



中國大冶有色金屬礦業有限公司

China Daye Non-Ferrous Metals Mining Limited

(Incorporated in Bermuda with limited liability)

Stock Code : 00661



2025

**ENVIRONMENTAL, SOCIAL
AND GOVERNANCE REPORT**

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INTRODUCTION

In 2025, China Daye Non-ferrous Metals Mining Limited (the “Company”) and its subsidiaries (collectively the “Group”) upheld its belief that economic development should go hand in hand with environmental protection and focused on its objectives and strengthened its problem-oriented approach in accordance with its environmental policy of “compliance with laws and regulations, green development, energy conservation and emission reduction and clean production”, with the aim of making continuous improvement and opening a new stage for the Company’s efforts in the ecological environment protection.

This environmental, social and governance report (“this report”) is prepared by the Group in accordance with the Environmental, Social and Governance Reporting Guide set out in Appendix C2 to the Rules Governing the Listing of Securities on the Main Board of The Stock Exchange of Hong Kong Limited.

THE SCOPE OF AND THE PERIOD COVERED BY THIS REPORT

Unless otherwise stated, this report consists mainly of the relevant operational information of two subsidiaries of the Company, namely Daye Non-ferrous Metals Co.,* Ltd. (大冶有色金屬有限責任公司) (“Daye Metal”) along with its subsidiary Yangxin Yangxin Hongsheng Company Limited* (陽新弘盛銅業有限公司) (“Yangxin Hongsheng”), Daye Non-ferrous Metals Design and Research Institute Co., Ltd. 大冶有色設計研究院有限公司* (“Design Research Institute”), Daye Non-ferrous Metals Co., Ltd. Rare and Precious Branch 大冶有色金屬有限責任公司稀貴金屬分公司* (“Rare and Precious Branch”), smelting plants, Tonglvshan Mine, Tongshankou Mine, Fengshan Copper Mine, and Xinjiang Hui Xiang Yong Jin Mining Co.,* Ltd. (新疆匯祥永金礦業有限公司) (“Xinjiang Hui Xiang Yong Jin”), during the Reporting Period. This report covers the period from 1 January 2025 to 31 December 2025 (the “Reporting Period”).

STAKEHOLDER ENGAGEMENT

Stakeholders refer to the parties that have interests in the Group or would be affected by the decisions and activities of the Group, including our shareholders, employees, suppliers, customers, regulators and the public. Stakeholders have participated in the assessment of materiality by way of face-to-face interviews, annual general meetings, telephone interviews, questionnaires, etc.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE ISSUE (“ESG”) IS A BOARD RESPONSIBILITY

The Board is responsible among other things for the development of the Group’s long-term corporate strategies and broad policies. In setting its standards, it considers the needs and requirements of the business, its stakeholders, the Corporate Governance Code and ESG Reporting Guide encompassed in the Stock Exchange’s Rules governing the listing of securities.

As such, the Board has overall responsibility for, and is engaged in, the Group’s ESG strategy and reporting, including identifying, evaluating and managing ESG-related risks, and ensuring appropriate and effective ESG risk management are in place. Management provides confirmation to the Board of the effectiveness of these systems. The Board also reviews progress made against ESG-related goals and targets.

Main Responsibilities of the Board

1. Oversee and execute the Group’s ESG strategy.
2. Review and ensure proper disclosure and compliance with the ESG Guide of The Stock Exchange of Hong Kong Limited.
3. Review the annual materiality assessment of ESG risks.
4. Review the internal procedures and system for the maintenance and generation of appropriate and accurate KPI data.

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The Group has established an ESG taskforce (the “Taskforce”). The Taskforce comprises of core members from the Groups’ different departments and is responsible for collecting relevant policies and information on its ESG aspects for preparing this report. The enterprise development department is responsible for the overall planning, with the guidance from the company secretary, and the members come from the safety and environmental supervision and management department, the production technology department, the human resources department, the quality accounting center, labor union, the disciplinary committee and Daye International Trade, a subsidiary of the parent company.

The Taskforce will report to the Board at least once a year and is responsible for reviewing, assessing and enhancing the Group’s ESG policies, strategies and performance, and ensuring the Group is in full compliance with ESG requirements. The Taskforce also examines and evaluates the Group’s performances in different areas such as environment, safe production, labor standards, and product responsibilities in the ESG aspects. The Board has also set up a general direction for the Group’s ESG strategies, ensuring the effectiveness in the control of ESG risks and internal control mechanism. This approach affirms and enables the Group’s commitment to ESG, and ensures that members with different backgrounds and expertise are represented to deliver meaningful outcomes.

Main Responsibilities of the Taskforce

1. Collect relevant policies and information for preparing this report.
2. Present and regularly report to the Board on ESG performance.
3. Make recommendations to enhance ESG strategies and practices.

