中國白銀集團
CHINA SILVER GROUP

中國白銀集團有限公司

China Silver Group Limited

(Incorporated in the Cayman Islands with limited liability)

Stock Code : 815



Environmental, Social, and Governance Report

2025

Environmental, Social And Governance Report



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Environmental, Social And Governance Report

SCOPE OF THIS REPORT

This environmental, social and governance report (the "**Report**") covers the impact of the principal operations of China Silver Group Limited (the "**Company**", together with its subsidiaries, the "**Group**", "**we**", "**our**" or "**us**") on the environment, society and governance ("**ESG**") from 1 January 2025 to 31 December 2025 (the "**Reporting Period**" or the "**current year**") together with the comparative figures from 1 January 2024 to 31 December 2024 (the "**last year**"). In determining the reporting boundary, the Group has considered its organisational structure and the extent of control over its group entities and business activities. Accordingly, the Report includes all principal operations of the Group.

Principal activities

During the year ended 31 December 2025, the Group was principally engaged in two principal operating segments: (i) the Manufacturing segment, being the manufacturing, sales and trading of silver ingots in the People's Republic of China (the"**PRC**"); and (ii) the New Jewellery Retail segment operated under Mount Everest Gold Group Limited (Stock code: 1815) ("**Everest Gold Group**") , being the design and sales of gold, silver, gem-set, colored gemstones and other jewellery products in the PRC. This Report covers the above two principal operating segments.

To diversify its income sources and develop new businesses in response to the market environment, the Group disposed of its Fresh Food Retail segment in 2025. The disposal was completed on 13 January 2025.

The Group also entered into an equity transfer agreement on 17 June 2025 to acquire a company that holds an exploration license which grants it the right to conduct general exploration on mineral resources within an area of 50.81 km^2 in Shigatse, Tibet, the PRC. The acquisition in relation to the equity transfer was completed on 18 July 2025.

In addition, to streamline the Group's corporate and management structure, reduce overlapping administrative functions, and facilitate more targeted operational supervision, the Company completed a deemed disposal of its equity interest in Everest Gold Group on 31 December 2025. As a result of this transaction, Everest Gold Group ceased to be a subsidiary of the Company and became an associate of the Company. Following the deconsolidation, the Group continues to engage in the gold products and mining business through its retained interest in Everest Gold Group.

Basis of preparation

The Report was prepared in accordance with the "Environmental, Social and Governance Reporting Code" (the "**ESG Reporting Code**") in Appendix C2 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the"**Stock Exchange**") (the "**Listing Rules**").

The content of this Report has been developed through a structured and systematic process, including the identification and prioritisation of the Group's key stakeholders and ESG issues, determination of the reporting scope and boundaries, collection of relevant data and information, and the compilation and review of the Report's content.

In addition, the Group acknowledges the importance of industry-based metrics in enhancing the relevance and comparability of climate-related disclosures. In preparing this Report, the Group has referred to and considered the applicability of industry-based metrics that are associated with its business models, operational activities and industry characteristics, including those described in the IFRS S2 Industry-based Guidance on implementing Climate-related Disclosures, as well as other industry-based disclosure requirements under internationally recognised ESG reporting frameworks. Having undertaken such assessment, the Group has incorporated relevant and practicable industry-based metrics into its disclosures where appropriate, taking into account the nature, scale and complexity of its operations, the availability and reliability of data, and the materiality of the underlying ESG issues. The Group will continue to assess the applicability and feasibility of incorporating cross-industry metrics and industry-based metrics as appropriate for future reporting periods as its data collection systems and climate-related governance continue to evolve.

Environmental, Social And Governance Report



Reporting principles

The Report has been prepared based on the principles of materiality, quantitative, balance and consistency as set out in the ESG Reporting Code.

Materiality: When the Company's board of directors (the "**Board**") determines that ESG issues will have a significant impact on the Group's investors and other stakeholders, the Group shall report on them, including the climate-related risks and opportunities that could reasonably be expected to affect the Company's cash flows, its access to finance or cost of capital over the short, medium or long term, details of which have been disclosed in the sections headed "STAKEHOLDERS' ENGAGEMENT" and "MATERIALITY ASSESSMENT".

Quantitative: Environmental and social information has been presented in the Report, including descriptions of its purpose and impact, the methodologies applied, and the sources of conversion factors used in reporting emissions and energy consumption. Comparative information will be provided in subsequent Reports.

Balance: The Report shall present the Group's performance during the Reporting Period in an unbiased manner, and avoid selections, omissions, or presentation formats that may inappropriately influence a decision or judgment by the readers.

Consistency: The Report is our tenth ESG report. We adopt a consistent approach for ESG information disclosure with consistent data disclosure standards and statistical methods in the Report to facilitate meaningful comparisons year by year.

Publication

The Report is available online in both Chinese and English versions. All shareholders and stakeholders can access the Report on the website of the Stock Exchange at www.hkexnews.hk and the Company's website at www.chinasilver.hk. In case of any discrepancy, the English version shall prevail.

GROUP PROFILE

The Group is committed to continuing to be a leading fully-integrated silver, palladium and precious metals enterprise in the PRC, and its businesses range from acquisition of upstream mining companies with exploration rights (partly operated by its associate Everest Gold Group), traditional manufacturing to downstream new jewellery retail (currently operated by its associate Everest Gold Group). While building on and consolidating our existing silver Manufacturing segment, we are committed to enhancing the New Jewellery Retail segment, so that we can eventually become a leading fully-integrated silver, palladium and precious metals enterprise in the world.

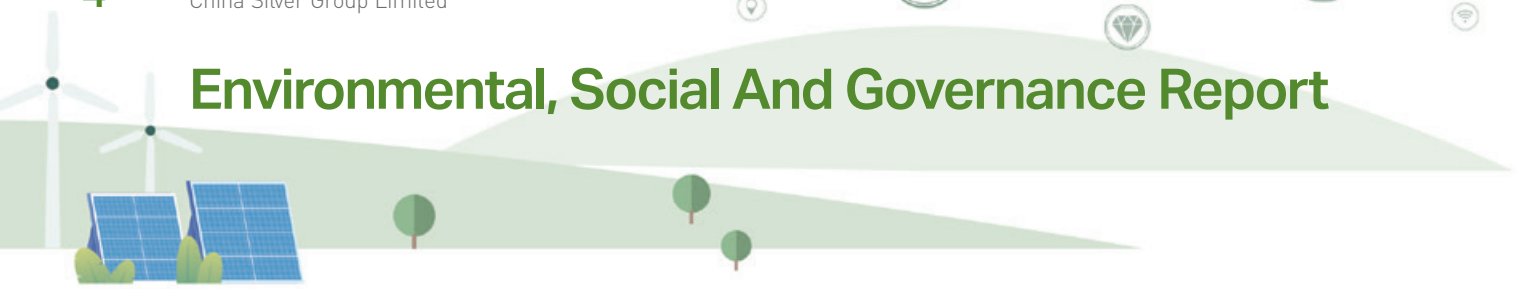
In the Manufacturing business, the Group applies a unique production model to manufacture high quality silver, palladium and other non-ferrous metals. In the downstream New Jewellery Retail segment through its associate Everest Gold Group, quality products and diversified sales channels of the Group are the keys to our success.

STATEMENT OF THE BOARD

In order to ensure the establishment of competent ESG risk management measures and internal control system, the Board is responsible for directing the sustainability strategies and the reporting of ESG, while the management of the Group would execute the strategies and practice sustainability in their daily operation.

The Board reviews and revises the Group's policy on sustainable development from time to time to ensure the effectiveness of the policy for accomplishing the expectations and needs of the stakeholders. The Board conducts an annual review of ESG-related goals and targets and key performance indicators (KPIs), including those relating to emissions, resource efficiency and workforce metrics, to ensure alignment with the Group's business strategy and to assess the effectiveness of measures implemented to enhance sustainability governance. A materiality assessment and stakeholders' assessment are carried out every year to identify and prioritize material ESG and risk related issues.

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In the long run, we aim to enhance business sustainability and strive to maintain higher standards of business practices in respect of environmental protection, especially against the backdrop of the strict enforcement by the Central Ecological and Environmental Protection Inspection Group (中央生態環境保護督察組), which indeed has greatly raised the industry's entry barriers in terms of environmental protection under the Manufacturing segment.

STAKEHOLDERS' ENGAGEMENT

The Group values all stakeholders and their views on the Group's business and ESG issues. In order to know and understand the expectations of stakeholders, the Group has been maintaining close communications with stakeholders through various engagement methods and communication channels. The Group also takes into consideration the following issues of concern of stakeholders in the formulation of business and ESG strategies:

Major stakeholders	Issues of concern	Engagement channels
The Stock Exchange	Compliance with the Listing Rules	Announcements published on the Stock Exchange's website Meetings Telephone calls and emails
Government and regulatory authorities	Compliance with relevant laws and regulations Proper tax payment Safety and production environment	On-site inspections and checks Regular declaration Announcement of new laws and regulations in the Gazette Annual reports and other information published on its website
Shareholders and investors	Return on investments Transparent disclosure of information Protection of interests and fair treatment of shareholders	Annual general meeting and other shareholder meetings Annual reports, announcements and other published information Information published on the Group's and the Stock Exchange's websites Company mailbox managed by designated personnel
Employees	Salaries and benefits Safeguard of the rights and interests of employees Career development and training Office epidemic prevention	Regular meetings Comprehensive training Intranet and emails Regular company activities
Customers	Safe and high-quality products Good relationship Business ethics After-sales services Product and food safety	Website Regular business visits WeChat Interactive customer evaluation

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Major stakeholders	Issues of concern	Engagement channels
Suppliers and partners	Long-term partnership Fair competition Environmental protection	Procurement contracts, emails, telephone calls, interviews Interactive supplier evaluation
Media	Corporate governance Environmental protection	Explanatory documents on key issues Website
Public and communities	Environmental issues Charity contributions to the community	Volunteer activities Community visits
Non-governmental organization	Waste disposal Environmental compliance management	Public information disclosure

MATERIALITY ASSESSMENT

During the Reporting Period, the Group held discussions with the management and conducted materiality assessment through various channels to identify ESG issues that the key stakeholders and the Group are both interested in, and assess their risks to the Group's business, in order to evaluate, prioritise and manage material environmental and social issues. For materiality assessment, the Group has adopted the following three processes:



Identification

- Through diverse channels and internal discussion
- Examines and adopts the ESG issues of concern in previous stakeholders' engagement
- Draws attention to emerging ESG issues



Setting priorities

- Synthesises, analyses and evaluates the views of all parties to identify and prioritise potential and important issues



Validation

- Interacts with the management team to validate the materiality assessment results and ensure that these issues are aligned with the sustainable development direction sought by the Group
- Reports the materiality assessment results to the Board and makes disclosure in the ESG report

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The following table sets out the summary of the key ESG issues of the Group:

Environmental	Social	Climate-related Disclosure
• emission control • waste management • resources utilization • energy management • water management	• employment practice • occupational health and safety • career development and training • prevention of child labour and forced labour • supply chain management • product responsibility • customer service • privacy protection • intellectual property rights • anti-corruption • community investment	• Climate Governance • Climate Strategy • Risk Management • Metrics and Targets

FEEDBACK

Stakeholders are encouraged to provide comments and suggestions. If you have any comments on the Report or the sustainability performance of the Group, please email us at cs@chinasilver.hk, and the Group is committed to continuous review and improvement.

Environmental, Social And Governance Report

A. ENVIRONMENTAL

A.1 EMISSIONS AND WASTES

During the Reporting Period, the Group complied with relevant laws and regulations that have a material impact on the Group relating to gas and greenhouse gas emissions, discharge to water and land and the generation of hazardous and non-hazardous wastes, such as the Environmental Protection Law of the People's Republic of China (《中華人民共和國環境保護法》), the Law on the Prevention and Control of Water Pollution of the People's Republic of China (《中華人民共和國水污染防治法》), the Law on the Prevention and Control of Atmospheric Pollution of the People's Republic of China (《中華人民共和國大氣污染防治法》), the Law on the Prevention and Control of Environmental Pollution by Solid Waste of the People's Republic of China (《中華人民共和國固體廢物污染環境防治法》) and the Regulations on the Administration of Environmental Protection in Construction Project (《建設項目環境保護管理條例》). During the Reporting Period, the Group did not violate any relevant PRC environmental protection laws and regulations and was not subject to material fines, non-monetary penalties or litigation relating to environmental violations.



