Competition Law of the People's Republic of China, and the Provisional Regulations on Prohibiting Commercial Bribery, establishes a comprehensive anti-corruption management system, and strengthens measures for integrity risk prevention and control.

Anti-Corruption Management System

The Group has established regulations such as the Work Plan for Addressing Commercial Bribery and the Guiding Plan for Establishing Long-Term Mechanisms for Preventing and Addressing Commercial Bribery based on operational practices. Adhering to the principle of governing the enterprise according to law, focusing on key areas, and implementing comprehensive measures, the Group is committed to enhancing information transparency and advancing anti-corruption efforts.

The Group strictly enforces the aforementioned laws, regulations, and its internal systems and policies. Led by internal Party supervision, the Group promotes the integration and coordination of various supervisory mechanisms, establishing a framework that includes audit supervision, inspection supervision, financial supervision, public supervision, and performance monitoring. Efforts are focused on enhancing oversight in key areas and critical positions, implementing timely reminders and corrections for emerging issues, and ensuring prompt reporting of significant problem indicators. The Party Discipline and Anti-Corruption Leadership Group convenes at least four special meetings annually to review work reports, coordinate the resolution of practical issues, and promote the implementation of anti-corruption initiatives.

In the year 2024, the Group did not receive any verified reports involving occupational crimes, bribery, extortion, fraud, money laundering, or other illegal activities; no cases related to occupational crimes, bribery, extortion, fraud, or money laundering occurred; and there were no corruption-related lawsuits initiated by the Group or its employees that have been concluded.

Integrity Risk Prevention and Control

The Party Committee of the Group has entered into the Party Conduct and Clean Government Construction Target Responsibility Agreement and the Position Integrity Commitment Letter with the Party Committees and management members of its branches and subsidiaries, establishing a three-tier responsibility network involving managers, department heads, and key positions. Through a checklist approach, the responsibilities at each level are clarified, specific duties for integrity construction are defined, and the assessment mechanism is strengthened to promote the detailed implementation of Party conduct and clean government initiatives.

In addition to regularly overseeing the daily production and operations within their respective areas, the Group's functional departments also conduct routine supervisory inspections focusing on project construction, procurement of materials, fund approval processes, and the implementation of internal control systems. These efforts aim to promptly identify issues and deficiencies in the Group's operational management, effectively prevent instances of non-performance or improper performance by employees at all levels, and foster a corporate culture of integrity and self-discipline.

To enhance the Group's integrity risk prevention and control system, the Group, led by the Party Committee with the Discipline Inspection Commission overseeing and the Discipline Inspection and Supervision Office implementing, continues to conduct position-based integrity risk identification and prevention activities across all levels. These efforts aim to raise employees' awareness of integrity risk prevention and proactively address potential integrity risks.

The Group has established a whistleblowing system to accept supervision and reports from all employees and the public regarding the prevention of occupational crimes, bribery, corruption, and other illegal activities. A designated individual is responsible for handling whistleblowing matters. The Group does not tolerate any form of corruption and prohibits employees from requesting, receiving, or accepting any form of benefit from individuals, companies, or organizations with which the Group has business dealings. Additionally, the Group requires its service providers to make commitments to integrity and self-discipline.

Reporting Management

The Group has formulated the Interim Measures for Petition Work, established a leadership team for petition work, and set up reporting channels including telephone, email, and petition mailboxes, effectively integrating public supervisory efforts.

The Group attaches great importance to safeguarding the rights and interests of whistleblowers. It explicitly stipulates that petition work must be handled by dedicated personnel and strictly enforces confidentiality mechanisms for both the content of reports and the identity of whistleblowers, effectively protecting their personal privacy and legally exercised rights.

Reporting Channels

Reporting Telephone: 0991-4850719

Email Address: xjxxkyjw@126.com

Correspondence Address: Discipline Inspection and Supervision Office, Xinjiang Xin Xin Mining Co., Ltd., No. 501, Ronghe South Road, Cooperation Zone, Urumqi Economic and Technological Development Zone, Xinjiang

Postal Code: 830023

Anti-Corruption Training

The Group closely aligns with the theme activities of the Party's integrity education month, adhering to a combination of encouragement and warnings. It advances the construction of Party integrity and anti-corruption work with focus, steps, and measures, enhancing the effectiveness and relevance of the education month, promoting integrity through education, and actively strengthening daily warning education. The Group integrates educational activities and anti-corruption training with key tasks, enabling leaders to improve their ability to perform duties in accordance with the law, firmly establish a work style of diligence and integrity, and continuously improve the high-quality development level of anti-corruption work. Through measures such as integrity education, institutional constraints, reporting and investigation, and accountability mechanisms, the Group continues to standardize decision-making and management behaviors in various business areas, forming a mutually restrictive and mutually supervised work mechanism, and continuously strengthening the work style construction at all levels of the company, warning risks, firmly establishing employees' awareness of anti-corruption and integrity, thereby ensuring the improvement of the company's economic benefits and management level.

In 2024, the Group arranged for middle management and above to participate in the Party's integrity construction warning education conference, achieving a 100% attendance rate among leaders at all levels; conducted a total of 65 regular anti-corruption warning education sessions, with a cumulative total of 1,084 participants receiving training.

2024 Anti-Corruption Training Overview

2024 Overview	
Number of Anti-Corruption Training Sessions Conducted (Times)	65
Number of Employees who Received Anti-Corruption Training (Persons)	1,084
Percentage of Employees who Received Anti-Corruption Training Out of Total Employees (%)	61.24
Hours of Anti-Corruption Training Received by Employees (Hours)	65

Conducting a Series of Activities for the Party's Integrity Education Month

The Group closely aligns with the theme of the Party's Integrity Education Month by organizing a series of activities, including themed Party Days, integrity lectures, focused study sessions, group discussions, warning education, signing of commitment letters, and family assistance initiatives, to deepen and promote the Party's integrity construction and publicity education efforts.

Information Security

The Group places high importance on information protection and customer privacy safeguarding, strictly adhering to the Cybersecurity Law of the People's Republic of China, the Data Security Law of the People's Republic of China, the Personal Information Protection Law of the People's Republic of China, and other relevant laws and regulations. The Group standardizes its corporate network and data security management systems to rigorously protect customer privacy and corporate data security.

In 2024, the Group did not receive any complaints related to customer privacy data and has no records of any incidents involving the leakage of network data or customer privacy.

04

Environmental Management

- Resource Management
- Environmental Protection
- Responding to Climate Change

The Group strictly adheres to the Environmental Protection Law of the People's Republic of China, the Opinions of the Central Committee of the Communist Party of China and the State Council on Strengthening Ecological and Environmental Protection and Resolutely Winning the Battle Against Pollution, and other environmental protection laws and regulations. The Group focuses on environmental governance, resource utilization, waste management, climate change response, and ecological protection, in order to build an environmentally friendly and sustainable mining enterprise.The Group strictly adheres to the Environmental Protection Law of the People's Republic of China, the Opinions of the Central Committee of the Communist Party of China and the State Council on Strengthening Ecological and Environmental Protection and Resolutely Winning the Battle Against Pollution, and other environmental protection laws and regulations. The Group focuses on environmental governance, resource utilization, waste management, climate change response, and ecological protection, in order to build an environmentally friendly and sustainable mining enterprise.