Principles for ESG Disclosures

The Company believes that quality reporting in terms of accuracy, balance, clarity, comparability, reliability and timeliness is the key to managing corporate sustainability. As a result, the Group defines the ESG content to be disclosed in this report based on the following principles:

Materiality	The Company conducts annual materiality assessments to ensure that the identified and prioritized ESG issues reliably reflect the most material concerns to the Company and its stakeholders.
Quantitative	The Company strives to quantify data with the most accurate and precise standards, methodologies and assumptions possible for ease of comparing ESG performances.
Consistency	The Company consistently compiles its latest sustainability report in a familiar format as our past reports and publishes it in a timely manner for readers to make meaningful comparisons of the ESG performance of the Company before making any ESG-dependent decisions within the expected timeframe.
Stakeholder Inclusiveness	The Company engages a broad range of stakeholders to pinpoint the most material issues. Stakeholder groups include investors, shareholders, governments, customers, employees, villagers, local communities, business partners, suppliers and non-governmental organizations.
Sustainability Context	The Company aims to expand our coverage on sustainable development goals, climate risks and opportunities, and other ESG topics in our sustainability reports to provide clarity on the ESG efforts of the Company in a greater context.
Completeness	The Company discloses both the positive and negative impacts of our business in a transparent manner to give a more balanced and complete overview of the ESG performance of the Company.

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Data Source and Reliability Statement

Data and cases in this report are primarily extracted from the official documents, statistical reports, relevant public information and internal reporting documents of the Group. The Company undertakes that this report contains no false representations or misleading statements, and assumes responsibility for the truthfulness, accuracy and completeness of its contents.

Goal Setting and Progress Review

The working group has set ESG-related goals and corresponding implementation initiatives, which are reviewed by the working group and submitted to the Board for approval, covering key ESG performance indicators such as discharge of pollutants, greenhouse gas emissions, resource consumption, production safety, quality management, etc. The Board regularly reviews the progress of achieving the ESG goals and makes recommendations for action on items that require improvement.

Communication with Stakeholders

Based on feedbacks from the stakeholders, the Company establishes a regular stakeholder communication practice. With targeted and diverse communication channels, the Company hopes to achieve positive interactions with stakeholders and respond to their expectations, thus facilitating the implementation of the Company's sustainable development efforts.

Stakeholders	Communication feedbacks	Communication channels
Government departments	- Comply with relevant laws and regulations - Safety - Cooperate with the regulatory work of the government in support of healthy industrial development - Ensure tax compliance and promote local economic development	- Meetings between government and company - Supervision and inspection - Work reports and studies
Shareholders and investors	- Protect the legitimate rights and interests of shareholders - Understand the operating results, governance standards and stringent risk control measures of the Company - Ensure steady operation to maximize investment return - Facilitate open, fair and equal information disclosure	- General meetings - Company website - Investor communication conferences and on-site visits - Timely disclosure of material operating information and extraordinary announcements, and regular updates on financial information - Face-to-face interviews, telephone enquiries and emails
Employees	- Safeguard the basic rights and interests of employees - Care for employees' physical and mental wellbeing and safety - Understand employees' needs and their suggestions - Provide training and career development platform for employees	- Employee representative meeting and labor union - Employee satisfaction survey - Occupational health and safety training - Opinion and feedback platform - Daily communication

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Stakeholders	Communication feedbacks	Communication channels
Customers	• Protect customers' rights and interests • Uphold business ethics • Ensure product quality and safety, timely recall of defective products • Provide high-quality after-sales service guarantee	• Product labelling and information disclosure • Customer visits • Customer satisfaction survey • Address complaints and opinions from customers
Partners and suppliers	• Maintain good and stable cooperation relationship • Operate with integrity and ensure the products are compliant with the standards • Timely communication and coordination with upstream and downstream players to achieve mutual benefits	• Regular exchange and communication • Working meetings, phone calls and correspondences
Peers in the industry	• Fair competition among peers to promote healthy industrial development • Sharing of technology and experience among enterprises	• Meetings of industry organizations • Experience sharing sessions • On-site visits and exchanges
Local community	• Take into account the impact of manufacturing and operation on local community • Drive local economic development, provide assistance to the disadvantaged groups • Promote health education and help patients • Enhance recycling of product packaging and waste, etc. to reduce environmental pollution	• Participate in social welfare events • Provide regular assistance to the local community • Organize volunteer service • Disclose environmental information