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A.1.1 Emissions

The Group is committed to producing quality products and providing satisfactory services, while addressing environmental protection and gas emission issues. The Group also complied with the relevant local environmental laws and regulations and had no violation relating to gas emission during the Reporting Period.

Throughout the production and retail processes as well as in the daily business operations, the Group promoted energy conservation and emission reduction. In the production and retail processes, emission reduction is a crucial element for consideration in process formulation. In the daily business operations, the Group provided employees with the equipment for teleconferences and video conferencing to reduce the number of business trips, and encouraged its employees to recycle paper and hence reduce greenhouse gas emissions.

Gas emissions

Gas emissions are mainly from vehicles and production processes of the Manufacturing segment. In the refining and production processes, sulphur, particulates and other pollutants are produced, yet the Group has continued to utilize the dedusting system and the desulfurization system to lower the gas emission to a permissible level.

In the transportation process of the Group, most of the customers arranged transportation and logistics by themselves and a small portion of customers used vehicles and logistic services of third-party transportation companies arranged by the Group. The Group would choose to use third-party transportation companies which are approved by the government and are in compliance with relevant laws and regulations to transport dangerous goods. Therefore, the Group was unable to directly measure the emissions of the relevant vehicles.

In addition to selling products to customers face-to-face at the exhibition hall and through physical stores, the New Jewellery Retail segment also sells its products online and the products will be delivered by external large scale transportation companies.

The following table shows the gas emissions by the Group's own vehicles and during its production in the refinery plants (approximate values).

	2025	2024
Gas emissions (kg)		
Nitrogen oxides (Note 1)	**6.47**	3.96
Sulphur dioxide	**0.07**	0.04
Particulates	**0.48**	0.29

Note 1: The emission of nitrogen oxides is only calculated for vehicles.

Environmental, Social And Governance Report



A.1.2 Total amount and intensity of hazardous and non-hazardous waste generated

Non-hazardous wastes

The Group's Manufacturing segment was involved in the businesses of manufacturing, sales and trading of silver ingots, palladium and other non-ferrous metals in the PRC. The Group acquired silver powder, which is a work in progress in the production process, from the suppliers and, after processing, recycled them for multi-purpose utilization and extracted useful precious metals from them. With the upgraded and enhanced production facilities, no hazardous waste was generated in this process from silver powder to silver ingots. The following table shows the total amount of non-hazardous waste sent by the Group to these specialized companies during the Reporting Period.

	2025	2024
Non-hazardous wastes		
Usage (tonnes)	**0**	0
Intensity (Note 3)	**0**	0

Note 3: The intensity is tonnes per RMB100 million of the Group's revenue, which was approximately RMB3,063 million during the Reporting Period (2024: RMB4,313 million).

The New Jewellery Retail business does not involve hazardous waste or pollution issues, with only routine household non-hazardous waste generated during its operation. Such waste is collected and processed by property management companies. Based on the Group's assessment, the volume of non-hazardous waste generated by this operating segment is minimal; accordingly, no direct measurement of waste was undertaken for this segment.

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Hazardous wastes

Upon the completion of a new production line, the Manufacturing segment has been upgraded and has enhanced its production facilities for the clean production of tin and precious metals (including gold, silver and palladium). The Group is committed to responsible environmental management practices and will continue to work with the relevant authorities to ensure that its operations comply with the Law on the Prevention and Control of Environmental Pollution by Solid Waste of the People's Republic of China (《中華人民共和國固體廢物污染環境防治法》). In the current year and last year, the silver electrolysis production line had not produced any material hazardous waste.

Wastewater

The non-hazardous wastewater is mainly from the wastewater in the process of electrolysis production of the Manufacturing business. The Group has a separate system for wastewater management for the Manufacturing business, and all treated wastewater was recycled. The Manufacturing segment must comply with laws and regulations including but not limited to the Law on the Prevention and Control of Water Pollution of the People's Republic of China (《中華人民共和國水污染防治法》), Emission Standard of Pollutants for Inorganic Chemical Industry (《無機化學工業污染物排放標準》), and the treated wastewater is discharged into the municipal sewage pipelines to meet the standards. The Group is committed to responsible environmental management practices and will continue to work with the relevant authorities to ensure that its operations comply with national standards and regulations.



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A.1.3 Treatment of hazardous and non-hazardous wastes

Waste treatment

For Manufacturing segment, the Group acquired raw materials from third parties, then reprocessed them to produce valuable products and reduce wastes. The raw material warehouse was built in strict accordance with the requirements for hazardous waste storage. In daily operations, when various raw materials were purchased, the transfer processing system was strictly implemented. Upon warehousing, raw materials were classified and stored according to category and metal content, with mixed storage strictly prohibited. During the Reporting Period, the Group has taken steps to improve its storage system and environment to prevent violations of the Law on the Prevention and Control of Water Pollution of the People's Republic of China. The Group has repaired the damaged warehouse floor and implemented additional measures to ensure that raw materials are stored in strict accordance with hazardous waste storage requirements.



Wastewater treatment

Ground-washing water in plant areas and first-flush rainwater were precipitated in the sedimentation tanks progressively after collection. The precipitated wastewater was pumped to the wastewater treatment system by water pumps and purified in four steps. All the treated wastewater was recycled, reused and not discharged.

In order to reduce the concentration of lead and cadmium in rainwater discharged which exceeded the discharge limits under the national standards, the Group will continue to communicate with the relevant governmental authorities and improve the storage environment and facilities for storing raw materials to comply with relevant legal requirements.

A.1.4 Emission and waste reduction targets and measures

The Group aims to progressively improve emissions performance by maintaining compliance with regulatory standards and pursuing continuous reduction through operational efficiency and technology upgrades by the following means:

Exhaust treatment process

Sulphur, particulates and other pollutants were produced during the refining and production processes. The Group spared no effort in environmental protection, and used technologies which had been developed for many years such as cooling sedimentation, bag filter, sputum-spraying desulfurization and purified emissions to effectively satisfy the discharge standards. In addition, in order to ensure that we effectively monitor emissions at all times, the Group installed an on-line monitoring system at discharge entrances for 24-hour continuous monitoring. Such data is detected and monitored in real time, and if the system shows that the data exceeds relevant standard, it will send the data to the government enforcement authority in real time. Because of the real-time and effective monitoring of the Group, no data on emissions exceeding the relevant regulatory standard was recorded in the Reporting Period.

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Indicators inspection

In accordance with the indicators for total discharges of major pollutants relating to construction projects stipulated by the Ministry of Environmental Protection of the PRC, the Group closely monitored those indicators and, when installing equipment, the Group considered and established corresponding environmental protection facilities. The Group has effectively complied with the requirements of the Ministry of Environmental Protection of the PRC on the annual emission limits for sulphur dioxide and particulates.

In addition, the Group aims to minimise waste generation through process optimisation and recycling initiatives, and will continue to monitor waste levels with a view to reducing overall waste intensity over time. The Group will also continue to implement the following measures to reduce both emissions and waste:

Efficiency management

In the course of its operations, the Group has taken environmental protection and resources efficiency into consideration, such as considering the use of teleconferences and video conferencing instead of business trips, encouraging employees to reuse paper, replacing paper documents with electronic files, streamlining inventory and delivery procedures to reduce transport frequency, so as to reduce emissions and production of wastes from daily operations in a multi-faceted and effective manner.





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A.2 RESOURCE UTILIZATION

The Group is committed to optimizing resources utilization and production and operation patterns in order to reduce the impact on the environment. As our main consumption in the operation process is electricity and water, we adopt different measures to reduce consumption and improve resource efficiency.

A.2.1 Direct and indirect energy consumption

The Group is committed to encouraging its employees to use electricity appropriately. We have taken a number of measures to improve energy efficiency, such as reducing electricity consumption, keeping indoor temperatures at a reasonable level, and selecting energy-efficient equipment. During the Reporting Period, the Group's energy consumption is as follows:

		2025		2024	
Resources Utilization	Unit	Usage	Intensity (Note 5)	Usage	Intensity (Note 5)
Power consumption	kWh	**528,102**	**172.4**	874,470	203
Diesel consumption	tonnes	**3**	**0.1**	2	0.1

Note 5: The intensity is the corresponding unit per RMB100 million of the Group's revenue, which was approximately RMB3,063 million during the Reporting Period (2024: RMB4,313 million).

A.2.2 Total amount and intensity of water consumption

Water is an indispensable resource for our production, therefore, we always cherish water resources. For example, we have been building wastewater treatment facilities and reusing water. During the Reporting Period, we did not encounter any significant issues in sourcing water that is fit for purpose. The following table illustrates the Group's water usage during the Reporting Period.

		2025		2024	
Resources Utilization	Unit	Usage	Intensity (Note 6)	Usage	Intensity (Note 6)
Water consumption	tonnes	**30,134**	**657**	21,544	499

Note 6: The intensity is tonnes per RMB100 million of the Group's revenue, which was approximately RMB3,063 million during the Reporting Period (2024: RMB4,313 million).

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A.2.3 Energy use efficiency and water efficiency targets and measures

The Group aims to enhance energy efficiency through reduction of electricity consumption and adoption of energy-efficient equipment, with continuous monitoring of energy intensity. In addition, the Group aims to improve water efficiency through recycling and conservation measures, and will continue to monitor water consumption intensity over time.

The Group has also taken various measures to reduce carbon emissions and improve energy efficiency, as well as to reduce electricity consumption and keep indoor temperatures at a reasonable level. It is also our wish that our employees make joint efforts with us to contribute to the cause of environmental protection.

The Group has worked to raise staff awareness of environmental management at workplace by encouraging the staff to reduce the consumption of electricity, paper and water resources. When carrying out renovations of the new offices, the Group used more energy efficient LED lighting and air conditioners. Moreover, we put posters at conspicuous locations to remind our staff to switch off electricity when leaving office and turn off water taps immediately after use. The Group strongly encourages double-sided printing, use of electronic documentation and recycling of used paper in order to reduce paper consumption. Dedicated bins have been set up in offices to facilitate waste separation and recycling.



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A.2.4 Total amount of packaging materials used for finished products

Under the New Jewellery Retail segment, the business activity is the sales of gold, silver, colored gemstones, gem-set and other jewellery products, where most of the packaging materials are used for preservation of products, such as jewellery boxes and bags, and are considered as part of the complete products. Therefore, this part of packaging materials was not accounted for separately. With respect to packaging materials used by the Group with statistics available, the commonly used materials are plastics, corrugated paper and paper sheets. The following table illustrates the Group's usage of packaging materials during the Reporting Period.

	2025		2024	
Main packaging material	Usage (tonnes)	Intensity (Note 7)	Usage (tonnes)	Intensity (Note 7)
Plastics	**0.7**	**0.02**	0.4	0.01
Paper sheets	**9.4**	**0.31**	0.7	0.02

Note 7: The intensity is tonnes per RMB100 million of the Group's revenue, which was approximately RMB3,063 million during the Reporting Period (2024: RMB4,313 million).

A.3 IMPACT ON THE ENVIRONMENT AND NATURAL RESOURCES AND ACTIONS TAKEN TO MINIMISE THE IMPACT

Transportation process

When selecting a third-party transportation company, we only consider transportation service providers which comply with the relevant regulations and are approved by the government. Such third-party transportation service providers must be equipped with proper vehicles to prevent leakage of gas, water and liquid during the transportation process, which may otherwise occur due to poor maintenance or improper operation.

Training and policy on environmental protection

Our employees' awareness of environmental protection will facilitate us in implementing environmental protection policies. Therefore, we provide our employees with environmental protection-related training, encouraging them to take a more active part in environmental protection and care for our planet. Also, we post eye-catching notices to remind our employees to save resources and incorporate environmental protection policies in the staff manual to emphasise our vision of environmental protection.

Anti-pollution measures and inspection

Our emission of wastewater and exhaust is inspected by certified third parties. For parts that need to be rectified as required by the Bureau, the Group will maintain close communication with the Bureau in order to reach a consensus on the rectification measures. In addition, the Group has engaged an external environmental expert to advise on appropriate rectification measures for addressing the concerns of the Bureau.

A.4 CLIMATE CHANGE

The physical impacts of climate change, including extreme weather events, or damage to facilities have immediate operational impacts and are treated as operational risks. Understanding these trends and the relationship with our business can help us to prepare, analyse possible risks and opportunities, help seize the opportunities of potential benefits and establish the response capacity of the Group in the long run.