The Group has established the Environmental Protection Management System and other documents to define the environmental protection responsibilities and work scope of each department, ensuring the orderly implementation of environmental protection work. The Group has obtained ISO 14001 Environmental Management System certification, continuously improving the system, strictly monitoring the production process, and ensuring full compliance with environmental emission standards.

ISO 14001 Environmental Management Certification

Resource Management

The Group attaches great importance to resource management by coordinating the management of core resources such as energy, water, and minerals, establishing a scientific resource management system, and promoting the green development of the enterprise. The Group strictly implements relevant laws and regulations, including the Water Law of the People's Republic of China, Electric Power Law of the People's Republic of China, Energy Law of the People's Republic of China, and Energy Conservation Law of the People's Republic of China, in the effective use of resources (including energy, water, and other raw materials).

Energy Management

The energy directly consumed in the Group's production process mainly includes coal, natural gas, diesel, and gasoline, and energy supply is supplemented through the purchase of electricity, coke, and other sources. The Group's energy consumption follows the industry standard Energy Consumption Limits for Nickel Concentrate Unit Products YS/T 708-2020 and the national standard Energy Consumption Limits for Nickel Smelting Enterprises' Unit Products GB 21251-2014, and is calculated accordingly.

Energy Management Objectives and Plans

Energy Consumption

	Units	Overview 2024	Overview 2023	Overview 2022
Direct Energy Consumption	mWh	210,333	192,987	263,906.6
Indirect Energy Consumption	mWh	560,271	426,623.4	571,506.8
Comprehensive Energy Consumption	mWh	770,604	619,610.4	835,413.4
Energy Consumption Density	mWh/ RMB Million Revenue	337.78	302.27	291.72

Energy Consumption by Type

	Units	Overview 2024	Overview 2023	Overview 2022
Direct Energy Consumption				
Coal	%	26.28	35.83	96.45
Diesel	%	3.58	2.48	1.61
Gasoline	%	0.03	0.08	0.06
Natural Gas	%	69.01	61.61	0
Others	%	1.10	0	0.40
Indirect Energy Consumption				
Electricity	%	65.24	64.13	71.25
Coke	%	34.76	35.87	28.75

The Group fully utilizes feasible opportunities to support energy-saving technological renovation projects, encourages each unit to optimize the energy structure, and actively adopts new technologies, processes, and equipment for clean energy and efficient energy use to achieve the goals of energy conservation and emission reduction. The Group plans to achieve a 1.5% reduction in overall energy intensity by 2025.

Replacement of High-energy-consuming Electromechanical Equipment

The Group continues to promote the construction of green mines, adhering to the concept that "lucid waters and lush mountains are invaluable assets." We actively phase out outdated, high-energy-consuming electromechanical equipment. As of the end of the reporting period, the Group has replaced a total of 113 energy-efficient motors, ventilators, and air compressors, and has low-cost refurbished waste heat steam turbines, saving substantial human, financial, and time resources, thereby achieving synergistic benefits in pollution reduction and carbon emission lowering.

Water Resource Management

The Group has no issues in securing suitable water sources. The existing water supply sources meet the Group's needs in terms of quantity, quality, and infrastructure reliability. In 2024, the water resources used by all production and operational units under the Company did not have any quality or quantity issues, and all wastewater was discharged in compliance with standards. For the year 2025, the Group plans to achieve a total water usage of 3.26 million tons. To achieve this target, the following measures will be implemented: vigorously promote water conservation, increase the recycling rate of tailings pond water, reduce the use of fresh water; scientifically and reasonably adjust the amount of circulating water to reduce evaporation; strengthen management and recover condensate water; intensify wastewater treatment efforts and improve the recycling rate of return water.

The Group has implemented a series of water-saving initiatives, reducing the freshwater consumption per unit of production by 0.55 cubic meters per tons compared to 2023, resulting in a freshwater savings of approximately 576,700 tons and a reduction in production costs of about CNY 662,200.

Implementation of Water-saving Renovation Measures

The Group has installed water meters and automatic control valves in surface greening areas, and completed the conversion from flood irrigation to sprinkler irrigation systems, resulting in a monthly water savings of 50 tons.

Water Consumption

	Units	Overview 2024	Overview 2023	Overview 2022
Water Consumption	10,000 m^3	331	294.8	562
Water Consumption Per Unit of Output	m^3/ Ton of Throughput	1.28	1.741	1.945

Packaging Materials Management

The packaging materials used in the Group's main products of electrolytic nickel, electrolytic cobalt and cathode copper are all steel strips for packaging.

Packaging Materials Usage

	Units	Overview 2024	Overview 2023	Overview 2022
Steel Strapping	Tons	32.00	32.02	34.80
Specific Consumption	Ton/ kg Consumption	1.7	1.9	1.7

Mineral Resources Management

Grounded in its resource control strategy, the Group actively participates in China's new round mineral exploration breakthrough initiative, strengthening safeguards for strategic mineral resources and reinforcing the security of industrial and supply chains. Concurrently, the Group enhances its integrated resource management capabilities, promotes development partnerships in the mining sector, and strives to become a leading domestic nickel-focused diversified mining enterprise with robust resource reserves and operational excellence.

Internal Resource Optimization

The Group's mining subsidiaries are situated within China's renowned magmatic sulfide copper-nickel deposit metallogenic belts, characterized by superior geological conditions and significant exploration potential. A systematic review of mineral rights portfolios has been conducted, with intensified efforts in exploration and reserve expansion through increased investments and collaborations with top-tier research institutions. The Group has also secured funding from national major research program. In recent years, significant achievements have been made in mineral exploration, providing a solid resource guarantee for the healthy and stable development of enterprises.

External Resource Integration

Aligned with its resource-prioritization strategy, the Group proactively pursues external resource M&A integration and collaborative development. This multi-pronged approach drives diversification and enhances core competitiveness, positioning the Group as an industry benchmark with influence.

Mine Modernization

The Group vigorously advances technical upgrading and capacity expansion projects across its mining operations. By scaling production to reduce unit costs, it achieves enhanced economic efficiency and market competitiveness. Through continuous adoption of innovative technologies and rigorous environmental safeguards during expansion, the Group fulfills sustainable development goals and accelerates the transformation of traditional mining into intelligent, data-driven, and digitally optimized operations.

Environmental Protection

The Group's waste emissions primarily consist of mining waste rock, flotation tailings, smelting water-quenched slag, exhaust gas emissions, and greenhouse gas emissions. The Group's waste emissions are governed by the newly revised and implemented laws and regulations, including the Mineral Resources Law of the People's Republic of China, the Environmental Protection Law of the People's Republic of China, the Environmental Impact Assessment Law of the People's Republic of China, the Air Pollution Prevention and Control Law of the People's Republic of China, the Solid Waste Pollution Environmental Protection Law of the People's Republic of China, the Environmental Protection Regulations of the Xinjiang Uygur Autonomous Region, and national standards such as the Pollution Control Standards for Storage and Disposal Sites of General Industrial Solid Wastes (GB18599–2001), the Comprehensive Emission Standard of Air Pollutants (GB16297–2004), the Emission Standard for Pollution Sources in Copper, Nickel, and Cobalt Industries (GB25467–2010), as well as the air, water, and soil pollution prevention and control action plans issued by the State Council.