Materiality Assessment

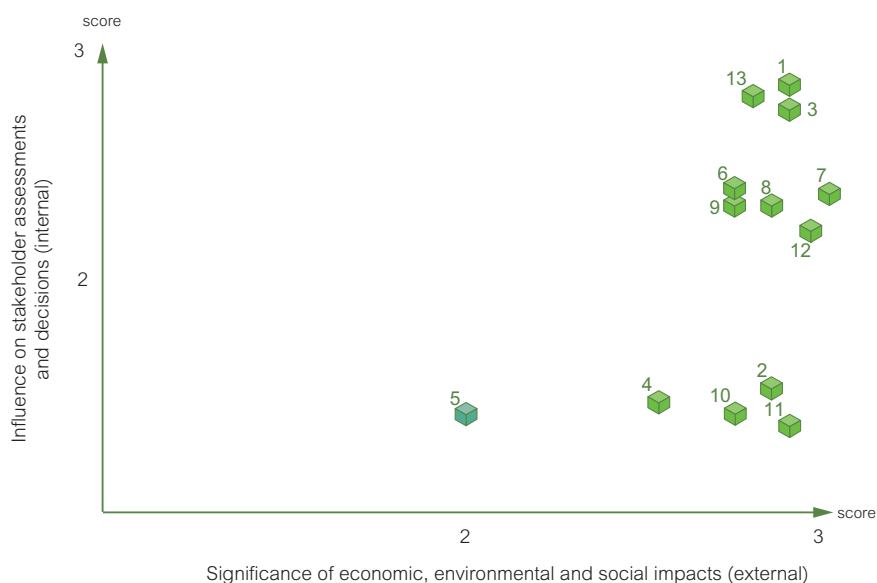
The Company has reviewed and assessed the ESG issues for the year and summarized the key ESG issues of the Company from the stakeholders' perspective as the basis for the preparation of this report.

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Materiality assessment process

- Review the pool of ESG issues: comprehensively consider and select the pool of ESG issues for 2025 by taking into account of the overall business development of the Group in 2025 and with reference to the ESG management practices of peer companies;
- Formulate and implement the stakeholder engagement program: communicate and research with important stakeholders to obtain relevant original data by taking into account of the Company's own situation for the Reporting Period and with reference to industry development and overall economic and social development;
- Quantify and evaluate from two dimensions: evaluate each issue from two dimensions of "materiality to corporate development" and "materiality to stakeholders" to obtain a matrix of material issues. The Company conducted a questionnaires survey in February 2026, inviting various categories of stakeholders to rate the materiality of ESG issues in 2025 on a scale of 1 to 5, in ascending order of materiality. After the survey, the Company analyzed and assessed the materiality of each issue from the two dimensions of "materiality to corporate development" and "materiality to stakeholders" based on the feedbacks from all participants, to arrive at the materiality matrix of ESG issues in 2025 and the rating of each issue. The survey covered a wide range of stakeholders, including directors, senior management, middle management, employees, investors, suppliers, distributors of the Company and government regulators;
- The working group submit the report to and obtain approval from the management: submit the assessment report on stakeholder engagement and material issues to, and obtain approval from, the management. The Company is fully aware of the high level of stakeholder interest in key issues in areas, and that proper management of these issues will be a top priority for the Group. This report will provide responses and disclosures on various material issues, with a focus on high-materiality issues. The findings of the materiality assessment will be used to guide future ESG strategies and practices to drive the sustainable development.

CSR Report — Materiality Matrix



- | | | |
|--|--|-----------------------------|
| 1. Emissions | 6. Employment Relationship and Labor Standards | 10. Supply Chain Management |
| 2. Use of Resources | 7. Health and Safety | 11. Product Responsibility |
| 3. Environmental Protection | 8. Development and Training | 12. Anti-corruption |
| 4. Protection of environment and natural resources | 9. Labor Standards | 13. Community Investment |
| 5. Climate Change | | |

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The materiality assessment result

The materiality assessment result indicated that the five most material topics to the Group are:-

Emissions
Environmental Protection
Community Investment

ENVIRONMENT

1. Environmental Protection

The Group has fully integrated its commitment to serving the construction of a Beautiful China into its development strategy, adhering to an integrated layout that synergistically advances ecological conservation alongside reform and development. Guided fundamentally by the principle of “ecological priority and green development” (生態優先、綠色發展), it deepens clean production practices, continuously refines the modern environmental governance system, and earnestly fulfills its social responsibility for environmental protection, contributing to the modernization of harmonious coexistence between humanity and nature through pragmatic actions. The Group did not incur any ordinary environmental incidents or environmental protection administrative penalties during the Reporting Period.

1.1 Environmental Management

The Group has established a dedicated environmental management body, the Ecological and Environmental Protection Management Committee, to serve as the decision-making body responsible for implementing national environmental protection policies and relevant regulations, formulating annual plans and long-term planning, and resolving major environmental issues. The Group headquarters has a Safety and Environmental Supervision Department, which oversees the effective operation of environmental management systems and frameworks. 12 systems have been established, including Environmental Responsibility System (《環境保護責任制》), Environmental Protection Management (《環境保護管理》) and Solid Waste Management (《固體廢物管理》), covering key environmental management areas such as construction project management, emergency environmental incident management and solid waste management. In 2025, the Group’s ISO14001 environmental management system successfully passed license renewal approval by Hubei Quality Certification Center.