In response to climate change, the Group is committed to reducing carbon emissions and waste generated during its production and operational processes.

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B. SOCIETY

EMPLOYMENT AND LABOUR PRACTICES

B.1 EMPLOYMENT

The Group complies with the Labour Law of the People's Republic of China (《中華人民共和國勞動法》), the Labour Contract Law of the People's Republic of China (《中華人民共和國勞動合同法》), the Law of the People's Republic of China on the Protection of Women's Rights and Interests (《中華人民共和國婦女權益保障法》), the Social Insurance Law of the People's Republic of China (《中華人民共和國社會保障法》), the Trade Union Law of the People's Republic of China (《中華人民共和國工會法》) and the Special Regulations on Protection of Women Workers (《女職工勞動保護特別規定》) and other laws and regulations that have a significant impact on the Group.

As at the end of the Reporting Period, the Group had a total of 57 employees (2024: 178). All of our employees are full-time staff for the current year and last year. The reduction of 109 employees during the current year was attributable to the deemed disposal of Everest Gold Group and the New Jewellery Retail segment operated thereunder and the resignation of 11 employees. Meanwhile, 12 employees were newly hired by the Group during the current year. We firmly believe that our employees are one of our indispensable and important assets and their contributions are fundamental to the success of the Group. We have been striving to create and maintain a fair and respectful working environment together with our employees.

Through a rigorous and transparent recruitment process, the Group has successfully adhered to the corporate principle of equal opportunity, diversity, anti-discrimination and fair employment in our talent management. Promotion opportunities are provided to qualified employees based on their performance and capability, enabling effective talent utilisation and career development. The Group maintains a compensation, incentive and performance management system with reference to industry practices and benchmarks. Working hours and rest periods are arranged in accordance with applicable laws and regulations. Dismissal is handled in accordance with established internal procedures and relevant legal requirements to ensure a fair and compliant process. Through these measures, the Group aims to support employee development and enable employees to achieve sustainable, long-term growth alongside the Group.

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We value the opinions of our employees and encourage them to voice their thoughts so that we can create a comfortable working environment for them. Therefore, we have set up feedback collection email addresses and mailboxes as a channel of communication between our employees and the Group. Thanks to their contribution, we have succeeded in building a diverse and inclusive working environment with mutual respect.

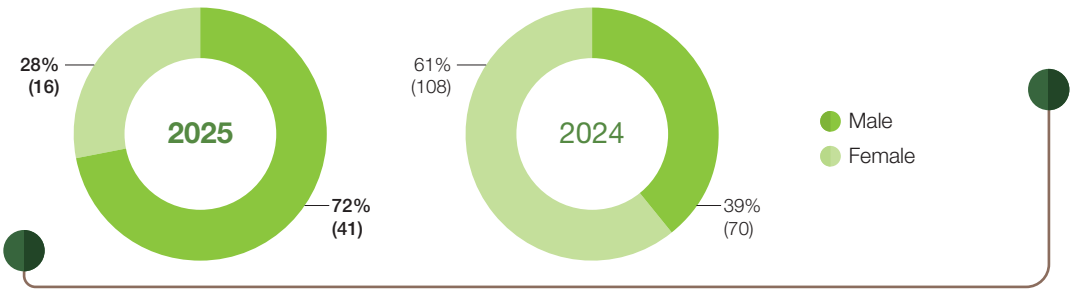




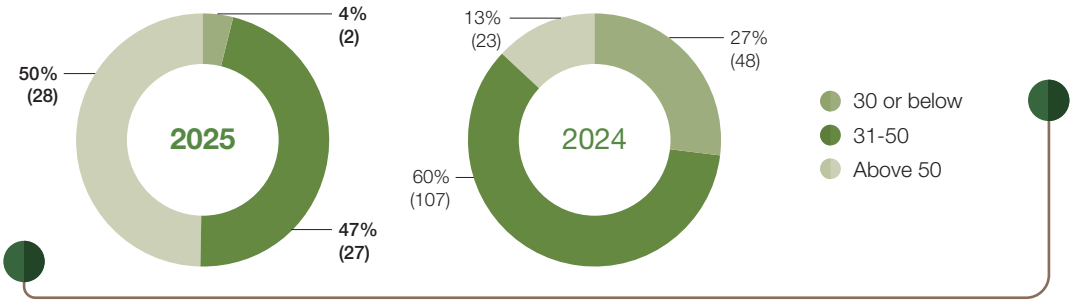
Environmental, Social And Governance Report

The following figures are compiled based on the total number of employees as at the end of the Reporting Period.

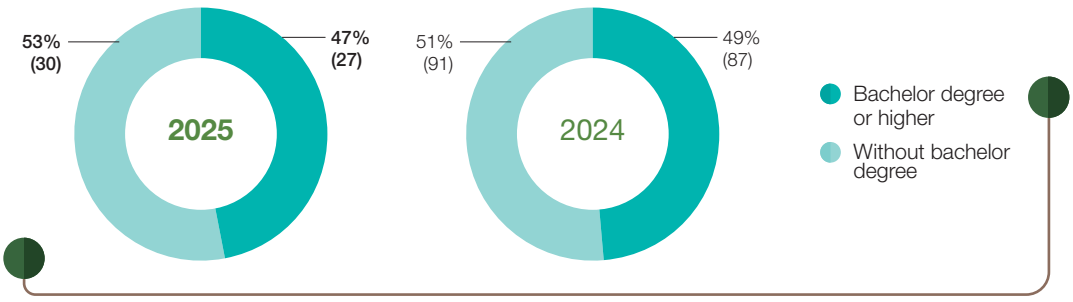
STAFF PROFILE BY GENDER



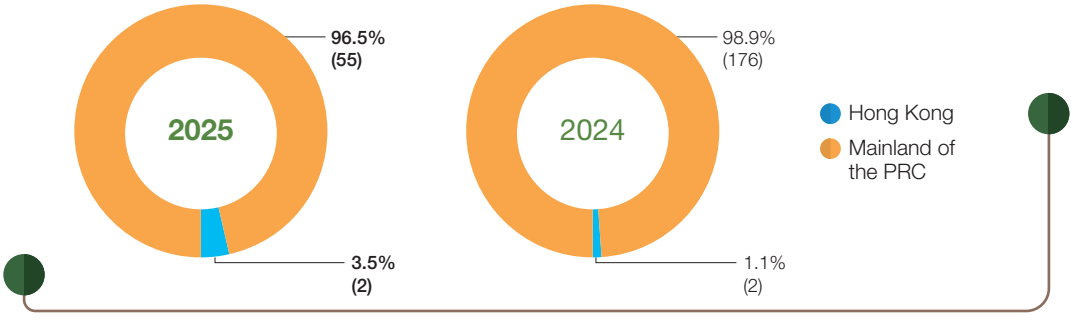
STAFF PROFILE BY AGE



STAFF PROFILE BY EDUCATION



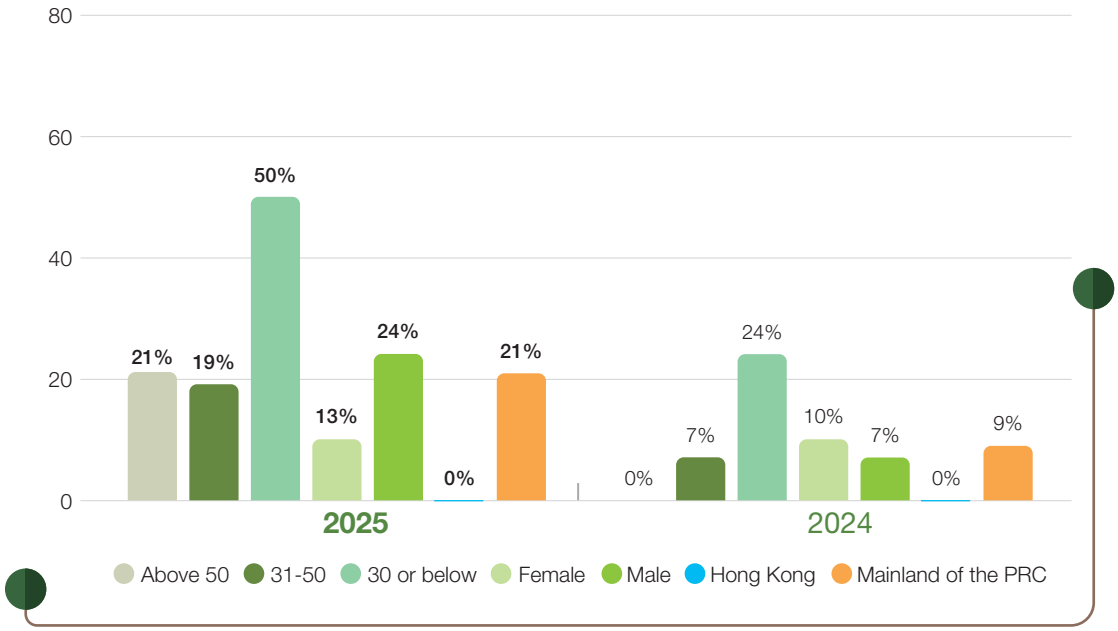
STAFF PROFILE BY GEOGRAPHICAL REGION



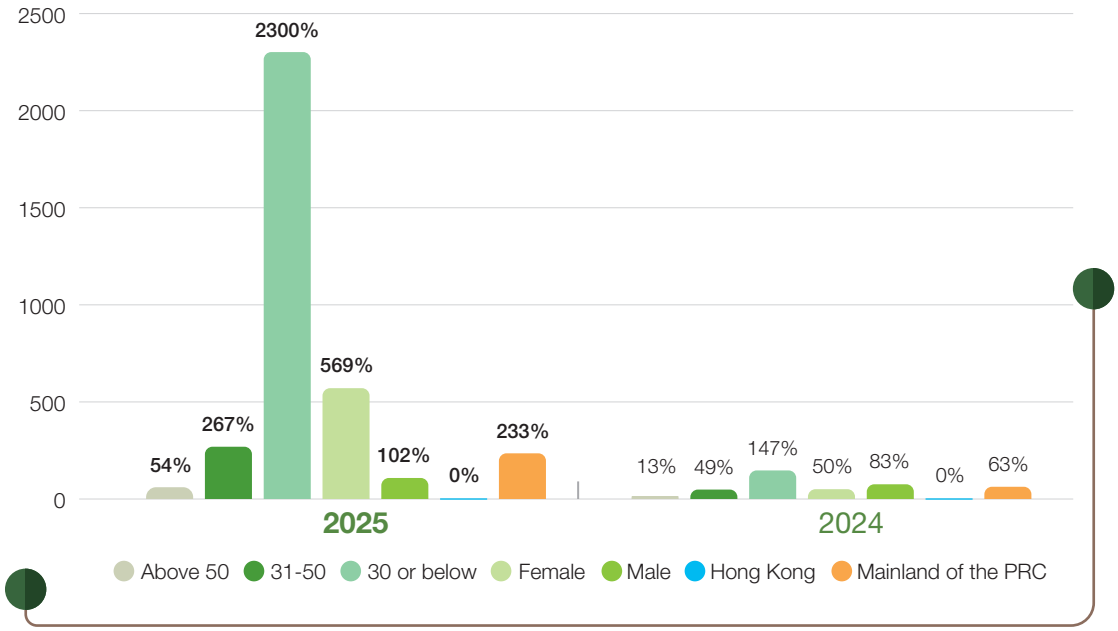
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The analysis of staff on-boarding and turnover rates during the Reporting Period is as follows:

STAFF ON-BOARDING RATE



STAFF TURNOVER RATE



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B.2 HEALTH AND SAFETY

During the Reporting Period, the Group complied with relevant laws and regulations that have a significant impact on the Group relating to providing a safe working environment and protecting employees from occupational hazards, such as the Work Safety Law of the People's Republic of China (《中華人民共和國安全生產法》) and the Prevention and Control of Occupational Diseases Law of the People's Republic of China (《中華人民共和國職業病防治法》), to ensure that the employees are working in a safe environment in respect of health, hygiene, ventilation, gas safety, building structure and escape routes. The implementation of the employee health and safety measures set out below is monitored through periodic reviews and inspections. Any identified issues are promptly addressed to ensure the continuous improvement of workplace health and safety standards.