Waste Gas Emissions Management

The Group's emissions primarily consist of nitrogen oxides (NO_x) and sulfur oxides (SO_x) generated during industrial production. Emissions are stringently managed in compliance with desulfurization, denitrification, and dust removal standards, incorporating online monitoring and total emission control measures.

In 2025, the Group set a target for controlling sulfur dioxide emissions from hazardous waste at 50.42 tons.

Waste Gas Emissions

	Units	Overview 2024	Overview 2023	Overview 2022
Nitrogen Oxides (NO_x)	Tons	80.10	40.91	43.85
Sulfur Oxides (SO_x)	Tons	81.72	30.62	50.66
Overall	Tons	161.82	71.53	94.51

Dust Control

The Group has undertaken environmental projects including the transformation of the water quenching slag yard, modification of the converter flue gas collection system, plant enclosure renovations, installation of windproof and dust-suppressing nets at the boiler coal yard, upgrades to the smelting crushing and screening dust removal system, and management of wind-blown dust at the tailings pond. These initiatives have effectively addressed issues related to dust dispersion during windy conditions and uncontrolled fugitive emissions within the plant.

Plant Enclosure Renovation

Wastewater Management

The Group implements classified treatment and recycling of wastewater, with a focus on controlling and reusing acidic wastewater to meet standards. The Group treats domestic sewage for use in plant landscaping, and some tailings and beneficiation wastewater are treated and reused in production, thereby reducing the consumption of fresh water.

In July 2024, the Group introduced an integrated water purification unit to enhance tailings settling velocity, improving the quality of return water at the plant entrance, achieving a return water utilization rate of 84%. From May to August 2024, the Group completed technical modifications, including the preparation of cellulose for tailings pond return water, dilution of product water to adjust concentrate grades, and the recycling of equipment cooling water, resulting in a beneficiation production return water utilization rate of 85%.

Yakesi Company Wastewater Treatment Plant

Tailings Management

In the process of mining operation, the mineralized rock (i.e. ore) shall be used and reduced in size to recycle economic minerals. When the ore is treated or processed by crushing, grinding, separation, selection and flotation, the residual materials are called tailings. Tailings are mainly composed of ore rock particles (usually in the size of fine sand and silt) as well as process reagents and water. The most common practice is to allow the tailings slurry to recycle process reagents and water through a highly efficient thickener or filter system, which is then hydraulically or mechanically transported to the engineering Tailings Storage Facility (TSF). There are great differences between different TSF designs, capacities, operation methods and other factors, but the purpose is to store tailings safely and efficiently, and tailings usually require permanent storage. The construction and expansion of one or more TSF are usually continuous processes throughout the mining operation period.

The Group is fully aware of the importance of responsible tailings management, and will continue to improve relevant standards to reduce risks. The Company has created and continuously improved projects design, safety and environmental management plans, to ensure that the relevant risks to the community, environment and operations caused by tailings can be minimized.

In 2024, the Group continued to strengthen the risk prevention and control of tailings storage facilities (TSFs), comprehensively enhancing the TSF safety risk management capabilities. In accordance with requirements, the Company developed and completed the TSF safety risk management plan. Following the "Notice on Issuing the 'Overall Plan for the Governance of TSF Risk Hazards'" (Mining Safety [2022] No. 127) issued by the National Mine Safety Supervision Bureau and the Ministry of Finance, the Company conducted multiple continuous TSF risk hazard identification and remediation actions. Engaging qualified quality inspection agencies, and adhering to the principle of "testing all that should be tested and all that can be tested," the Group performed comprehensive quality inspections of drainage facilities, including drainage wells, drainage chutes, drainage pipes, drainage tunnels, and arch (cover) plates, and compiled photographic materials and quality inspection reports.

Solid Waste Management

The Group's primary waste consists of waste rock, tailings, and smelting slag generated during mining, beneficiation, smelting, and refining activities. The Group implements a hierarchical management approach for solid waste, emphasizing "reduction, resource utilization, and harmlessness," and enforces comprehensive tracking and compliant transfer of hazardous waste. In accordance with the Group's Environmental Responsibility Management System, the following measures are adopted for waste management:

- Solid waste generated from production and daily activities is categorized based on environmental pollution levels into general, significant, and hazardous categories, with designated storage locations and proper labeling;
- The Group implements leak prevention measures by either treating the ground or installing dedicated leak-proof trenches in on-site storage areas such as fuel storage and laboratory reagent rooms; Waste oils from mechanical maintenance are collected centrally and classified, collected, and stored as hazardous waste based on their hazardous characteristics. Protective measures for hazardous waste packaging containers and storage locations are implemented in accordance with national standards;
- The Group has formulated hazardous waste management plans in compliance with regulatory requirements, improving hazardous waste management systems, ledgers, and other documentation.

The Group's emissions of mining waste rock, beneficiation tailings, and smelting slag are classified as non-hazardous waste, while smelting sulfur dioxide flue gas is considered hazardous waste. The Group manages waste generated from its business activities to minimize the total amount of waste treated. Waste is processed and utilized following established approval procedures, and may also be transferred to qualified entities for disposal. Depending on the characteristics of the waste and its potential for reuse, recovered waste is treated either on-site or off-site, In 2025, the Group set up a target for non-hazardous waste emissions at 2,892 kilotons.

Waste Emissions Status

	Overview 2024 (Kilotons)	Overview 2023 (Kilotons)	Density (Ton/Ton Processing Capacity)	Recycling Rate(%)
Non-hazardous Waste	2,789.03	2,658.07	1.19	100
Hazardous Waste	0.08	0.03	/	/

The Group's smelting plants are equipped with integrated sulfur dioxide recovery facilities that employ a two-stage absorption process to treat sulfur dioxide emissions. This process effectively recovers sulfur dioxide from the flue gas and converts it into sulfuric acid, which is then sold as a by-product. The removal efficiency of sulfur dioxide in these facilities ranges from 99.0% to 99.6%, ensuring that the sulfur dioxide emissions comply with the national standards set forth in the "Emission Standards for Pollution Sources in Copper, Nickel, and Cobalt Industries" (GB25467–2010) and other relevant policies. Additionally, the Group's newly installed flue gas desulfurization system has been operational since April 2022, enhancing the capacity to treat sulfur dioxide in the flue gas and ensuring stable and low-concentration emissions. Furthermore, the Group's major mining enterprise, Kalatongke Company, has established recycling facilities that process smelting slag and flotation tailings for use in backfilling mining tunnels, thereby maximizing the utilization value of waste materials and reducing waste emissions.