The Group steadfastly prioritizes environmental protection in its strategic development, strengthening compliance controls over pollutant emissions. Continuous optimization of safety and environmental information systems has been undertaken, with 18 sets of environmental online monitoring equipment enhanced with fixed-value alert functions. This enables centralized control of out-of-limit warnings, achieving a 100% resolution rate for abnormal alerts. The Annual Environmental Monitoring Plan (《年度環境監測計劃》) is implemented through a combination of online and manual monitoring, ensuring regular pollutant monitoring and compliant discharge. To enhance compliance management of online monitoring equipment, joint compliance inspections of online monitoring facilities were conducted with the units responsible for the operation and maintenance, further solidifying the foundation for lawful and compliant operation.

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The Group's primary solid waste consists of tailings from ore processing and waste residue generated from waste acid treatment in smelting units. In mine operation, the Group has comprehensively promoted the open-pit ecological restoration and the integrated utilization of tailings. On one hand, the Group conducts a series of scientific research and experimental breakthroughs centered on tailings paste filling to enhance the filling ratio. On the other hand, the Group has broadened disposal pathways for tailings by adding solidifier to tailings from ore processing to produce paste slurry for filling the open pits. Both Tonglvshan Mine and Fengshan Copper Mine have achieved full utilization of mining and processing solid waste, with zero discharge of tailings and waste rock. In smelting operation, the smelter has comprehensively upgraded and innovated its legacy acid waste treatment process. By adopting gas-liquid enhanced sulfurization technology, it has substantially increased arsenic content in acid residue, achieving source reduction of hazardous waste. Concurrently, a rigid landfill site has been constructed for hazardous smelting waste disposal. Each landfill unit adopts the anti-seepage technology of reinforced concrete bottoms + high-density polyethylene anti-seepage film, ensuring effective control of hazardous waste.

Guided by the State Council's Opinions on Comprehensively Promoting the Construction of a Beautiful China (《關於全面推進美麗中國建設的意見》), the Group focuses on three key areas: enhancing intrinsic green and low-carbon performance, strengthening technological support and fostering a green and low-carbon culture. During the year, it formulated and implemented 56 initiatives to promote the construction of a Beautiful China, further enhancing the momentum for green and low-carbon development. Yangxin Hongsheng passed on-site verification as an A-grade and B-grade enterprise under the heavy pollution weather performance grading system. Rare and Precious Branch completed transformation of rain and sewage diversion and water balance optimization project, reducing fresh water consumption by 10%. Five units including Fengshan Copper Mine and Tongshankou Mine passed this round of clean production audits, demonstrating continuous improvement in intrinsic green performance. Technical breakthroughs were achieved in controlling the "dual flash" copper smelting slag crystal phase and developing mineral processing depletion techniques, while optimizing full tailings paste filling technology. These advancements provided robust technical support for core production processes, significantly enhancing core competitiveness. Participation in Huangshi's "2025 Beautiful China, I am a Pioneer – Striving Towards Strategic Pillars, and Building a New Chapter of Green Development for Huangshi" (2025 年美麗中國我先行—向戰略支點奔跑構築黃石綠色發展新篇章) initiative resulted in 35 promotional articles published across external media platforms. These demonstrated, publicized and summarized the Group's green innovation achievements in copper smelting, alongside its experience, practices and outcomes in traditional industrial transformation and upgrading. The Group launched the "Energy-saving Talent Show" (節能達人秀) column in the Daye Metal Workers (《有色工友》) electronic journal, publishing over ten articles. This initiative fostered internal consensus while projecting the Group's image externally, creating robust cultural soft power to support its green transformation.

1.2 Environmental initiatives

1.2.1 Thoroughly following up on the environmental inspection.

Case 1:

The 34 rectification measures initiated by the Group in response to issues identified by the central environmental inspection have all been fully implemented and successfully passed inspection and closed in January 2025.

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Case 2:

On 11 February 2025, the supervision group of the Ministry of Ecology and Environment conducted on-site verification of the Group's rectification for environmental protection inspection, highly commending the Group's efforts.

Case 3:

The smelter formulated and implemented four rectification measures to address the raw exhaust gas from the converter. Chimashan Mine invested RMB4.37 million to carry out the ecological restoration and improvement project for Pit No. 4, further consolidating the rectification achievements.

1.2.2 Continuously consolidating the foundation of green circular enterprise.

Case 1:

Proactively promoting green mine development. The Group's Sareke Copper Mine and Tonglvshan Mine retained their national-level green mine titles; Fengshan Copper Mine and Tongshankou Mine were recognized as provincial-level "green mines"; Fengshan Copper Mine was recommended by Hubei Province for inclusion in the national Green Mine List.