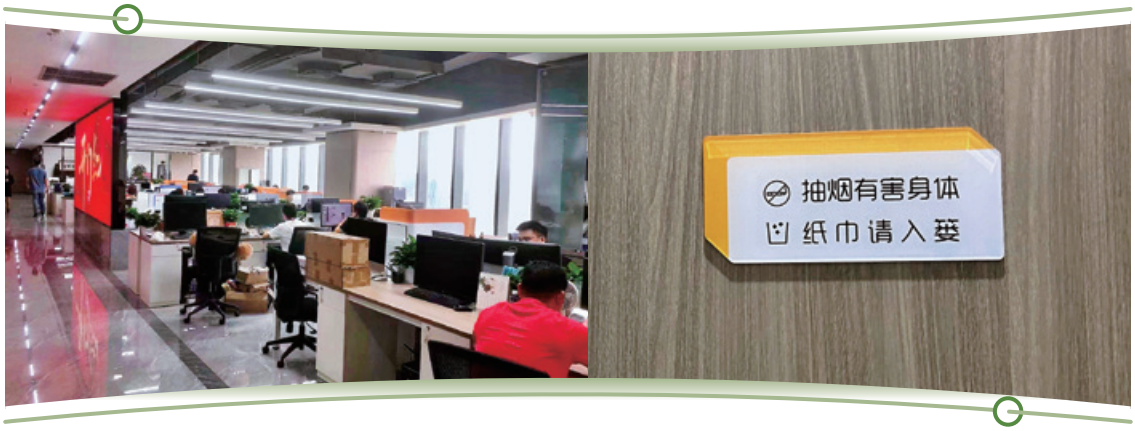
Health of our employees

The Group not only complies with all the relevant laws and regulations in relation to the health of our employees, but also deeply cares about their health by providing them with regular physical examinations and monitoring the level of hazardous factors in our production facilities.

Providing a safe and relaxing working environment for our employees is one of our main considerations. A number of measures have been implemented in the workplace to promote this policy, which are detailed as follows:

- No smoking, no abuse of alcohol and no drugs in the workplace;
- Provision of clean and tidy staff lounge;
- Adequate illumination in the workspace and open and clear corridors, especially the escape exits; and
- Provision of adjustable chairs and computer displays so that our employees can maintain proper sitting postures and protect their eyes.

Moreover, the Group also has an appropriate amount of recreational facilities installed in workplaces as well as green plants in the office, so that our employees can work in a comfortable environment, maintain physical and mental health and improve work efficiency.



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Occupational safety

The Group's business involves production lines, and the safety of our employees is without question the top priority during the Group's operations. To ensure that all employees work under a safe working environment, we provide our employees with safety equipment such as goggles and helmets, and post eye-catching notices in the factory to remind them to wear appropriate equipment provided by the Group. We also hold production meeting at least once a month, and provide our employees with safety training in the meeting so as to ensure and enhance their awareness and knowledge of occupational safety.

We take precautionary measures against any occupational safety accidents. For example, we actively participate in building-wide fire drills, and post emergency escape routes we formulated in visible locations. We comply with statutory fire safety regulations, have adequate fire protection equipment installed and conduct regular inspections.

No work-related fatalities were recorded in each of the past three years, including the Reporting Period, and no work-related injuries were recorded during the Reporting Period.

	Unit	2025	2024	2023
Number of work-related injuries	Case(s)	**0**	0	0
Number of severe work-related injuries	Case(s)	**0**	0	0
Lost days due to work-related injuries	Day(s)	**0**	0	0





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B.3 DEVELOPMENT AND TRAINING

In order to maintain the competitiveness of the Group and our employees, our human resources team regularly organizes internal and external training for our employees to support their personal growth and continuous development.

The Group provided diverse training programs for our employees during the Reporting Period, including induction training, company policy training, production efficiency training, occupational safety training and on-the-job training. The following table shows the number of hours that our employees spent in training during the Reporting Period:

	2025	2024
Approximate hours per head (hours)		
By seniority		
– Manager level or above	**1.75**	2.4
– Below manager level	**0.84**	0.5
By gender		
– Male	**0.71**	0.7
– Female	**1.63**	0.6

During the Reporting Period, the percentages of staff that received training are: management level or above staff: 100%, below manager level staff: 100%; male: 100%; female: 100% (2024: management level or above staff: 71%, below manager level staff: 45%; male: 63%; female: 36%).

The Group also provides its employees with internal promotion opportunities to acknowledge their outstanding performance and hard work.

B.4 LABOUR STANDARDS

The Group strictly complies with the relevant laws and regulations that have a significant impact on the Group, including the Labour Law of the People's Republic of China (《中華人民共和國勞動法》), Provisions on the Special Protection of Juvenile Workers (《未成年工特殊保護規定》), and the Provisions on Prohibition of Child Labour (《禁止使用童工規定》), and will absolutely not hire child labour or forced labour.

The Group has adopted employment policies that prohibit child labour and forced labour, and requires all subsidiaries to strictly comply with such policies. During the recruitment process, the Group conducts due diligence on applicants' age and background, and performs periodic reviews to ensure ongoing compliance with relevant laws and regulations, thereby preventing any occurrence of child or forced labour. In the event that any instance of child labour or forced labour is identified, the Group will take immediate corrective action, including terminating the relevant employment or contractual arrangement, reporting the matter to appropriate authorities where required, and strengthening internal controls and monitoring procedures to prevent recurrence. During the Reporting Period, the Group has not had any non-compliance with laws and regulations relating to the prevention of child labour or forced labour.

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OPERATING PRACTICES

B.5 SUPPLY CHAIN MANAGEMENT

The Group's major suppliers are raw materials suppliers for our Manufacturing business and New Jewellery Retail business. We are committed to providing our customers with quality products and services. To ensure the quality of our metal products, we are very careful in selecting our suppliers. For example, we will perform due diligence investigations on new suppliers to get an understanding of, among other things, their backgrounds and whether they are in compliance with environmental permits, so as to ensure the commitment of our upstream suppliers to environmental protection and market quality.

A stringent evaluation and review mechanism is in place in the Manufacturing business to ensure the compliance of suppliers and quality of supplies. For the selection of new suppliers, we give priority to potential suppliers with good reputation and conduct a preliminary review on their capability to maintain quality and safe production. Then, we conduct investigations on supplier candidates' products, production capacity, and implementation of quality and safety management systems. Also, when necessary, we would request the supplier candidates to provide samples for evaluation and inspection and conduct on-site assessment. Only the suppliers which passed the review process can be introduced to the list of qualified suppliers. In addition, we will review and check the basic information of new suppliers, including conducting on-site assessment at the suppliers' site, reviewing their quality system certification, product safety certification, business license and other documents to ensure the suppliers' compliance. In addition, the Group promotes environmentally preferable products and services by incorporating environmental considerations into its supplier selection and procurement processes. Where practicable, preference is given to suppliers that demonstrate environmentally responsible practices, such as the use of environmentally friendly materials, adoption of energy-efficient production methods, implementation of waste reduction measures, and possession of relevant environmental certifications. Afterwards, the Group regularly evaluates existing suppliers based on price, quality, delivery time and other aspects, as well as their compliance with environmental and social requirements. Unqualified suppliers will be eliminated to ensure the quality and sustainability of products and services provided.

As described above, environmental and social risks along the supply chain are assessed at the onboarding stage through supplier due diligence investigations, which include reviews of suppliers' regulatory compliance status, environmental permits, safety and labour practices, and overall business conduct. Following onboarding, suppliers are subject to ongoing monitoring of the Group through periodic evaluation and review mechanisms, including assessments of quality, delivery performance and compliance with environmental and social requirements. Where potential risks, deficiencies or instances of non-compliance are identified, the Group conducts follow-up reviews and may require corrective actions, enhanced monitoring or, where appropriate, termination of the supplier relationship. The Group has set up a procurement department to handle procurement fairly by making comparison in a number of aspects. Our procurement department also communicates directly with the customer service department to collect customers' opinions on the quality of our products in an effort to provide feedback to our suppliers.

During the Reporting Period, the Group has established a stable supplier network with approximately 88 suppliers, including 66 suppliers of the manufacturing sector and 22 jewellery suppliers, all of which were local suppliers of PRC.

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B.6 PRODUCT RESPONSIBILITY

During the Reporting Period, the Group complied with relevant laws and regulations that have a significant impact on the Group relating to health and safety, advertising, labelling and privacy matters of products and services provided and methods of redress, such as the Trade Descriptions Ordinance (《商品說明條例》) (Chapter 362 of the Laws of Hong Kong), the Product Quality Law of the People's Republic of China (《中華人民共和國產品質量法》) and the Law on Protection of the Rights and Interests of Consumers of the People's Republic of China (《中華人民共和國消費者權益保護法》).

Product safety

In order to ensure product safety, we carefully examine the quality of our products before they are delivered to our customers. When designing a product, we always bear product safety in mind with regard to different groups of consumers. During the Reporting Period, the Group did not make any product recalls due to safety and health incidents.

Product quality

Integrity and quality are the cornerstones of the corporate culture of the Group. In the production of silver, our laboratory will carry out examination and inspection and only those meeting the No. 1 National Standards will pass. We also strive to achieve a level of excellence in terms of product and retail services as well as after-sales services, aiming to provide our customers with an extraordinary shopping experience.

During the Reporting Period, we did not receive any major complaints about the quality of our products and services.

Excellent service experience

For the online business under the New Jewellery Retail segment, the Group has established an online platform for customers to purchase goods at any time of the day. The Group also launches online pre-sale activities from time to time to showcase our latest products. With the assistance of software, we can clearly understand our customers' preferences and needs, and respond immediately to meet market demand and enhance customer experience. We have vigorously developed E-commerce live streaming business in recent years, and E-commerce live streaming realises face-to-face information exchange between streamers (merchants) and consumers. Through the live streaming communication portal, consumers can be provided with better products and services. Meanwhile, our powerful technology research and development team has created a "smart marketing decision support system" for jewellery industry. Through collecting and analyzing data from both online platforms and offline stores, such system provides valuable information on customer behaviour and preferences, thereby allowing retailers to gain an insight into operational and business strategies. Big data analysis not only allows us to understand customer behaviour and preferences, but also equips us with insight into our operations and business strategies, helping to provide consumers with enhanced shopping experience and better products.

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After-sale services

Both the New Jewellery Retail business and the Fresh Food Retail business of the Group provide after-sale services.

For New Jewellery Retail business, the Group provides high-quality products, backed with comprehensive after-sales service. To ensure product quality, the Group has established quality assurance processes, including product inspection and testing procedures at production stage and prior to sale. Our website provides a clear list of points to note after making a purchase, including invoicing, repairing, shining, return, resizing, cleaning, examination and buyback. We have also set up a professional customer service team to provide consultation and handle complaints online.

The Group always considers the needs and opinions of our customers as one of our core considerations, and has set up a dedicated after-sales service team, which relays customers' feedback to the relevant departments in a timely manner for active follow-up. We understand that while excellent customer service relies on professional customer service staff, the privacy of our customers is crucial. Therefore, we provide separated office spaces for our customer service department to ensure that customer needs and privacy is well protected.

Data privacy and intellectual property rights

The Group attaches great importance to observing and protecting intellectual property rights and customer privacy. The Group has established internal policies and procedures to govern the identification, registration, use and protection of intellectual property rights, and regularly reminds employees of the importance of complying with applicable intellectual property laws and regulations. The Group's enthusiasm for innovation and art has made us pay more attention to intellectual property rights. When designing a product, we always aim to achieve uniqueness and will apply for a patent for our exclusive products and technologies. In respect of customer data, the Group collects personal data from customers through its membership programme, social media platforms and the Company's website. The Group recognises the importance of safeguarding such data as part of its business management and has established policies and procedures on consumer data protection and privacy in accordance with applicable laws and regulations, governing the collection, use, storage and handling of personal data. To implement these policies, access to customer data is restricted to authorised personnel on a need-to-know basis, and employees are required to sign confidentiality agreements upon joining to ensure they understand their responsibilities in protecting customer information. The Group also adopts internal controls and security measures to prevent unauthorised access, disclosure or misuse of personal data. The effectiveness of these policies is monitored through internal oversight and periodic reviews, and any identified issues are addressed promptly to ensure ongoing compliance and the protection of customer privacy.