The Group's mining waste rock, after crushing, is utilized for underground backfilling and road construction; the remaining waste is stored in designated waste rock piles that meet environmental protection standards. Flotation tailings, after partial treatment, are transported underground for mining site backfilling; the surplus tailings are stored in tailings facilities that comply with environmental regulations. Sulfur dioxide from smelting flue gas is recovered for the production of by-product sulfuric acid, while other solid particulate matter is entirely recycled. Water-quenched slag generated from smelting is partially supplied to nearby cement plants as a corrective agent for cement production, with the remainder used for underground backfilling. Treated wastewater is purified and reused for industrial circulation and internal environmental greening irrigation. Through these measures, the Group has achieved a 100% utilization rate of industrial waste disposal.

Responding to Climate Change

The Group closely aligns with and actively responds to the national “carbon peaking and carbon neutrality” strategic call, and strictly adheres to climate-related disclosure requirements. From the perspectives of governance, strategy, risk management, and metrics and targets, the Group comprehensively assesses climate-related risks and opportunities, thoroughly implements relevant policies and measures, and promotes the company's green and sustainable development.

Governance

The Group continues to enhance its climate change governance framework by integrating climate change management into all aspects of production and operations. We are committed to establishing and improving relevant management systems and standards, formulating action plans to address climate change, advancing our carbon peak initiatives, and promoting the company's green transformation and sustainable development.

Strategy

The Group aims for clean and low-carbon development by focusing on the innovation of production processes, promoting the upgrade of green equipment, and establishing a clean and low-carbon energy system for production. We integrate green and low-carbon concepts throughout the company's planning, construction, and operations. Adhering to innovation-driven strategies and enhancing technological empowerment, we are transforming our development model towards green and low-carbon practices to achieve green operations and sustainable development.

Risk and Opportunity Management

	Climate-related Risks	Potential Financial Impacts	Mitigation Measures
Physical Risks	**Acute** • Extreme Weather: High-wind-induced dust storms **Chronic** • Rising average temperatures	• Damage to infrastructure leading to increased maintenance costs • Heightened risk of equipment malfunction	• Implementation of dust suppression measures such as spraying on waste rock, and the use of closed facilities for crushing, screening, and conveyor belt operations • Covering tailings with gravel in tailings ponds • Conversion of open flotation cells to closed ones
Transition Risks	**Policy and Legal Risks** • Tightening of emission • Litigation risks	• Rising carbon emission • costsIncreased compliance expenditures	• Gradual replacement of traditional energy equipment with new energy devices to reduce carbon emissions • Gmphasis on compliance in daily operations
	Market Risks • Intensifying market competition • Rising energy costs	• Increase in product costs • Intensified market competition leading to lower product prices	• Technological advancements driving production efficiency improvements, thereby reducing costs • Enhancement of product competitiveness through technological innovation
	Technological Transition • Failures in investment directions for new technologies • Low-carbon substitutes for similar services	• Rise in investment costs • Decrease in customers resulting in lower revenues	• Pursuit of more mature new technological solutions to accelerate low-carbon transformation
	Reputation Risks • Negative evaluations from stakeholders	• Damage to reputation causing stock price decline and subsequent reduction in income	• Promotion of green construction to enhance investor reputation

	Climate-related Opportunities	Potential Financial Impacts	Mitigation Measures
Climate Opportunities	**Enhancement of Energy Efficiency** • Improvement in energy utilization efficiency	• Improvements in energy efficiency leading to cost reductions utilization efficiency	• Continuous enhancement of energy efficiency
	Products and Services • Product upgrades leading to Increased customer base • Investors' preference for companies with superior performance in green and low-carbon initiatives	• New products contributing to increase the Group' s revenue • Better green and low-carbon performance compared to industry peers resulting in stock price appreciation and ultimately higher revenues	• Increased investment in research and development to accelerate technological iterations • Promotion of the application of new energy equipment in production and operations

Metrics and Targets

The Group aligns with the national energy security and low-carbon transformation strategy, responding to the decisions and deployments of the Central Committee of the Communist Party of China and the State Council regarding "carbon peaking and carbon neutrality." With technological innovation as the core driving force, the Group is fully committed to advancing the replacement of traditional energy equipment with new energy devices, reducing dependence on non-renewable resources, and establishing a resource-efficient and environmentally friendly production model.

The Group' s Scope 1 direct greenhouse gas emissions primarily result from the combustion of coal, natural gas, diesel, and gasoline. In 2024, the total greenhouse gas emissions calculated in carbon dioxide equivalent amounted to approximately 315.55 kilotons. The emission intensities for nickel and copper (total emissions per ton of metal produced) were 16.55 tons per ton of nickel and 8.60 tons per ton of copper, respectively.

The Group's greenhouse gas emissions are calculated and reported in accordance with the Accounting Methods and Reporting Guidelines for Greenhouse Gas Emissions of Enterprises in Other Non-ferrous Metal Smelting and Processing Industries (Trial) issued by the National Development and Reform Commission.

Greenhouse Gas Emissions

	Units	Overview 2024	Overview 2023	Overview 2022
Scope 1	Kilotons CO_2e	122.60	116.30	150.55
Scope 2	Kilotons CO_2e	192.95	123.31	196.50
Overall	Kilotons CO_2e	315.55	239.61	347.05

Greenhouse Gas Emission Intensity

	Units	Overview 2024	Overview 2023	Overview 2022
Nickel	Tons of CO_2e/Ton of Throughput	16.55	18.29	17.03
Copper	Tons of CO_2e/Ton of Throughput	8.60	9.40	8.76

Green Mining

The Group adheres to the concept of "responsible mining" and explores a path of green mining development that harmonizes mining operations with the ecological environment. The Group strictly complies with relevant laws and regulations, including the Mineral Resources Law of the People's Republic of China and the Land and Resources Protection Law of the People's Republic of China,to ensure that production activities are in compliance and to minimize the impact on the local environment as much as possible.

Implementation of Greening Projects in the Plant Area

The Group continues to carry out greening projects in the plant area, achieving a total greening area of 40,000 square meters for the year. Additionally, over 2,820 elm trees, red willows, and fruit trees, as well as more than 10,000 seasonal roses, were planted, significantly improving the production and living environment of the mining area.

Plant Area Greening Project Site

05

Quality Control and Product Innovation

- Quality Management
- Technological Innovation
- Customer Relationship
- Supply Chain Management
- Work Safety

The Group strictly abides by the Product Quality Law of the People's Republic of China and other relevant laws and regulations, regards customer interests and corporate reputation as the support for long-term development, and always attaches great importance to quality management. At the same time, the Group constantly improves its own scientific and technological innovation system, strengthens intellectual property protection, promote technological research in key areas and systematically promote scientific and technological innovation.

Quality Management

The Group benchmarks the ISO 9001 quality management system standard, optimizes its internal quality system, controls all aspects of the production process and implements all-round quality control to ensure the stability of the quality of the output products, and wins the trust of customers with high-quality products. In 2024, the Group did not experience any product recalls due to safety and health reasons.