Case 2:

In August 2025, Daye Metal Smelter was included in the Green Manufacturing List of Hubei Province.

Case 3:

The Group has consistently pursued the objectives of "energy conservation, consumption reduction, pollution minimization and efficiency enhancement". It diligently advanced clean production audits and acceptance procedures across all production units. In 2025, the Group's entities implemented 14 medium-to-high-cost solutions and 78 free/low-cost solutions, representing a total investment exceeding RMB200 million. This yielded quantifiable economic benefits of approximately RMB140 million.

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1.2.3 Strengthening environmental protection publicity, education and training.

Case 1:

The Group incorporated ecological civilization into the “first agenda item” of the standing committee, organizing a total of 38 study sessions throughout the year on ecological civilization and key discussions concerning ecological and environmental protection.

Case 2:

Training was precisely targeted at critical gaps in environmental management expertise. A series of special training programs were conducted in critical domains such as online monitoring, the Great Protection of the Yangtze River and soil remediation, covering 388 internal employees to address specific weaknesses in environmental management. An innovative model of “theoretical instruction + case study warnings + practical application” was implemented to enhance foundational clean production audit capabilities, with six individuals successfully obtaining clean production audit certification. Training was closely aligned with the Group’s ecological conservation requirements, achieving deep integration of policy interpretation and practical operations. This effectively reinforced awareness of environmental red lines among all employees and comprehensively promoted the systematic level of the environmental management.

Case 3:

The Group continued to conduct special warning education. Four issues of typical enforcement cases were published on the Group’s official public account, using case studies to promote learning and drive improvements. This has reinforced environmental protection red lines and bottom-line awareness among all employees and management.

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1.3 Emission Statistics during the Reporting Period

In 2025, the central ecological and environmental protection inspection rectification met all the progress requirements; no environmental emergencies occurred.

	2025	2024	2023	2022	2021	2020
CO ₂ :	595,098.04 tonnes	587,802,000 tonnes	529,073 tonnes	412,573 tonnes	484,264 tonnes	522,399 tonnes
SO ₂ :	213.03 tonnes	238.96 tonnes	157 tonnes	191 tonnes*	294 tonnes*	1,709 tonnes
NO _x :	209.96 tonnes	210 tonnes	161 tonnes	106 tonnes*	190 tonnes	139 tonnes
Dust:	19.36 tonnes	24.38 tonnes	16.63 tonnes	12.6 tonnes	18 tonnes	37 tonnes
Production of hazardous waste:	54,161 tonnes*	86,303 tonnes	42,562 tonnes	71,880 tonnes	73,740 tonnes	82,056 tonnes
Disposal rate of hazardous waste:	100%	100%	100%	100%	99.80%	100%
Production of non-hazardous waste:	5,354,200 tonnes	5,029,134 tonnes	4,977,062 tonnes	3,795,657 tonnes	4,440,534 tonnes	7,143,418 tonnes
Disposal rate of non-hazardous waste:	100%	100%	100%	100%	100%	100%

Note: CO₂ emissions are calculated according to the national "Guidelines for Accounting and Reporting Greenhouse Gas Emissions from the Smelting and Rolling of Other Non-ferrous Metals Industrial Enterprises" 《其他有色金属冶炼及压延加工业企业温室气体排放核算方法与报告指南》. (Including the smelting plant, Rare and Precious Branch, Tonglvshan Mine, Tongshankou Mine, Fengshan Copper Mine, Xinjiang Hui Xiang Yong Jin, Yangxin Hongsheng, Design Research Institute)

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- * Data for 2023 and earlier did not include Yangxin Hongsheng. Yangxin Hongsheng was in trial production, and the data at that time was not representative. Their production capacity had not met the requirements, and there was no control for the time being.
- * The significant increase in pollutant emission data in 2024 compared to 2023 was due to the 9-month shutdown of the smelter in 2023 and the significant increase in the Group's product output in 2024.
- * The sharp drop in sulphur dioxide emissions in 2021 is due to the suspension of production and renovation after environmental inspections in 2020.
- * The significant year-on-year decrease in sulfur dioxide and nitrogen oxides on 2022 was mainly due to the smelter's implementation of central environmental protection supervision and rectification, and the strengthening of waste gas emission indicators. The concentration of waste gas emissions decreased year-on-year, and the amount of pollutant emissions decreased accordingly.
- * The significant year-on-year decrease in production of hazardous waste on 2025 was mainly due to: 1. The smelter strengthened its full-process control over valuable metals, and enhanced the detection and recovery of valuable metals in white smoke dust, resulting in a reduction in white smoke dust generation. 2. The smelter completed the upgrade and commissioning of its acidic wastewater treatment process, reducing the amount of hazardous waste residue generated during waste acid treatment.