During the Reporting Period, the Group did not breach any intellectual property rights and privacy of any related parties. The Group will continue to ensure that the intellectual property rights and privacy of our suppliers and customers are duly protected.

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B.7 ANTI-CORRUPTION

During the Reporting Period, the Group complied with relevant laws and regulations that have a significant impact on the Group relating to bribery, extortion, fraud and money laundering, such as the Criminal Law of the People's Republic of China (《中華人民共和國刑法》), the Regulations of the People's Republic of China for Suppression of Corruption (《中華人民共和國懲治貪污條例》) and the Prevention of Bribery Ordinance (《防止賄賂條例》) (Chapter 201 of the Laws of Hong Kong).

We require all our employees to always be honest and self-disciplined, refraining from corruption, and rejecting any kickbacks. Nobody is allowed to take advantage of his/her positions and misappropriate the money and properties of the Group, or abuse his/her powers to seek personal interests. The Group strictly prohibits any form of corruption, bribery and wrongful payment.

In order to establish an open, fair and transparent business culture, and deter violations such as bribery, extortion, fraud and money laundering, the Group has established the Integrity & Compliance Department, which is responsible for receiving and reviewing relevant whistle-blowing reports, and is determined to crack down on all corrupt sales activities.

The reports we accept include but are not limited to the following:

- Asking for or accepting bribes from our employees, including cash, premium gifts and any forms of lavish treatments;
- Conflicts of interests in duty performance, such as violation of the Group's investment regulations, and working for our suppliers, distributors and partners at the same time;
- Leakage of the Group's confidential information and data by our employees; and
- Exploitation of positions by our employees for personal gains.

The Group encourages whistle-blowers to report by real-name and promises to protect their identities and keep their reports strictly confidential. For all commenced investigations, the relevant departments will provide updates to the whistle-blowers according to the contact information provided.

The Group values integrity and requires our business partners to strictly abide by anti-corruption practices. We maintain business relationship only with suppliers operating in an honest and transparent manner.

During the Reporting Period, no legal cases regarding corrupt practices were brought against the Group or its employees. Accordingly, there were no concluded cases or outcomes to report.

In order to raise the awareness of self-discipline, the Group provides relevant anti-corruption and anti-bribery training for the Board and employees. All new employees have training on anti-corruption business ethics and anti-money laundering in order to enhance their self-discipline awareness and emphasize the importance of integrity and ethics. The Group's "Anti-Corruption Policy" was officially published on the official website of the Company in March 2022 and also included in the staff 's handbook.

B.8 COMMUNITY INVESTMENT

The Group gives back to society by contributing to public welfare and actively participates in community services under the philosophy of "benefitting from society, giving back to society". While no material resources were allocated by the Group to community investment initiatives during the Reporting Period, the Group will continue to review its community investment strategy and consider opportunities to support meaningful initiatives that align with its corporate values and sustainability objectives.

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C. CLIMATE-RELATED DISCLOSURE[1]

C.1 CLIMATE GOVERNANCE

To proactively address the challenges of global climate change, promote low-carbon sustainable development and duly fulfil its corporate environmental responsibilities, the Company complies with the Environmental Protection Law of the People's Republic of China, the Energy Conservation Law of the People's Republic of China and other national laws and regulations, as well as the latest listing rules, and has established and continuously improved its climate-related governance structure.

At the governance level, the Company has established an ESG Task Force comprising directors and senior management, including financial managers from various regions. The ESG Task Force is responsible for regularly assessing the risks and opportunities arising from climate change, formulating climate response strategies, and submitting feasible proposals to the Board for approval and implementation of relevant policies. The Board, with support from the ESG Task Force, periodically assesses whether appropriate skills and competencies are available to oversee climate-related risks and opportunities and, where necessary, enhances such capabilities through training, engagement of external experts and specialised learning. The Task Force is also specifically tasked with the identification and assessment of various ESG issues, including climate-related risks and opportunities. The ESG Task Force regularly conducts risk management and implements a complete process covering risk identification, risk analysis and assessment, risk control, risk response, summarisation and continuous improvement, to ensure the sustained and effective operation of the climate-related risk management mechanism. The ESG Task Force reports to the Board on climate-related risks and opportunities on a regular basis through Board meetings, management reports and written materials, and on an ad hoc basis in the event of material environmental incidents or regulatory changes. This ensures that the Board is informed and able to take into account climate-related risks and opportunities in overseeing the Company's strategy, major transactions and risk management processes, including consideration of relevant trade-offs. Relevant results are reported through annual Board meetings, regular management reports and written materials; in the event of material environmental incidents or regulatory changes, instant meetings or electronic communications are used to keep the Board updated. The Board, with support from the ESG Task Force, oversees the setting of climate-related targets and monitors progress against such targets through periodic reporting. Where appropriate, relevant performance metrics are considered in management performance evaluation and remuneration policies. In the future, the Company will seek to integrate climate-related risks and opportunities into its overall risk management and internal control systems, with a view to ensuring coordination across relevant functions.

C.2 CLIMATE STRATEGY

The Company has gradually integrated climate-related strategies into its overall business model and long-term strategic planning. Based on its own full-industry-chain layout (covering upstream mineral exploration, Manufacturing segment and downstream New Jewellery Retail business) and industry development trends, the Company continuously assesses the potential risks and opportunities arising from climate change, and systematically incorporates relevant factors into its operational decision-making processes.

[1] The Company discloses information in accordance with the climate-related disclosure requirements of Part D of the HKEX ESG Reporting Code. As the Company's climate management system is still under continuous development and the relevant data collection and analytical capabilities are still being developed, certain information, including in particular those under paragraphs 22 to 27 of Part D therein, have not been disclosed at this stage. Relevant quantitative metrics are under development and will be progressively enhanced and disclosed in future reports as appropriate.

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At the strategic level, on the one hand, the Company proactively addresses climate risks; on the other hand, it actively seizes market opportunities created by the energy transition and the low-carbon economy, driving deep synergy between business growth, the national carbon peaking and carbon neutrality goals and global sustainable development goals. Faced with increasingly stringent regulatory requirements on carbon emissions, climate and environmental laws and regulations, certain energy-intensive or environmentally unfriendly equipment and enterprises will face pressure to be phased out, or may gradually be rejected by the market and consumers. In view of this, the Company has proactively identified key dependencies on energy, water resources, environmental conditions and infrastructure across various operational and value chain aspects. It focuses on the potential impacts of environmental regulations, extreme weather events, long-term climate trends and energy structure transformation on upstream mineral supply capacity, stability of energy and water resources, as well as logistics and transportation conditions, which may in turn create potential financial impacts on business continuity, delivery capability and operating costs.

Taking the continuous renovation of production equipment in 2022 as an opportunity, the Company introduced an industry-leading high-current production line without anode scrap for the silver electrolysis production line. Wastewater, process acid mist and exhaust gas are generated during production. The wastewater after sorted collection is treated through pH adjustment, sedimentation and other processes to meet the requirements of the Emission Standard of Pollutants for Inorganic Chemical Industry, and then is subject to recovery, distillation and reuse together with the drainage from the exhaust gas purification system. Process acid mist and exhaust gas are treated through processes including multiple condensation recovery and bubbling absorption, such that the emission concentrations comply with the requirements of the Emission Standard of Pollutants for Inorganic Chemical Industry.

Climate-Related Risks and Opportunities

The Group has assessed the potential financial impacts of climate-related transition risks, physical risks and climate-related opportunities on its assets and business activities during the Reporting Period and did not identify any assets or business activities that are materially vulnerable to climate-related transition risks or physical risks, nor materially aligned with climate-related opportunities. The Group will continue to monitor developments in climate-related risks and opportunities and enhance its assessment methodologies as data availability and analytical capabilities improve.

During the Reporting Period, the Group did not have any capital expenditure, financing or investment specifically allocated towards climate-related risks or opportunities, and accordingly no amount was recognised in this regard. The Group will continue to monitor the potential financial implications of climate-related risks and opportunities and consider relevant capital allocation as appropriate in future.

Climate-related risks and opportunities primarily concentrated in the Manufacturing segment, New Jewellery Retail segment and mineral exploration (collectively, the "**Three Segments**"), together with their impacts on the Group's business model and value chain, their expected financial effects (such as financial position, financial performance, cash flows, access to finance and cost of capital) and the Group's existing and planned strategy and decision-making, are analysed below. The Group has not identified any material current or anticipated changes to its business model or resource allocation that are specifically required to address climate-related risks and opportunities and will continue to monitor developments in climate-related risks, regulatory requirements and market practices to reassess the need for any adjustments to its resource allocation as its climate risk assessment capabilities evolve over time.

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To gain a deep understanding of the potential impact of various risks and opportunities on the Group, we have categorized the timeframes based on an analysis of our business model and value chain, taking into account factors such as the characteristics of each risk or opportunity:

Timeframe	Short-term	Medium-term	Long-term
Definition	1-3 years	4-10 years	Over 10 years

The above timeframes are aligned with the Group's internal strategic planning and decision-making cycles. In particular:

- **Short term (1–3 years)**: This aligns with the Group's annual budgeting, operational planning and near-term capital allocation cycle. Climate-related risks within this horizon, such as extreme weather events or regulatory changes, are incorporated into operational risk management, cost control measures and short-term business continuity planning, including logistics arrangements and store operations.

- **Medium term (4–10 years)**: This corresponds to the Group's medium-term business development and investment planning horizon, including expansion of its New Jewellery Retail segment and development of mining exploration projects. Climate-related considerations within this timeframe, such as changes in environmental regulations, resource availability and market preferences, are integrated into capital expenditure planning, supply chain management, technology upgrades and product development strategies.

- **Long term (over 10 years)**: This reflects the Group's long-term strategic positioning and asset lifecycle planning, particularly in relation to mineral exploration projects, infrastructure resilience and sustainability transformation. Climate-related risks and opportunities over this horizon, including chronic physical risks and transition to a low-carbon economy, are considered in long-term investment decisions, business model evolution, and resource allocation strategies, including the adoption of low-carbon technologies.

By aligning climate-related risk assessment with these planning timeframes, the Group ensures that climate considerations are incorporated into its decision-making processes across operational, investment and strategic levels. The Group will continue to refine this alignment as its climate risk assessment capabilities and data availability improve.

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Category	Climate risks/ opportunities	Time range	Impact on business model and value chain (covering the Three Segments)	Expected financial impact	Current and anticipated adaptation and mitigation efforts
Physical risk (Acute)	Extreme weather (such as typhoons, heavy rain, extreme cold/snow disasters in Tibet)	Short term	**Manufacturing and New Jewellery Retail:** Extreme precipitation may damage production facilities, resulting in production shutdowns. Typhoons or heavy rainstorms may disrupt production operations and logistics delivery, affecting order delivery. **Mineral exploration:** Winter in Tibet brings extreme weather and snowstorms to the local area, and exploration will be completely suspended during winter.	Increased repair and operation costs, reduced revenue, and asset losses.	Regularly inspect drainage systems and flood gates; monitor real-time weather conditions at production bases and issue timely extreme weather alerts; develop dedicated extreme weather emergency response plans for the project in Tibet to safeguard employee safety.
Physical risk (Chronic)	Rising average temperature and water shortage	Medium and long term	**Manufacturing and New Jewellery Retail:** increased cooling load and energy consumption for electrolysis production lines and processing production lines; increased air conditioning energy consumption in offices and warehouses. **Mineral exploration:** Rising average temperatures will lead to thawing of permafrost, and unstable permafrost threatens the safety of mining facilities and transport roads; fluctuations in water supply will directly affect subsequent washing and processing operations.	Increased energy and water resource costs and potential asset impairment.	Introduce energy-saving equipment and adopt high-energy-efficiency production equipment, air conditioners and LED lighting; strengthen the wastewater recycling system; for the project in Tibet, establish a highly precise real-time monitoring system to provide early warning of geological landslides and permafrost changes, and require outsourced suppliers to comply with green mine construction standards.