ISO 9001 Quality Management System Certification

Principles of Quality Inspection and Supervision

- Based on relevant standards, systems and procedures
- Take prevention as the core
- Standardization and compliance are the judgment principles

Quality Inspection and Supervision Process

Quality Inspection and Supervision Process

Technological Innovation

The Group encourages technological innovation, stimulates employees' creativity by applying for relevant awards and publishing papers, and promotes the application of digital and intelligent technologies in daily production.

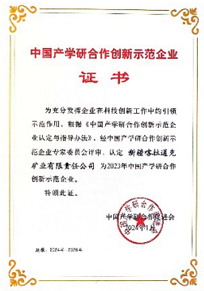
Yakesi Company's Intelligent Mine Construction

Yakesi Company, a subsidiary of the Group, has realized the unattended operation of the air compressor in Huangshan Copper-Nickel Mine, and can operate the air compressor through remote control, improving the convenience and efficiency of operation, while reducing labor costs and operational risks; The real-time monitoring system of mine power supply has basically realized the remote control function of its power distribution room to ensure the stability of mine power supply; in addition, the Group has carried out remote control transformation on the mine vehicle, which has basically realized the remote operation control function.

In order to promote the intelligent construction process of the mine, Yakesi Company simultaneously carried out the reconstruction project of the four networks at the mine end, laid optical fibers to connect various equipment and systems within the mine, and realized functions such as rapid data transmission and remote control.

Innovation Achievements

Kalatongke Company Won Three Awards from the Association



1.The preparation theory and technology of non-ferrous smelting slag-filled cementitious materials won the "First Prize in the Science and Technology Achievement Category" of the China Gold Association Science and Technology Award;
2.The key technologies and applications of efficient ecological mining of copper and nickel minerals in the western region won the "Excellence Award" of China Industry-University-Research Cooperation Innovation and Promotion Award-Industry-University-Research Cooperation Innovation Achievement Award; and
3.The company was rated as a China Industry-University-Research Cooperation Innovation Demonstration Enterprise.

Fukang Smelter Won Two Awards from the Association

Fukang Smelter, a subsidiary of the Group, won two awards from the Association:
1.The barium salt lead removal development and application project won the "Third Prize" in the 2024 National Machinery, Metallurgy and Building Materials Industry Employee Technological Innovation Achievements Exhibition; and
2.The development and application of key technologies and equipment for low-temperature waste heat recovery coupled with advanced treatment of industrial wastewater won the "First Prize" of China Nonferrous Metals Industry Science and Technology Award.

Intellectual Property Management

The Group has 63 patents in core technical fields such as nickel smelting and tailings resource utilization, of which invention patents account for 38%. In 2024, the Group and the Xinjiang Intellectual Property Protection Center jointly carried out special training to improve the intellectual property risk assessment mechanism for R&D projects and ensure clear ownership of technological achievements in industry-university-research cooperation.

In 2024, the Group obtained **6** authorized patents, including **1** invention patent, **5** utility model patents, and published **19** papers.

Customer Relationship

Customer Service

The Group communicates with customers through telephone, WeChat and face-to-face communication, and establishes a sound customer feedback mechanism to ensure that customers' opinions can be collected and processed in a timely and accurate manner.

In 2024, the Group distrbuted survey questionnaires to major customer groups for core products. The survey covers six key dimensions: product quality, personnel quality, breach of contract, price, after-sales service and delivery. The survey results show that customers evaluation of all indicators is "very satisfied" or "satisfied" and there is no "dissatisfied" or "basically satisfied".

Based on the feedback submitted by customers, the Group further optimized the production process management, reduced the production cost through refined management, and flexibly adjusted the pricing strategy according to the market dynamics and customer demand, so as to improve customer satisfaction and enhance market competitiveness.

In 2024, the Group did not receive any complaints about products and services.

Customer Privacy Protection

The Group effectively protects the data security of customers and itself, formulates and improves duty behavior guidelines, clearly requires employees to properly keep office equipment such as laptops, and strictly prohibits employees from disseminating company documents, electronic data, training materials and other materials without authorization.

1. Business, finance, personnel, contracts, customer data, research and statistical information, technology, marketing planning, management documents, meeting contents, etc. that have not been publicly disclosed are all corporate secrets, and employees should bear the responsibility of confidentiality;

2. The relevant rights and interests of commercial and technical information, inventions, creations and research results obtained by employees due to their positions belong to the Group, and may not be copied, imitated, reprinted, extracted or distributed without written authorization;

3. Without the customer's consent, the Group will not use the collected customer information for publicity, and the Group focuses on industrial products and does not collect or store any consumer data.

Supply Chain Management

For suppliers, the Group conducts comprehensive audit and evaluation from multiple dimensions such as qualification, reputation and supply capacity. Under similar conditions, the Group will compare the performance of suppliers in environmental management and social responsibility fulfillment to screen out partners who meet the Group's standards and ensure that the overall level of suppliers hired meets the Group's requirements.

As of the end of the reporting period, the company had a total of **694** suppliers, all of which were located in Chinese mainland, including **422** localized suppliers in Xinjiang, with a localization rate of **60.8%**.

Supplier Assessment

The Group's supplier review and admission is conducted through the platform. Suppliers register and apply on their own, and obtain the qualification of qualified suppliers after the third-party company reviews the access assessment.

Key Considerations for Supplier Audit:

- Comply with national laws and regulations and have a good reputation;
- Have the ability to perform contracts and good contract performance records;
- Have a certain scale and good financial status;
- Other conditions stipulated by relevant state departments and companies, etc.

In terms of supplier selection, the Group has always strictly controlled the environmental, social and governance conduct of its suppliers, incorporating environmental protection, product energy saving and consumption reduction levels, safety protection, certificates and qualifications, management capabilities, technical capabilities, etc. into the comprehensive evaluation of suppliers, and giving priority to suppliers who use or provide environmentally friendly products and services.

In 2024, all suppliers of the company passed the supplier assessment.

Supplier Regulation

In the process of supplier access, the Group compares the list of suppliers with the list of prohibited trading enterprises to ensure that enterprises operated by relatives of cadres are excluded.

In the process of signing contracts with suppliers, the Group and its affiliated enterprises strictly follow the guiding principles, regard the Integrity Agreement as an important part of the business contract, and require both parties to clearly announce the supervision and reporting channels in the contract, aiming to strengthen the cooperation between partners. Anti-corruption supervision and standardize the behavior of staff of both parties.

Work Safety

Work Safety Management System

The Group has established a comprehensive work safety management system, formulating relevant management documents including the Work Safety Objective Management System, Safety Inspection and Hazard Identification Management System, Fire Safety Responsibility System, Management Measures for Accountability of Work Safety Violations and Irregularities, Work Safety Regular Meeting Management System, System Granting Grassroots Units Authority for Emergency Evacuation Under Urgent Circumstances, Plateau Occupational Health Management Measures, and Work-Related Injury Accident Management System.

In 2024, the Group revised the formatting of 56 existing systems, amended the content of 15 systems, introduced 11 new management systems, issued 38 work-related policy notifications, and developed 5 operational plans throughout the year.