1.4 Disclosure of information about the methods, standards and assumptions used to obtain gas emission data

The carbon emissions in 2025 are calculated according to the national "Guidelines for Accounting and Reporting Greenhouse Gas Emissions from the Smelting and Rolling of Other Non-ferrous Metals Industrial Enterprises (trial)" (《其他有色金屬冶煉和壓延加工業企業溫室氣體排放核算方法與報告指南(試行)》) issued by the National Development and Reform Commission.

2025 CO₂ emissions: 595,098.04 tons (excluding Scope 3)

Scope 1: Direct emissions: 117,296.14 tons, accounting for 19.71% (including smelting plants, Rare and Precious Branch, Tonglvshan Mine, Tongshankou Mine, Fengshan Copper Mine and Xinjiang Hui Xiang Yong Jin, Yangxin Hongsheng, and Design Research Institute)

Scope 2: Indirect emissions: 477,801.90 tons, accounting for 80.29% (including smelting plants, Rare and Precious Branch, Tonglvshan Mine, Tongshankou Mine, Fengshan Copper Mine and Xinjiang Hui Xiang Yong Jin, Yangxin Hongsheng, and Design Research Institute)

Currently, the Group's collection of greenhouse gas emissions for Scope 3 is at an initial stage. Pilot research on greenhouse gas emissions from Scope 3 was conducted in 2025, and preliminary results have been achieved. It is expected that the collection of greenhouse gas emissions for Scope 3 will be completed in 2026-2027.

2026 Carbon Emission Target of the Group: 674,000 tons.

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1.5 Mid- and long-term goals for carbon dioxide emissions

By 2025, the Company's annual carbon dioxide emissions will be controlled below 830,300 tons.

By 2027, the Company's annual carbon dioxide emissions will be controlled below 845,000 tons under existing production capacity and will gradually decline.

By 2030, the Company's renewable energy use will be increased to account for more than 10% of the total energy structure.

2. Use of Resources

2.1 Energy Saving Control

The Group earnestly implements the relevant national and industrial energy conservation laws, regulations and standards, strictly observes and implements the Energy Conservation Law of the PRC 《中華人民共和國節約能源法》, the Electricity Law of the PRC 《中華人民共和國電力法》, the Energy Consumption Quota per Unit Product of Non-ferrous Heavy Metal Smelting Enterprises 《有色重金屬冶煉企業單位產品能源消耗限額》 and other relevant laws and norms, and takes low-carbon green development as the goal of energy conservation management, and achieves comprehensive sustainable development through the implementation of effective control and management to improve energy efficiency in each stage of mining, selection and smelting. In 2025, the comprehensive energy consumption per unit product of smelter and Yangxin Hongsheng in copper smelting was 227.31kgce/t and 189.02kgce/t, respectively, reaching the level 2 (access value) and level 1 (advanced value) stipulated in the Energy Consumption Quota per Unit Product of Non-ferrous Heavy Metal Smelting Enterprises, and showing a downward trend.

Measures for Operation Management

- In 2021, the Group obtained the certification of the new ISO50001:2018 standard for energy management systems. The Group passed the second energy management system supervision audit certification in 2023, and passed the energy management system re-certification supervision audit in 2025.
- We follow the requirements of the energy management system, strengthen process control of energy consumption, maintain the continuous and effective operation of the system, and continuously reduce product energy consumption in production activities.
- Energy conservation-related technological improvement plans are formulated to step up efforts on energy saving technological transformation and energy mix adjustment, thus gradually reducing the proportion of fossil energy consumption, improving operation stability of key equipment and increasing energy efficiency.
- Annual energy consumption limits for all production units as well as total energy consumption control targets for the Group are formulated, and performance appraisals are carried out, to control energy consumption comprehensively in multiple levels.
- The usage and control of water resources are strengthened to increase recycling and reuse rate of circulation water and underground water. The management measures of water savings are introduced to reduce the new water consumption. The Group did not encounter any issues on seeking for sources of water.

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- An annual energy-saving technological upgrading plan was formulated, promoting the application of energy-saving technologies and high-efficiency energy-saving equipment, thereby improving energy efficiency. The procurement of green electricity was further increased, distributed photovoltaic projects were constructed, and the proportion of clean energy use continued to rise. The operational stability of key equipment was improved, and energy utilization efficiency was enhanced.

Measures for Office and Domestic Management

- We strengthen the management of energy and water resources in the office process, use natural light for office lighting as much as possible, control the temperature of office air conditioners at energy-saving temperatures, take measures to improve the energy efficiency of lighting and air conditioning, and prevent the waste of energy and water resources.

In 2025, all air conditioners and lighting fixtures with energy efficiency ratings below level three in the Company's headquarters office area were replaced, improving the energy efficiency of office operations.