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Category	Climate risks/ opportunities	Time range	Impact on business model and value chain (covering the Three Segments)	Expected financial impact	Current and anticipated adaptation and mitigation efforts
Transitional risk (policy and law)	Stricter environmental supervision and carbon pricing mechanisms	Short-term/ Medium-term	**Manufacturing and New Jewellery Retail:** National and local authorities, through the Central Ecological and Environmental Protection Inspectorate, exercise control over total energy consumption and energy intensity, placing upgrading pressure on energy-intensive production capacities; stricter requirements on packaging material recovery and carbon footprint disclosure must also be complied with. **Mineral exploration:** the ecological protection policies of Tibet may significantly raise the environmental compliance thresholds for general exploration on mineral resources.	Increased compliance costs and higher capital expenditure on environmental protection renovations.	Assess whether the current production equipment meets the latest environmental protection standards, select production equipment with high energy efficiency, and enhance the wastewater recycling system; for the project in Tibet, establish a high-precision real-time monitoring system and require outsourced suppliers to comply with green mine construction standards.

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Category	Climate risks/ opportunities	Time range	Impact on business model and value chain (covering the Three Segments)	Expected financial impact	Current and anticipated adaptation and mitigation efforts
Transitional risk (market technology)	Preference for low-carbon products and technological transformation	Medium and long term	**Manufacturing and New Jewellery Retail:** Consumers and downstream customers have increasing requirements for the carbon footprint of the product production process. Traditional high-energy-consuming processes are facing market abandonment, and it is necessary to consider adjusting the green production chain in the long run. **Mineral exploration:** It is necessary to introduce low-carbon exploration technologies to reduce damage to the natural environment in the Lhoka area.	Decline in brand value, increased research and development costs and loss of revenue.	Invest in the research and development of low-energy-consuming refining technologies and resource recycling technologies, increase the proportion of "recycled materials" in products; strive for third-party low-carbon product certification to respond to the market's premium demand for environmentally friendly products; adopt automated and unmanned mining equipment to reduce labour intensity in extreme environments and improve resource recovery rates.
Climate opportunities	Resource efficiency and waste recycling	Medium and long term	**Manufacturing and New Jewellery Retail:** In response to urban low-carbon transition policies, introduce smart lighting and air-conditioning energy management systems to reduce operational carbon intensity and avoid additional electricity surcharges due to high energy consumption. **Mineral exploration:** Research green exploration models to reduce resource and energy consumption caused by ineffective operations.	Reduced energy consumption and waste disposal costs.	Establish a resource efficiency monitoring system and set cost reduction targets; implement a comprehensive resource utilization policy.

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Category	Climate risks/ opportunities	Time range	Impact on business model and value chain (covering the Three Segments)	Expected financial impact	Current and anticipated adaptation and mitigation efforts
Climate opportunities	Products, Services and Digital Resilience	Short-term/ medium-term	**Manufacturing and New Jewellery Retail:** Build a green brand and green production lines; develop new green businesses through research and development to recover other precious metals, thereby expanding new business areas. **Mineral exploration:** Introduce digital exploration systems and adopt green mine construction in subsequent excavation and development.	Increased research and development expenses and capital expenditure. Successful development of other green businesses will generate revenue.	Apply for green product certification; use big data to optimize operations and logistics frequency to reduce emissions.

Note: Quantitative information on the financial effects of climate-related risks and opportunities has not been disclosed as such effects are not separately identifiable and are subject to significant measurement uncertainty. The Group is also developing its capabilities and currently does not have sufficient resources to provide meaningful quantitative estimates.

In the above climate-related scenario analysis, the Group identified climate-related risks and opportunities by selecting key scenarios relevant to its operations during the Reporting Period, taking into account their nature, likelihood, frequency and potential magnitude of impact. This was conducted with reference to relevant international frameworks and based on reasonable assumptions, including regulatory developments and market trends. The Group identifies, assesses, prioritises and monitors climate-related risks alongside other business risks within its overall risk management framework and prioritizes the risks based on their potential impact. The Group will continue to monitor these risks and opportunities through the work of the ESG Task Force and the Board as further explained in section C.1 Climate Governance of this Report. During the Reporting Period, the Group has enhanced its climate-related scenario analysis and strengthened its data collection and assessment approach. While the analysis above remains qualitative, the Group will further refine the analysis as its data and capabilities develop.

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Climate Resilience and Business Transformation Path

Climate-related initiatives are currently resourced through the Group's internal funding and are incorporated into its overall budgeting, capital allocation and operational planning processes. As at the reporting date, the Company considers that its strategy and business model remain resilient to identified climate-related risks and opportunities, given the relatively low emission level from its current operations. However, the Company's assessment of its climate resilience is subject to uncertainties primarily arising from its value chain, including the consumption of water and electricity resources, energy efficiency during product use, and the level of resource utilisation across its supply chain. The Company retains the flexibility to adjust its strategy over time, including through investment in energy-efficient equipment and low-carbon technologies as it continuously optimizes its production and operation management models, gradually improves resource utilization efficiency and reduces energy consumption and environmental impact through automation and digital technologies; meanwhile, it actively increases the proportion of renewable energy use, fully integrates climate and environmental factors into supply chain management, strengthens climate risk assessment and research and development of low-carbon technologies, to explore more green innovation paths to reduce reliance on key resources and mitigate potential adverse environmental impacts, thereby supporting the Company's steady development towards a more resilient and sustainable direction. The Company does not currently have a formal climate-related transition plan. However, it is progressively developing its approach to climate transition, taking into account regulatory developments, market trends and technological advancements. This approach is based on assumptions including continued regulatory tightening on environmental standards, increasing market demand for low-carbon products, and the availability of commercially viable low-carbon technologies.

C.3 RISK MANAGEMENT

The Group has formulated a climate-related risk and opportunity management process, covering four key stages, i.e. identification, assessment, analysis, and response. When formulating risk management strategies, the Group focuses on integrating climate risks with other business risks, pays special attention to projects with high impact and high probability of occurrence, and allocates sufficient resources to ensure that the relevant response strategies and decision-making capabilities fully cover key areas such as energy management, product innovation, and supply chain.

At the practical level, given that the Group has not yet identified any climate-related matters that would pose significant risks to the normal operation of its business or present significant opportunities in the short to medium term, while considering the cost-benefit principle, it actively promotes low-carbon transformation. Specific measures include continuously improving the efficiency of resource and energy utilization, gradually researching and exploring the feasibility of low-carbon and green technologies, incorporating emission reduction and energy optimization strategies into target setting, and integrating climate risk management and green supply chain management to enhance the Group's adaptability to extreme climate events and overall operational resilience.

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The Group is gradually advancing the assessment of climate-related financial impacts, focusing on financial areas such as capital expenditure, operating costs, and changes in asset value. Climate-related factors including climate-related risks and opportunities had limited impact on the Group's financial position, financial performance and cash flows during the Reporting Period as the Group's investments in the research and development of environmentally friendly products are currently integrated into the Group's regular business budget and have not been separately classified as significant capital expenditure or incorporated into an internal carbon pricing (ICP) mechanism. Also, the Group has not identified any climate-related risks or opportunities that are expected to result in a material adjustment to the carrying amounts of its assets or liabilities within the next annual reporting period. Looking ahead, the Group plans to establish a more refined financial impact assessment mechanism and incorporate climate-related capital expenditure into a dedicated risk management framework. We are committed to gradually collecting and disclosing quantitative data to demonstrate the expected financial impacts of climate-related risks and opportunities on the Group's balance sheet and income statement in a more intuitive and transparent manner.

C.4 METRICS AND TARGETS

Greenhouse gas emissions

Greenhouse gas emissions are the main indicators continuously tracked and monitored by the Group, including Scope 1 (direct emissions), Scope 2 (energy indirect emissions) and Scope 3 (other indirect emissions). Greenhouse gas emissions include carbon dioxide (CO_2), methane (CH_4) and nitrous oxide (N_2O).

Greenhouse gas emissions from the Manufacturing segment originate from energy emissions from the use of electricity and fuel combustion during production. Greenhouse gas emissions from the New Jewellery Retail segment come from electricity used in processing workshops, purchased electricity for offices, water used, air travel by employees on business trips, and private cars used to visit customers. For the mineral exploration business, the water and electricity costs are borne by partners or included in rental/exploration fees; partners have not provided the relevant consumption data, so we are unable to directly calculate the corresponding greenhouse gas emissions.

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Greenhouse Gas Emissions Calculation Methodology

	Scope 1 – direct emissions	Scope 1 – direct emissions	Scope 2 – energy indirect emissions	Scope 3 – other indirect emissions
Pollutant Type	Sulfur dioxide (SO_2), carbon dioxide (CO_2), and methane (CH_4)	Nitrogen oxides (NOx) and particulate matter (PM)	Carbon dioxide (CO_2)	Carbon dioxide (CO_2)
Primary Data Inputs	Monthly diesel purchase receipts and fleet refueling records	Vehicle logbooks and odometer records for company private cars	Automatic meter readings and monthly settlement invoices from utility companies	Automatic meter readings, monthly settlement invoices from water companies and company travel records
Measurement Approach & Formula	Total fuel volume (litres) x specific emission factor	Total distance traveled (km) x specific emission factor	Total electricity consumption (kWh) x grid emission factor	Total consumption (m^3) x specific emission factor; total distance traveled (km) x specific emission factor
Data Sources & Emission Factors	HKEX Guidance: "How to Prepare an ESG Report? – Appendix 2: Reporting Guidance on Environmental KPIs"	HKEX Guidance: "How to Prepare an ESG Report? – Appendix 2: Reporting Guidance on Environmental KPIs"	Official National Factor as per the "2024 National Electricity Carbon Footprint Factors" (MEE, NBS, NEA).[「關於發布2024年電力碳足跡因子數據的公告」]	HKEX Guidance: "How to Prepare an ESG Report? – Appendix 2: Reporting Guidance on Environmental KPIs"

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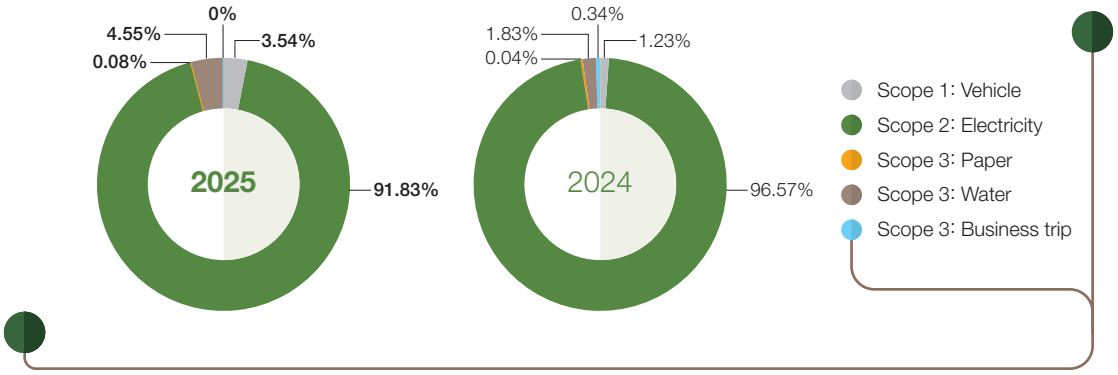
The greenhouse gases generated in the business processes of the Group mainly include Scope 1: vehicles; Scope 2: electricity and gas used in office and warehouses; and Scope 3: paper and water used by employees and in office and warehouses and business trips. The main greenhouse gas emission of the Group is carbon dioxide (CO2).

	2025 CO2 equivalent emission (tonnes)	2025 Intensity (Note 2)	2024 CO2 equivalent emission (tonnes)	2024 Intensity (Note 2)
Scope 1 – Greenhouse gas direct emissions				
Greenhouse gas emissions from mobile combustion sources	**12**	**0.38**	7	0.17
Scope 2 – Energy indirect emissions				
Mainly from the electricity purchased	**304**	**9.93**	569	13.19
Scope 3 – Other indirect emissions				
Electricity used for processing fresh water and sewage by government department	**15**	**0.5**	11	0.25
Business air travel by employees	**0**	**0.00**	2	0.05
	331	**10.81**	589	13.66

Note 2: The intensity is tonnes per RMB100 million of the Group's revenue, which was approximately RMB3,063 million during the Reporting Period (2024: RMB4,313 million).

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CARBON DIOXIDE EMISSIONS



Climate-related Targets

The Group has achieved notable phased results in advancing energy conservation and carbon reduction initiatives. Building on this foundation, the Group aims to progressively improve its emissions performance by maintaining compliance with applicable regulatory standards and pursuing continuous reductions through operational efficiency and technology upgrades, with progress against its climate-related targets measured through periodic review of energy consumption and emissions data over time. To ensure optimal allocation of resources, the Group will focus its next-phase climate goals on maintaining a high level of energy efficiency within the industry, while closely monitoring emerging low-carbon technologies and green operational equipment for timely adoption where appropriate.