Work Safety Management Objectives

- The number of deaths from work safety accidents in the unit is controlled at zero
- The rate of serious injury per thousand people shall not exceed 1‰
- The rate of minor injury per thousand people shall not exceed 3‰

◯ Work Safety Management Committee

The Group has established a Work Safety Management Committee to develop a comprehensive safety protection system through objective management, hazard identification, responsibility assignment, and incident handling. This framework ensures the protection of employees' health rights, effectively reduces safety incident rates, and solidifies the foundation for production operations.

In 2024, the Group refined its register of major hazard sources and critical risk controls, convened 4 Committee meetings, 52 weekly meetings, and 51 specialized “117 Risk Assessment and Dispatch Meetings”, while issuing 28 “Key Task Assignments and Risk Advisories”.

Work Safety Measures

The Group continues to increase safety investments and actively advances intrinsic safety enhancements. All production subsidiaries are fully staffed with chief safety officers, certified safety engineers, and dedicated safety personnel. The mining units are equipped with “five-position” managers and technicians specializing in geology, ventilation, mechanical and electrical work, and tailings ponds.

In 2024, the subsidiaries allocated a total of 60.52 million CNY in work safety funds, conducted 41 safety inspections, collaborated with external institutions, and perform 7 compliance diagnostics on critical safety facilities.

Safety inspection at the work site

◯ Safety Production Equipment

In 2024, the Group's mining operations deployed 17 additional units (sets) of jumbo drill rigs and mechanized equipment. Surface main ventilation fans, compressed air systems, and underground pumping facilities were upgraded to remote automation, achieving unmanned operation and further enhancing intrinsic safety standards.

Safety Training

The Group continues to strengthen its safety culture. In 2024, headquarters conducted 5 organization-wide safety education sessions and 20 specialized trainings for safety management personnel, alongside 4 external technical exchanges on emerging safety technologies and equipment. Subsidiaries collectively implemented 32 comprehensive staff trainings, 115 safety management workshops, and 14 offsite knowledge-sharing programs. The training for the main person in charge of safety education and safety management personnel lasted for 48 hours, the re-education for employees lasted for 16 hours, and the onboarding education for new employees lasted for 72 hours.

The Group actively organized themed campaigns such as “Safety Alerts, Shared Accountability” and implemented awareness initiatives including the Work Safety Month, May 12 Disaster Prevention Day, November 9 Fire Safety Awareness Month, December 2 Traffic Safety Day. These programs reinforce enterprise-wide safety consciousness and operational accountability.

Safety education and training

Emergency Safety Management

The Group places paramount importance on emergency safety management. At the beginning of 2024, an annual emergency drill plan was established, under which subsidiaries conducted 6 comprehensive contingency plan exercises and 37 specialized scenario drills throughout the year. The Group signed cooperation agreements with emergency rescue service providers and jointly executed helicopter-assisted emergency rescue simulations to enhance response capabilities.

Emergency plan drill

Helicopter emergency rescue drill

06

Social Responsibility

- Employee Right
- Employee Safety
- Employee Development
- Employee Benefits
- Employee Activities
- Social Responsibilities

Employee Rights

Employee Equality

The Group is committed to creating a diverse and equal workplace ecosystem, implements compliant employment and equal employment policies based on national laws and regulations, upholds the concept of equal pay for equal work, eliminates all kinds of discrimination such as gender and ethnicity, and formulated the Management Measures for Open Recruitment of Employees. From the recruitment process to subsequent promotion, salary evaluation and other key career development points, the Group always treats all employees equally, ensures fairness and justice in all processes, and provides fair competition and space for each employee to display their talents.

Number of Employees in 2024	Number of People (Person)
Total Number of Active Employees	1,770
By Gender	
Male	1,435
Female	335
By Age	
Age 35 and Below	743
35-49 Years Old	618
Aged 50 and Above	409
By Employment Type	
Contract System	1,770
Other Types	0
By Geographical Region	
Mainland China	1,770
Except Mainland China	0

Employee Turnover 2024

	Number of People (Person)	Employee Turnover Rate (%)
Total Employee Turnover	79	4.46%
By Gender		
Male	67	4.67%
Female	12	3.58%
By Age		
Age 35 and Below	57	7.67%
35-49 Years Old	22	3.56%
Aged 50 and Above	0	0
By Geographical Region		
Xinjiang, China (Mainland)	79	4.46%
Except Mainland China	0	0

Employee Communication

The Group adheres to democratic management, attaches importance to employee communication, strives to build a diversified and efficient employee communication mechanism, ensures the barrier-free circulation of information within the organization, and ensures that every employee's voice can be fully heard and timely and effective feedback can be received.

Internal communication platform: Make full use of communication tools to regularly and timely release key information such as company policy updates, latest project progress, cultural activity arrangements, etc. to ensure that every employee can get important information as soon as possible.

Employee suggestion box: Set up a convenient suggestion box system to encourage employees to submit constructive suggestions, questions or any dissatisfaction with the company at any time. The Discipline Inspection and Supervision Office is responsible for regularly sorting out relevant feedback and actively taking measures to follow up and deal with it to ensure that each opinion can receive a timely and specific response.

Scheduling meetings: Weekly department scheduling meetings are held regularly to provide a platform for direct dialogue between management and employees.

Grass-roots field research: Management and trade union members conduct grass-roots visits from time to time every month, go deep into the production front line, and understand the actual needs and difficulties of employees.

Workers' Congress

The Group held the 21st Session of the 4th Workers' Congress in 2024. This meeting aimed to enhance employee participation and promote labor harmony. The meeting was held at the Employee Cultural and Sports Center. A total of 42 employee representatives attended the meeting, discussed issues such as employee welfare, working environment improvement and company development strategies, and signed three collective contracts.

Protection of Women's Rights

The Group firmly safeguards the rights and interests of women, strictly abides by the Law of the People's Republic of China on the Protection of Rights and Interests of Women, implements the Outline for Women's Development in China (2021 - 2030), establishes a welfare guarantee system for female employees, provides parental leave and arranges special physical examination for women and other welfare items.

In 2024, the Group purchased female group-specific illness insurance for female employees, organized and carried out "two cancers" screening work, **335** female employees to complete special physical examinations, and comprehensively protected the health of female employees.

Labor Standards Protecting Human Rights

The Group strictly abides by the Labor Law of the People's Republic of China, the Labor Contract Law of the People's Republic of China, the Law of the People's Republic of China on the Protection of Minors, the Provisions of the People's Republic of China on the Prohibition of Child Labor, the Law of the People's Republic of China on the Protection of Rights and Interests of Women and the Law of the People's Republic of China on the Protection of Disabled Persons and other employment-related laws and regulations to ensure employment compliance.

The Group strictly prohibits the use of child labor and any form of forced labor, and strictly supervises the employment situation in the operation process. If forced labor is found, it will be dealt with severely according to national laws, regulations and internal systems.

In 2024, the Group established a comprehensive preventive measure system in key aspects such as corporate recruitment, employment and resignation, and there was no use of child labor or forced labor in the production and operation process.