Case:

In 2025, the smelter began implementing a low-temperature waste heat recovery project for the three series of sulfuric acid systems, which is expected to be completed by the end of 2026. Upon completion, this will significantly reduce the overall energy consumption of the sulfuric acid system. In 2025, Yangxin Hongsheng completed projects such as the renovation of the slag beneficiation process fan and the secondary pressure filtration system for anode mud. Through improving equipment energy efficiency and recovering and utilizing energy media, the company effectively improved equipment energy efficiency and reduced pollution emissions.

2.2 Improving Resource Utilization Rate

The Group conducts exploration of mineral resources in strict accordance with the Mineral Resources Law of the People's Republic of China 《中華人民共和國礦產資源法》 and strictly implements the Law of the People's Republic of China on Safety in Mines 《中華人民共和國礦山安全法》. Paying attention to the full utilization and protection of resources in the process of resource development, the Group enhances the comprehensive resource utilization rate for energy conservation and consumption reduction through measures including technological innovation and optimization of mining, processing and smelting processes to maximize the value of resource utilization.

Through production mining prospecting, mining prospecting data analysis, mining prospecting target area selection, ore body secondary delineation, etc., the amount of recoverable resources has been greatly increased and the loss rate of ore dilution has been reduced. Through the construction of digital mines and the application of new equipment, the operation efficiency has been effectively improved. Through technical breakthroughs and key technical index supervision and other projects, the recovery rate of ore processing can be improved, and various available resources can be effectively recovered.

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2.3 Indicators of Energy Consumption during the Reporting Period

	2025	2024	2023	2022	2021
Electricity consumption:	890,424,700 KWh	894,196 KWh	692,504,200 KWh	609,066,061 KWh	668,967,300 KWh
Natural gas consumption:	28,014,600 m ³	44,391,100 m ³	44,653,600 m ³	14,703,104 m ³	15,816,200 m ³
Total quantity of new water:	10,063,300 tonnes	8,593,800 tonnes	4,393,300 tonnes	6,174,232 tonnes	5,967,800 tonnes
Total raw coal :	26,600 tonnes	39,800 tonnes	11,000 tonnes	31,400 tonnes	48,800 tonnes
New water consumption per tonne of copper:	22.88 tonnes of water/tonne of copper cathodes	25.34 tonnes of water/tonne of copper cathodes	4.54 tonnes of water/tonne of copper cathodes	9.09 tonnes of water/tonne of copper cathodes	8.93 tonnes of water/tonne of copper cathodes
Total quantity of diesel fuel:	3,302.61 tonnes	3,895.09 tonnes	3,248.65 tonnes	2,708.81 tonnes	3,221.06 tonnes
Total quantity of gasoline:	37.07 tonnes	44.10 tonnes	34.05 tonnes	35.84 tonnes	36.48 tonnes

Notes:

- ① Electricity consumption includes all the electricity consumed for production at the smelting plant, Rare and Precious Branch, Tonglvshan Mine, Tongshankou Mine, Fengshan Copper Mine and Xinjiang Hui Xiang Yong Jin, Yangxin Hongsheng, Design Research Institute.
- ② Natural gas consumption (cubic meter) represents the quantity of natural gas consumed by the smelting plant, Yangxin Hongsheng.
- ③ Total quantity of new water represents the quantity of new water used for production in the smelting plant, Rare and Precious Branch, Tonglvshan Mine, Tongshankou Mine, Fengshan Copper Mine and Xinjiang Hui Xiang Yong Jin, Yangxin Hongsheng.
- ④ The total raw coal consumption is the raw coal consumption used for production and heating by the smelter and Xinjiang Hui Xiang Yong Jin.
- ⑤ Total quantity of diesel fuel represents the quantity of diesel fuel used for production in the smelting plant, Rare and Precious Branch, Tonglvshan Mine, Tongshankou Mine, Fengshan Copper Mine and Xinjiang Hui Xiang Yong Jin, Yangxin Hongsheng.
- ⑥ New water consumption per tonne of copper (tonne of water/tonne of copper cathodes) is the indicator of water consumption for producing copper cathodes, the main products of the smelting plant, Yangxin Hongsheng.

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3. Climate Change

The Group recognises that the long-term risks of climate change have far-reaching impacts on our operations and environment. As such, we are committed to mitigating the impacts of climate change and other environmental related risks. Changes in weather patterns and the increased severity of extreme weather events are physical risks which will likely disrupt the continuity of daily operations in terms of the ability of our employees for the company's business and operation. For this reason, we have developed emergency protocols to handle such events, as outlined in the Employee Handbook. As the awareness of environmental protection become more and more important in society, there is potential change in climate-related regulation and policy, including imposition of energy-efficiency requirements. Such transition risk may impact our operation cost and increase exposure of legal risk. Therefore, we monitor the changes of the regulation and policy regularly and make sure our operations are in line with the requirements of latest laws and regulations.