In terms of specific business performance, with the completion of equipment upgrades and the replacement of old equipment with new ones in 2022, the Group has achieved remarkable carbon reduction results in its Manufacturing segment. Its carbon dioxide emissions have dropped sharply from 7,252 tons in 2020 to 331 tons in 2025, decreasing year by year, which fully demonstrates the Group's early determination to reduce emissions. Currently, its carbon emission performance is also stably in the reasonable or even leading range of industry standards. As for the New Jewellery Retail segment, the carbon emissions generated by its operations have no significant impact on the Group as a whole, and we will continue to maintain its green operations through daily administrative savings and energy consumption intensity control. The Group does not currently apply an internal carbon pricing (ICP) mechanism for decision-making, nor factor in climate-related considerations into the Group's remuneration policy. However, it will continue to assess the feasibility of adopting such mechanisms in the future, taking into account its business development and regulatory requirements.

Looking ahead to the short-to-medium-term climate strategy, for emerging businesses such as mineral exploration, the Group will extend its strategic focus to the value chain. We commit to, on the premise of balancing commercial operational benefits, prioritizing the assessment and selection of enterprises with "green mine" qualifications as partners, so as to deepen the defense capability against climate risks from the source of business.

In addition, the Group has established climate-related target, namely the greenhouse gas emissions reduction target set out below, to monitor its progress towards achieving its strategic objective of improving environmental performance and supporting the transition to a low-carbon economy. The Group does not have any climate-related targets that is required to meet by law or regulation.

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Greenhouse Gas Emissions Target

The Group has set a quantitative greenhouse gas emissions reduction target to reduce the Group's gross greenhouse gas emissions by 1% by 31 December 2028, using the financial year ended 31 December 2025 as the base year.

(a) Metric used to set the target

The target is measured based on total greenhouse gas emissions of the Group calculated in accordance with recognised international standards.

The target covers the Group's emissions of carbon dioxide (CO_2), methane (CH_4) and nitrous oxide (N_2O), being the principal greenhouse gases generated from its operations, and includes Scope 1 (direct emissions), Scope 2 (energy indirect emissions) and Scope 3 (other indirect emissions).

The target has been developed with reference to the Group's historical emissions performance, operational profile and planned efficiency improvements, and has not been derived using a formal sectoral decarbonisation approach. The Group will continue to monitor developments in industry methodologies and consider the adoption of more advanced approaches where appropriate.

(b) Objective of the target

The objective of the target is climate change mitigation and to enhance the Group's operational efficiency and sustainability.

(c) Scope of application

The target applies to the Group's principal business activities within the reporting boundary. The target is expected to be achieved through internal measures, including operational efficiency improvements, resource optimisation and gradual adoption of low-carbon technologies across its business segments, for instance, to enhance energy management in office premises.

(d) Target period

The target period is from 1 January 2026 to 31 December 2028.

(e) Base period

The base year for measuring progress is the financial year ended 31 December 2025.

(f) Milestones or interim targets

The Group conducts annual reviews of emissions performance to monitor progress towards the target. No specific interim quantitative milestones have been set, however, the Group aims to achieve progressive reductions over the target period.

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(g) Nature of the target

This is an absolute emissions reduction target based on the Group's gross greenhouse gas emissions.

The Group does not currently plan to use carbon credits or other offsetting mechanisms to achieve its greenhouse gas emissions reduction target. As the Group's target is a gross emissions reduction target, disclosures relating to the use of carbon credits, including reliance, verification schemes and credit types, are not applicable. The Group will review its approach to carbon credits on an ongoing basis, taking into account regulatory developments and market practices.

(h) Alignment with international climate agreements

In setting the target, the Group has taken into account the Paris Agreement and the global objective of limiting temperature increase, as well as relevant national and regional climate commitments, including carbon peaking and carbon neutrality initiatives. The target reflects the Group's commitment to contributing to these objectives, taking into consideration its operational scale and business nature.

Setting, review and monitoring of the climate-related targets

The Group has established an internal framework for setting, reviewing and monitoring its climate-related targets.

(a) Target setting and validation:

The greenhouse gas emissions target has been developed internally with reference to historical performance, operational plans and relevant market practices, and the target and the methodology for setting the above target has not been validated by an independent third party during the Reporting Period.

(b) Review process:

The Group conducts regular reviews of its climate-related targets, monitors trends in emissions over time and assesses performance against the target through year-on-year comparison of emissions data. Changes in performance are analysed with reference to operational factors, including production levels, energy usage and efficiency improvements.

(c) Monitoring metrics:

Progress towards the target is monitored using quantitative indicators, including:

- Total greenhouse gas emissions;
- Emissions by scope (Scope 1 and Scope 2, and Scope 3 where applicable); and
- Relevant operational data such as energy consumption.

These metrics are tracked periodically and compared against the base year of 2025 to assess performance.

(d) Revisions to targets:

Any future revisions to the climate-related targets will be made with reference to changes in business strategy, regulatory developments or operational circumstances of the Group, and will be disclosed with an explanation of the reasons for such revisions. In addition, the Group will disclose information about its performance against each climate-related target and an analysis of trends or changes in its performance in future reporting periods to enable stakeholders to understand the drivers of performance and progress towards the targets.

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APPENDIX 1

Environmental, Social and Governance Reporting Code of HKEX
PART B: MANDATORY DISCLOSURE REQUIREMENTS

ESG Indicator		Section
Governance Structure	A statement issued by the Board of Directors, which includes the following: (i) Disclosure on the Board's oversight of environmental, social, and governance matters; (ii) the Board's environmental, social, and governance (ESG) management policies and strategies, including the process for assessing, prioritizing, and managing material ESG-related matters (including risks to the Issuer's business); and (iii) How the Board reviews progress against environmental, social, and governance-related objectives, and explains how these objectives relate to the issuer's business.	STATEMENT OF THE BOARD
Reporting Principles	A description of, or an explanation on, the application of the following Reporting Principles in the preparation of the ESG report: Materiality: The ESG report should disclose: (i) the process to identify and the criteria for the selection of material ESG factors; (ii) if a stakeholder engagement is conducted, a description of significant stakeholders identified, and the process and results of the issuer's stakeholder engagement. Quantitative: Information on the standards, methodologies, assumptions and/or calculation tools used, and source of conversion factors used, for the reporting of emissions/energy consumption (where applicable) should be disclosed. Consistency: The issuer should disclose in the ESG report any changes to the methods or KPIs used, or any other relevant factors affecting a meaningful comparison.	SCOPE OF THE REPORT
Scope of the Report	Explain the scope of the ESG report and describe the process used to select which entities or operations to include in the report. If there are changes to the scope of the report, the issuer should explain the differences and the reasons for the changes.	SCOPE OF THIS REPORT

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PART C: THE "COMPLY OR EXPLAIN" PROVISIONS

ESG Indicator		Section
A1 Emissions General disclosure	Information on the policies, and compliance with relevant laws and regulations that have a significant impact on the issuer relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.	A.1 EMISSIONS AND WASTES
A1.1	The types of emissions and respective emissions data.	
A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	
A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	
A1.5	Description of emissions target(s) set and steps taken to achieve them.	
A1.6	Description of how hazardous and non-hazardous wastes are handled, and a description of reduction target(s) set and steps taken to achieve them.	
A2 Use of resources		A.2 RESOURCE UTILIZATION
General disclosure	Policies on the efficient use of resources, including energy, water and other raw materials.	
A2.1	Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (kWh in '000s) and intensity (e.g. per unit of production volume, per facility).	
A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility).	
A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them.	
A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency target(s) set and steps taken to achieve them.	
A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	
A3 Environment and natural resources	Policies on minimising the issuer's significant impacts on the environment and natural resources.	A.3 IMPACT ON THE ENVIRONMENT AND NATURAL RESOURCES AND ACTIONS TAKEN TO MINIMISE THE IMPACT
General disclosure		
A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	

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ESG Indicator		Section
B1 Employment General disclosure	Information on the policies, and compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity and discrimination, and other benefits and welfare.	B.1 EMPLOYMENT
B1.1	Total workforce by gender, employment type (for example, full-or part-time), age group and geographical region.	
B1.2	Employee turnover rate by gender, age group and geographical region.	
B2 Health and safety General disclosure	Information on the policies, and compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards.	B.2 HEALTH AND SAFETY
B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	
B2.2	Lost days due to work injury.	
B2.3	Description of occupational health and safety measures adopted, and how they are implemented and monitored.	
B3 Development and training General disclosure	Policies on discharging improving duties at employees' knowledge and work. Description of training skills for activities.	B.3 DEVELOPMENT AND TRAINING
B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	
B3.2	The average training hours completed per employee by gender and employee category.	
B4 Labour standard General disclosure	Information on the policies, and compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labour.	B.4 LABOUR STANDARDS
B4.1	Description of measures to review employment practices to avoid child and forced labour.	
B4.2	Description of steps taken to eliminate such practices when discovered.	

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ESG Indicator		Section
B5 Supply chain management	Policies on managing environmental and social risks of the supply chain.	B.5 SUPPLY CHAIN MANAGEMENT
General disclosure		
B5.1	Number of suppliers by geographical region	
B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, and how they are implemented and monitored.	
B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	
B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	
B6 Product responsibility	Information on the policies, and compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.	B.6 PRODUCT RESPONSIBILITY
General disclosure		
B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	
B6.2	Number of products and service-related complaints received and how they are dealt with.	
B6.3	Description of practices relating to observing and protecting intellectual property rights.	
B6.4	Description of quality assurance process and recall procedures.	
B6.5	Description of consumer data protection and privacy policies, and how they are implemented and monitored.	
B7 Anti-corruption	Information on the policies, and compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering.	B.7 ANTI-CORRUPTION
General disclosure		
B7.1	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases.	
B7.2	Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored.	
B7.3	Description of anti-corruption training provided to directors and staff.	
B8 Community investment	Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests.	B.8 COMMUNITY INVESTMENT
General disclosure		
B8.1	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	
B8.2	Resources contributed (e.g. money or time) to the focus area.	

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PART D: CLIMATE-RELATED DISCLOSURE

ESG Indicator			Section
Governance			
Governance	19.	An issuer shall disclose information about: (a) the governance body(s) (which can include a board, committee or equivalent body charged with governance) or individual(s) responsible for oversight of climate-related risks and opportunities. Specifically, the issuer shall identify that body(s) or individual(s) and disclose the following information: (i) how the body(s) or individual(s) determines whether appropriate skills and competencies are available or will be developed to oversee strategies designed to respond to climate-related risks and opportunities; (ii) how and how often the body(s) or individual(s) is informed about climate-related risks and opportunities; (iii) how the body(s) or individual(s) takes into account climate-related risks and opportunities when overseeing the issuer's strategy, its decisions on major transactions, and its risk management processes and related policies, including whether the body(s) or individual(s) has considered trade-offs associated with those risks and opportunities; (iv) how the body(s) or individual(s) oversees the setting of, and monitors progress towards, targets related to climate-related risks and opportunities (see paragraphs 37 to 40), including whether and how related performance metrics are included in remuneration policies (see paragraph 35); and (b) management's role in the governance processes, controls and procedures used to monitor, manage and oversee climate-related risks and opportunities, including the following information: (i) whether the role is delegated to a specific management-level position or management-level committee and how oversight is exercised over that position or committee; and (ii) whether management uses controls and procedures to support the oversight of climate-related risks and opportunities and, if so, how these controls and procedures are integrated with other internal functions.	STATEMENT OF THE BOARD C.1 CLIMATE GOVERNANCE