Employee Safety

In strict compliance with the Law of the People's Republic of China on the Prevention and Control of Occupational Diseases, the Group arranges occupational hazard physical examinations for employees in occupational hazard positions, conducts occupational safety training for new employees in occupational hazard positions, and regularly engages third-party organizations to carry out occupational hazard factors detection and issue reports to effectively prevent occupational diseases and effectively protect employees' occupational health rights and interests.

The Group strictly implements occupational health monitoring requirements, regularly conducts occupational health environmental monitoring and issues monitoring reports, implements pre-job, on-job and off-job occupational health examinations, and ensures that all relevant employees complete the physical examination without omission.

In the past three financial years, there was no work-related fatality incident of employees in the Group, and the work-related fatality rate was **0%**.

In 2024, the Group had no work-related injury accidents, no work-related injury workers, the work-related injury rate was **0**, the number of lost working days due to work-related injuries was **0**, and the number of confirmed cases of occupational diseases was **0**.

Fukang Smelter Safety Inspection

Employee Development

Staff Training

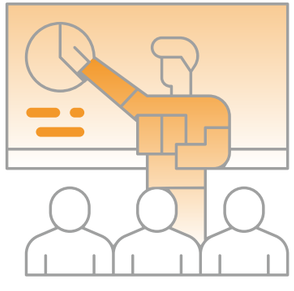
Adhering to the concept of "talent is the primary resource", the Group continues to improve the talent management mechanism, establishes a clear employee development path, and builds a diversified training system, including new induction training, professional skills training, qualification certification training, external inspection and study, ideological education courses, party class education and training and other rich courses to fully support employee development. The Group provides tailored training courses by employee category and rank.

Employee Training in 2024

		Number of Trained Persons (Person)	Percentage of Employees Trained (%)	Average Training Hours (Hour)
Training by Gender	Male Employees	1,239	86.34	96.56
	Female Employees	277	82.69	37.41
Training by Employee Categor	Senior Management	30	90.91	70.06
	Mid-level Management	90	81.82	62.39
	Grass-roots Employees	1,388	85.31	36.49

The Group has established an open and transparent career development system, designed exclusive promotion channels for management positions, professional positions and technical positions, provided diversified development platforms for employees, and supported them to realize their career aspirations and self-worth.

The Group has formulated an employee recognition and reward mechanism, and established various awards such as "Outstanding Employee of the Year", "Kalatongke Craftsman" and "Kalatongke Star" to commend employees with outstanding performance in their work, and give corresponding rewards to motivate all employees to continuously pursue excellence.



Employee Performance Appraisal

The Group focuses on enhancing the competitiveness of employee remuneration and attracting talents through remuneration incentive mechanism. In 2024, the Group revised the Headquarters Employee Performance Appraisal Methods, implemented monthly appraisal, monthly cashing and variable salary mechanisms, and improved the new market-oriented appraisal model to focus on operating indicators, and incorporated mass appraisal into the appraisal system to fully reflect the Democracy of employee performance appraisal.

Employee Benefits

Employee Benefits

The Group attaches great importance to employee welfare, builds a complete welfare guarantee system, sets up enterprise annuity plans for eligible employees, and provides various subsidies such as post allowance, overtime allowance, high temperature and heating allowance. There are also welfare programs such as employee welfare canteens, and birthday gift certificates are issued to employees to effectively enhance employees' sense of gain.

In terms of leave system, the Group has formulated the Employee Leave System to ensure that employees enjoy various types of leave such as paid leave, maternity leave, and family leave, and implements flexible leave policies.

As far as retired employees are concerned, the Group has established a retirement pension security system to ensure that retired employees have a sense of security and dependence in old age.

Visited Employees

Employee Activities

The Group attaches great importance to the physical and mental health of employees, organizes diversified cultural and recreational activities for employees, enriches their spare time life and creates a positive, harmonious and harmonious corporate culture atmosphere. By carrying out rich and diverse employee activities, we promote communication among employees, thereby enhancing team cohesion and enhancing employees' sense of belonging and happiness.

Health Lectures and Workshops:

The Group invited professional doctors and psychological counselors to hold a number of lectures and workshops on healthy eating, mental health and stress management for employees.

Festival Events, Cultural and Sports Activities

The Group organizes and conducts celebratory activities during major festivals such as the Spring Festival, Eid al-Adha, and Mid-Autumn Festival. These events encompass cultural and sports programs, parent-child interactions, and ethnic unity fellowship activities, which promote traditional heritage while fostering employees' sense of belonging and organizational cohesion.

In 2024, the Group organized a series of cultural and sports activities, including basketball, volleyball, badminton, group calisthenics competitions, and diverse artistic programs, to enrich employees' leisure time, enhance physical fitness, stimulate vitality, and foster solidarity.

Social Responsibilities

Xinxin Mining Industry has never forgotten to fulfill its social responsibilities, actively participated in various social welfare undertakings, and contributed to building a harmonious society. In 2024, the company invested a total of RMB 166,800 in various social welfare undertakings.

Participate in Targeted Poverty Alleviation

The Group helped the relocation of impoverished villages in the Luotuoquanzi Development Zone of Qincheng Township, arranged employment for the relocated farmers and herdsmen, and donated money and materials to solve the problems of water supply and road construction. "Pair up and Make Friends" with designated poverty alleviation villages, go to the neighboring Jijitai Village of Qincheng Town to express condolences to the needy villagers, and send daily necessities and solatium.

Help Rural Revitalization

The Group assisted Qiaka Village in southern Xinjiang to develop sweet potato specialty industry, driving the villagers to increase their income. By providing villagers with skills training in planting technology and field management, and following the model of villagers' cooperatives, it effectively promotes villagers' employment and solves the problem of local labor surplus, which is highly praised by the local people.

Carry out Volunteer Activities

The Group actively encouraged its subsidiaries to implement volunteer service initiatives, thereby promoting harmonious enterprise development. The Group held a group day volunteer service activity with the theme of "Continue Lei Feng's Spirit and Strive to Achieve Dreams", and organized employees watch the documentary Lei Feng Spirit and share their learning experiences. Employees are guided to integrate the spirit of Lei Feng into daily work practices, help each other, and serve the community.