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ESG Indicator			Section
Strategy			A.4 CLIMATE CHANGE C.2 CLIMATE STRATEGY
Climate-related risks and opportunities	20.	The issuer must disclose information that enables an understanding of the climate-related risks and opportunities that are reasonably expected to affect its cash flows, access to financing, or cost of capital in the short, medium, or long term. Specifically, the issuer must: (a) Describe climate-related risks and opportunities that are reasonably expected to affect the issuer's cash flows, access to financing, or cost of capital in the short, medium, or long term; (b) For each climate-related risk identified by the issuer, explain whether the issuer considers that risk to be a climate-related physical risk or a climate related transition risk; (c) For each climate-related risk and opportunity identified by the issuer, specify the time horizon (short-term, medium-term, or long-term) within which it is reasonably expected to affect the issuer; and (d) Explain how the issuer defines short-term, medium-term, and long-term, and how these definitions relate to the scope of its strategic planning.	
Business model and value chain	21.	The issuer must disclose information that provides an understanding of the current and anticipated impacts of climate-related risks and opportunities on its business models and value chains. Specifically, the issuer must make the following disclosures: (a) Description of the current and anticipated impacts of climate-related risks and opportunities on the issuer's business model and value chain; and (b) Description of where climate-related risks and opportunities are concentrated within the issuer's business model and value chain (e.g., geographic regions, facilities, and asset types).	C.2 CLIMATE STRATEGY

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ESG Indicator			Section
Strategies and decisions	22.	An issuer shall disclose information that enables an understanding of the effects of climate-related risks and opportunities on its strategy and decision-making. Specifically, the issuer shall disclose: (a) information about how the issuer has responded to, and plans to respond to, climate-related risks and opportunities in its strategy and decision-making, including how the issuer plans to achieve any climate-related targets it has set and any targets it is required to meet by law or regulation. Specifically, the issuer shall disclose information about: (i) current and anticipated changes to the issuer's business model, including its resource allocation, to address climate-related risks and opportunities; (ii) current and anticipated adaptation and mitigation efforts (whether direct or indirect); (iii) any climate-related transition plan the issuer has (including information about key assumptions used in developing its transition plan, and dependencies on which the issuer's transition plan relies), or an appropriate negative statement where the issuer does not have a climate-related transition plan; and (iv) how the issuer plans to achieve any climate-related targets (including any greenhouse gas emissions targets (if any)), described in accordance with paragraphs 37 to 40; and (b) information about how the issuer is resourcing, and plans to resource, the activities disclosed in accordance with paragraph 22(a).	C.2 CLIMATE STRATEGY
	23.	An issuer shall disclose information about the progress of plans disclosed in previous reporting periods in accordance with paragraph 22(a).	C.2 CLIMATE STRATEGY

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ESG Indicator		Section
Financial position, financial performance and cash flows	Current financial effect 24. An issuer shall disclose qualitative and quantitative information about: (a) how climate-related risks and opportunities have affected its financial position, financial performance and cash flows for the reporting period; and (b) the climate-related risks and opportunities identified in paragraph 24(a) for which there is a significant risk of a material adjustment within the next annual reporting period to the carrying amounts of assets and liabilities reported in the related financial statements.	C.2 CLIMATE STRATEGY
	Anticipated financial effect 25. The issuer shall provide qualitative and quantitative disclosures about: (a) how the issuer expects its financial position to change over the short, medium and long term, given its strategy to manage climate-related risks and opportunities, taking into consideration: (i) its investment and disposal plans; and (ii) its planned sources of funding to implement its strategy; and (b) how the issuer expects its financial performance and cash flows to change over the short, medium and long term, given its strategy to manage climate-related risks and opportunities.	C.2 CLIMATE STRATEGY

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ESG Indicator			Section
Climate resilience	26.	An issuer shall disclose information that enables an understanding of the resilience of the issuer's strategy and business model to climate-related changes, developments and uncertainties, taking into consideration the issuer's identified climate-related risks and opportunities. An issuer shall use climate-related scenario analysis to assess its climate resilience using an approach that is commensurate with an issuer's circumstances. In providing quantitative information, the issuer may disclose a single amount or a range. Specifically, the issuer shall disclose: (a) the issuer's assessment of its climate resilience as at the reporting date, which shall enable an understanding of: (i) the implications, if any, of the issuer's assessment for its strategy and business model, including how the issuer would need to respond to the effects identified in the climate-related scenario analysis; (ii) the significant areas of uncertainty considered in the issuer's assessment of its climate resilience; and (iii) the issuer's capacity to adjust, or adapt its strategy and business model to climate change over the short, medium or long term; (b) how and when the climate-related scenario analysis was carried out, including: (i) information about the inputs used, including: • which climate-related scenarios the issuer used for the analysis and the sources of such scenarios; • whether the analysis included a diverse range of climate-related scenarios; • whether the climate-related scenarios used for the analysis are associated with climate-related transition risks or climate-related physical risks; • whether the issuer used, among its scenarios, a climate-related scenario aligned with the latest international agreement on climate change; • why the issuer decided that its chosen climate-related scenarios are relevant to assessing its resilience to climate-related changes, developments or uncertainties; • time horizons the issuer used in the analysis; and • what scope of operations the issuer used in the analysis (for example, the operation, locations and business units used in the analysis); (ii) the key assumptions the issuer made in the analysis; and (iii) the reporting period in which the climate-related scenario analysis was carried out.	C.2 CLIMATE STRATEGY

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ESG Indicator			Section
Risk Management			
Risk Management	27.	An issuer shall disclose information about: (a) the processes and related policies it uses to identify, assess, prioritise and monitor climate-related risks, including information about: (i) the inputs and parameters the issuer uses (for example, information about data sources and the scope of operations covered in the processes); (ii) whether and how the issuer uses climate-related scenario analysis to inform its identification of climate-related risks; (iii) how the issuer assesses the nature, likelihood and magnitude of the effects of those risks (for example, whether the issuer considers qualitative factors, quantitative thresholds or other criteria); (iv) whether and how the issuer prioritises climate-related risks relative to other types of risks; (v) how the issuer monitors climate-related risks; and (vi) whether and how the issuer has changed the processes it uses compared with the previous reporting period; (b) the processes the issuer uses to identify, assess, prioritise and monitor climate-related opportunities (including information about whether and how the issuer uses climate-related scenario analysis to inform its identification of climate-related opportunities); and (c) the extent to which, and how, the processes for identifying, assessing, prioritising and monitoring climate-related risks and opportunities are integrated into and inform the issuer's overall risk management process.	C.3 RISK MANAGEMENT
Metrics and Targets			
Greenhouse gas emissions	28.	An issuer shall disclose its absolute gross greenhouse gas emissions generated during the reporting period, expressed as metric tons of CO2 equivalent, classified as: (a) Scope 1 greenhouse gas emissions; (b) Scope 2 greenhouse gas emissions; and (c) Scope 3 greenhouse gas emissions.	C.4 METRICS AND TARGETS

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ESG Indicator			Section
	29.	An issuer shall: (a) measure its greenhouse gas emissions in accordance with the Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (2004) unless required by a jurisdictional authority or another exchange on which the issuer is listed to use a different method for measuring greenhouse gas emissions; (b) disclose the approach it uses to measure its greenhouse gas emissions including: (i) the measurement approach, inputs and assumptions the issuer uses to measure its greenhouse gas emissions; (ii) the reason why the issuer has chosen the measurement approach, inputs and assumptions it uses to measure its greenhouse gas emissions; and (iii) any changes the issuer made to the measurement approach, inputs and assumptions during the reporting period and the reasons for those changes; (c) for Scope 2 greenhouse gas emissions disclosed in accordance with paragraph 28(b), disclose its location-based Scope 2 greenhouse gas emissions, and provide information about any contractual instruments that is necessary to enable an understanding of the issuer's Scope 2 greenhouse gas emissions; and (d) for Scope 3 greenhouse gas emissions disclosed in accordance with paragraph 28(c), disclose the categories included within the issuer's measure of Scope 3 greenhouse gas emissions, in accordance with the Scope 3 categories described in the Greenhouse Gas Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard (2011).	C.4 METRICS AND TARGETS
Climate-related transition risks	30.	An issuer shall disclose the amount and percentage of assets or business activities vulnerable to climate-related transition risks.	C.4 METRICS AND TARGETS
Climate-related physical risks	31.	An issuer shall disclose the amount and percentage of assets or business activities vulnerable to climate-related physical risks.	C.4 METRICS AND TARGETS
Climate-related opportunities	32.	An issuer shall disclose the amount and percentage of assets or business activities aligned with climate-related opportunities.	C.4 METRICS AND TARGETS

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ESG Indicator			Section
Capital deployment	33.	An issuer shall disclose the amount of capital expenditure, financing or investment deployed towards climate-related risks and opportunities.	C.2 CLIMATE STRATEGY
Internal carbon prices	34.	An issuer shall disclose: (a) an explanation of whether and how the issuer is applying a carbon price in decision-making (for example, investment decisions, transfer pricing, and scenario analysis); and (b) the price of each metric tonne of greenhouse gas emissions the issuer uses to assess the costs of its greenhouse gas emissions; or an appropriate negative statement that the issuer does not apply a carbon price in decision-making.	C.2 CLIMATE STRATEGY
Remuneration	35.	An issuer shall disclose whether and how climate-related considerations are factored into remuneration policy, or an appropriate negative statement. This may form part of the disclosure under paragraph 19(a)(iv).	C.4 METRICS AND TARGETS
Industry-based metrics	36.	An issuer is encouraged to disclose industry-based metrics that are associated with one or more particular business models, activities or other common features that characterise participation in an industry. In determining the industry-based metrics that the issuer discloses, an issuer is encouraged to refer to and consider the applicability of the industry-based metrics associated with disclosure topics described in the IFRS S2 Industry-based Guidance on implementing Climate-related Disclosures and other industry-based disclosure requirements prescribed under other international ESG reporting frameworks.	SCOPE OF THIS REPORT

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ESG Indicator			Section
Climate-related targets	37.	An issuer shall disclose (a) the qualitative and quantitative climate-related targets the issuer has set to monitor progress towards achieving its strategic goals; and (b) any targets the issuer is required to meet by law or regulation, including any greenhouse gas emissions targets. For each target, the issuer shall disclose: (a) the metric used to set the target; (b) the objective of the target (for example, mitigation, adaptation or conformance with science-based initiatives); (c) the part of the issuer to which the target applies (for example, whether the target applies to the issuer in its entirety or only a part of the issuer, such as a specific business unit or geographic region); (d) the period over which the target applies; (e) the base period from which progress is measured; (f) milestones or interim targets (if any); (g) if the target is quantitative, whether the target is an absolute target or an intensity target; and (h) how the latest international agreement on climate change, including jurisdictional commitments that arise from that agreement, has informed the target.	C.4 METRICS AND TARGETS
	38.	An issuer shall disclose information about its approach to setting and reviewing each target, and how it monitors progress against each target, including: (a) whether the target and the methodology for setting the target has been validated by a third party; (b) the issuer's processes for reviewing the target; (c) the metrics used to monitor progress towards reaching the target; and (d) any revisions to the target and an explanation for those revisions.	C.4 METRICS AND TARGETS
	39.	An issuer shall disclose information about its performance against each climate-related target and an analysis of trends or changes in the issuer's performance.	C.4 METRICS AND TARGETS

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ESG Indicator			Section
	40.	For each greenhouse gas emissions target disclosed in accordance with paragraphs 37 to 39, an issuer shall disclose: (a) which greenhouse gases are covered by the target; (b) whether Scope 1, Scope 2 or Scope 3 greenhouse gas emissions are covered by the target; (c) whether the target is a gross greenhouse gas emissions target or a net greenhouse gas emissions target. If the issuer discloses a net greenhouse gas emissions target, the issuer is also required to separately disclose its associated gross greenhouse gas emissions target; (d) whether the target was derived using a sectoral decarbonisation approach; and (e) the issuer's planned use of carbon credits to offset greenhouse gas emissions to achieve any net greenhouse gas emissions target. In explaining its planned use of carbon credits, the issuer shall disclose: (i) the extent to which, and how, achieving any net greenhouse gas emissions target relies on the use of carbon credits; (ii) which third-party scheme(s) will verify or certify the carbon credits; (iii) the type of carbon credit, including whether the underlying offset will be nature-based or based on technological carbon removals, and whether the underlying offset is achieved through carbon reduction or removal; and (iv) any other factors necessary to enable an understanding of the credibility and integrity of the carbon credits the issuer plans to use (for example, assumptions regarding the permanence of the carbon offset).	C.4 METRICS AND TARGETS
Applicability of cross-industry metrics and industry-based metrics	41.	In preparing disclosures to meet the requirements in paragraphs 21 to 26 and 37 to 38, an issuer shall refer to and consider the applicability of cross-industry metrics (see paragraphs 28 to 35) and (ii) industry-based metrics (see paragraph 36).	C.4 METRICS AND TARGETS