07 Index Directory

Index of ESG Reporting Guidelines of the Hong Kong Stock Exchange

Key Performance Indicators	HKEX ESG Guidelines Requirements		Chapter
Governance Structure			
Mandatory Disclosures	Statement of the Board, including: (i) Disclosure of the Board's supervision on ESG issues; (ii) The Board's ESG management methods and strategies, including the process of evaluating, prioritizing and managing material ESG-related issues, including risks to the issuer's business; (iii) How the Board reviews progress towards ESG-related objectives and explains how these objectives relate to the issuer's business.		About This Report
Reporting Principles			
Mandatory Disclosures	Describe or explain how the following reporting principles are applied in the preparation of ESG Reports: Materiality: ESG reports should disclose: (i) the process for identifying and selecting material ESG factors; (ii) If the issuer has engaged with stakeholders, describe the identified significant stakeholders, and the process and results of the issuer's engagement with stakeholders. Quantitative: Information on the standards, methods, assumptions and/or calculation tools used to report emissions/energy consumption (if applicable), as well as the sources of conversion factors used, should be disclosed. Consistency: Issuers should disclose in the ESG report any changes (if any) to the methodology or KPIs used, or any other relevant factors that affect meaningful comparisons.		About This Report
Reporting Scope			
Reporting Scope	Explain the scope of ESG reporting and explain how entities or businesses are selected for inclusion in ESG reporting. If the scope of the report changes, the issuer should explain the difference and the reason for the change		About This Report
A. Environment			
A1: Emissions	General Disclosure Regarding air and greenhouse gas emissions, discharge into water and land, generation of hazardous and non-hazardous waste, etc.: (a) Policy; (b) information on compliance with relevant laws and regulations that have a significant impact on the issuer.		Environmental Management
	KPI A1.1	Types of emissions and related emission data.	Environmental Management - Environmental Protection
	KPI A1.2	Direct (Scope 1) and energy indirect (Scope 2) greenhouse gas emissions (in tons) and, where applicable, intensity.	Environmental Management -Responding to Climate Change
	KPI A1.3	Total amount of hazardous waste generated (in tons) and, if applicable, intensity.	Environmental Management - Environmental Protection
	KPI A1.4	Total amount of non-hazardous waste produced (in tons) and, if applicable, intensity.	
	KPI A1.5	Describe the emission targets set and the steps taken to achieve them.	
	KPI A1.6	Describe the methods of dealing with hazardous and non-hazardous wastes, as well as the set waste reduction targets and the steps taken to achieve them.	
A2: Resource Use	General Disclosure Policies for the efficient use of resources (including energy, water and other raw materials).		Environmental Management
	KPI A2.1	Direct and/or indirect total energy consumption (in kWh) and intensity.	Environmental Management - Resource Management
	KPI A2.2	Total water consumption and density.	
	KPI A2.3	Describe the energy efficiency targets set and the steps taken to achieve them.	
	KPI A2.4	Describe any problems in obtaining suitable water sources, as well as the water efficiency goals set and the steps taken to achieve them.	
	KPI A2.5	The total amount of packaging materials used in finished goods (in tons) and, if applicable, per unit of production.	Environmental Management
A3: Environment and Natural Resources	General Disclosure Policy to reduce the issuer's significant impact on the environment and natural resources.		Environmental Management
	KPI A3.1	Describe the significant impact of business activities on the environment and natural resources and the actions taken to manage the impact.	
A4: Climate Change	General Disclosure Policy for identifying and responding to significant climate-related issues that have and may have an impact on the issuer.		Environmental Management - Responding to Climate Change
	KPI A4.1	Describe significant climate-related issues that have and are likely to have an impact on the issuer, and response actions.	

B. Society			
B1: Employ	General Disclosure Regarding remuneration and dismissal, recruitment and promotion, working hours, holidays, equal opportunities, diversity, anti-discrimination and other benefits and benefits: (a) Policy; (b) Compliance with relevant laws and regulations that have a significant impact on the issuer		Social Responsibility
	KPI B1.1	Total number of employees by gender, employment type (such as full-time or part-time), age group and region.	Social Responsibility - Employee Rights
	KPI B1.2	Employee turnover rate by gender, age group and region.	Social Responsibility - Employee Rights
B2: Health and Safety	General Disclosure In relation to providing a safe working environment and protecting employees from occupational hazards: (a) Policy; (b) Compliance with relevant laws and regulations that have a significant impact on the issuer		Social Responsibility - Employee Rights
	KPI B2.1	Number and rate of work-related fatalities in each of the last three years including the reporting year.	
	KPI B2.2	Number of lost days due to work-related injuries.	
	KPI B2.3	Describe the occupational health and safety measures adopted, as well as the related implementation and monitoring methods.	
B3: Development and Training	General Disclosure Policy on improving employees' knowledge and skills in performing their job duties. Describe the training activities.		Social Responsibility - Employee Development
	KPI B3.1	Percentage of trained employees by gender and category of employees (such as senior management, middle management).	
	KPI B3.2	The average number of training hours completed by each employee by gender and category of employees.	
B4: Labor Standards	General Disclosure In relation to the prevention of child or forced labor: (a) Policy; (b) Compliance with relevant laws and regulations that have a significant impact on the issuer		Social Responsibility - Employee Rights
	KPI B4.1	Describe measures to review recruitment practices to avoid child and forced labor.	
	KPI B4.2	Describe the steps taken to eliminate violations when they are discovered.	
B5: Supply chain Management	General Disclosure Policy for managing environmental and social risks in the supply chain.		Quality Control and Product Innovation - Supply Chain Management
	KPI B5.1	Number of suppliers by geographical region.	
	KPI B5.2	Describe the practices of hiring suppliers, the number of suppliers who implement the practices to them, and the relevant implementation and monitoring methods.	
	KPI B5.3	Describe the practices related to identifying environmental and social risks in each link of the supply chain, as well as the related implementation and monitoring methods.	
	KPI B5.4	Describe the practices to promote the use of environmentally friendly products and services when selecting suppliers, as well as the related implementation and monitoring methods.	
B6: Product Responsibility	General Disclosure Health and safety, advertising, labeling and privacy matters and remedies regarding products and services provided: (a) Policy; (b) Compliance with relevant laws and regulations that have a significant impact on the issuer		Quality Control and Product Innovation
	KPI B6.1	Percentage of the total number of products sold or shipped that are subject to recall for safety and health reasons.	Quality Control and Product Innovation - Customer Relationship
	KPI B6.2	Number of complaints received regarding products and services and how to deal with them.	
	KPI B6.3	Describe practices related to the maintenance and protection of intellectual property rights.	Quality Control and Product Innovation - Technological Innovation
	KPI B6.4	Describe the quality inspection process and product recycling procedure.	Quality Control and Product Innovation - Quality Management Quality Control and Product Innovation - Customer Relationship
	KPI B6.5	Describe consumer data protection and privacy policies, as well as related implementation and monitoring methods.	Quality Control and Product Innovation - Customer Relationship

B7: Anti-corruption	General Disclosure On the prevention of bribery, extortion, fraud and money laundering: (a) Policy; (b) Compliance with relevant laws and regulations that have a significant impact on the issuer		Corporate Governance - Business Ethics
	KPI B7.1	Number and outcome of concluded corruption lawsuits brought against the issuer or its employees during the reporting period.	
	KPI B7.2	Describe preventive measures and whistleblowing procedures, as well as related implementation and monitoring methods.	
	KPI B7.3	Description of anti-corruption training provided to Directors and staff.	
B8: Community Investment	General Disclosure Policies on community involvement to understand the needs of the communities where they operate and ensure that their business activities take into account the interests of the communities.		Social Responsibility
	KPI B8.1	Focus on the contribution category.	
	KPI B8.2	Resources deployed in areas of focus.	

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Xinjiang Xinxin Mining Industry Co., Ltd.

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