Climate Risk and Resilience Management

The Group is an energy-intensive enterprise, with the increasing frequency and severity of extreme weather events, rising sea levels and shifting climate patterns, we recognize that all of which pose substantial threats to ecosystems, human health and economic stability. Therefore, we recognize the importance of identifying and effectively managing climate risks and opportunities and enhancing the Group's resilience to climate change. During the reporting period, the Group reviewed the risks and opportunities associated with climate change and optimized the relevant policies to strengthen our resilience to climate change and formulated countermeasures to mitigate, adapt to and resist climate change. In order to improve our climate disclosure, we have conducted a climate-related risk assessment and formulated a climate management approach with reference to the recommendations of the Task Force on Climate-related Financial Disclosures ("TCFD").

With reference to TCFD recommendations, the following is the Group's approach to climate management, which covers four core elements of (1) Governance; (2) Risk management; (3) Strategy; and (4) Metrics and Targets.

3.1 Climate Change Risks

Governance

The Company has incorporated sustainable governance into its corporate governance framework to ensure that the Group's exposure to the risks of climate change is incorporated into the corporate agenda and that the Group is actively involved from top to bottom in the development and implementation of strategies to address climate risks.

Board level

The Board is the highest governance body of the Group and is the highest leading unit for managing climate change risks, formulating sustainable development strategic goals and supervising the effective implementation of relevant goals. The Board is responsible for formulating the strategic direction of the Group. When formulating strategic goals and development directions, the Board takes climate change-related issues and corporate social responsibility into consideration, sets goals for the management and supervises the achievement thereof.

Supported by the leadership committee and construction working group of internal control system, the Board retains ultimate responsibility for the oversight of the Group's risk management activities. The working group under the Board takes accountability on risk management, and reviews corporate risk management and internal controls at least once a year.

Under the Management Decision Committee, the Group has established a Safety and Environmental Supervision and Management Department. The Safety and Environmental Supervision and Management Department provides practical guidelines and support to the Group's sustainable development, and is tasked to ensure thorough implementation of the Group's sustainable management policies.

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Management level

The risks brought on by climate change are placed high on the Group's agenda, and therefore, the Group is committed to building resilience against these risks. In particular, the Group has established a working group, the leader of which is mainly responsible for its leadership role, and annually develops, monitors and reviews safety and environmental indicators and targets. The leader shall firmly discharge his/her responsibilities and guide the various executive departments in taking measures to address climate risks.

Risk Management

Under the supervision of senior management and with the assistance of independent third-party professional advisors, we conducted a sustainability risk assessment, including, among other things, climate-related risks and opportunities. We assessed the potential impact and likelihood of climate-related risks and opportunities and prioritized them. Based on the assessment results, the Group has developed corresponding mitigation measures to enhance our risk response capabilities and climate resilience.

Physical risks

We conducted an in-depth assessment of climate hazards and vulnerability levels on the climate and geographical characteristics in the locations of our group subsidiaries, i.e. Huangshi, Hubei Province and Kashgar, Xinjiang, to identify physical risks arising from climate change. At the same time, we evaluated the extent of the potential impact on subsidiaries' assets from the identified future risks and their adaptive capacity. The analysis results are presented in the table below:

Type of Risk	Risk Factor	Main Risk Drivers	Potential Impact	Degree of Risk Impact
Acute risk	Rainstorm	Frequent extreme precipitation events, causing landslides in mining areas, excessive water levels in tailings ponds, and flooding in smelters	– Increase in operating costs for emergency drainage and infrastructure repairs – Suspended mining operations, resulting in a decline in ore supply	High
	Flash flood	Rising river water levels or sudden mountain floods	– Transportation difficulties (damaged roads in mining areas) and supply chain disruptions, leading to a decline in production capacity. – Negative impact on employee health and safety, with increased costs for clean-up and repairs.	High
	Thunderstorms/hailstorms	Damage caused by thunderstorms and hailstorms to open-pit mining equipment and power facilities	– facilities and infrastructure susceptible to damage, with increased capital costs (equipment repair/replacement) – Smelter shutdown caused by power outage, resulting in production capacity loss	Medium

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Type of Risk	Risk Factor	Main Risk Drivers	Potential Impact	Degree of Risk Impact
	Extreme heatwave	Prolonged exposure to high temperatures, impairing outdoor work efficiency and equipment durability	– Increase in cooling demands for ventilation, cooling and equipment heat dissipation, leading to higher operating costs – Higher risk of employees suffering heatstroke, leading to a decline in productivity	Medium
	Cold wave/ice and snow	Damage to property and infrastructure	– Road icing, transport disruption and supply chain delays – Potential safety hazards caused by frozen pipes in icy and snowy weather, with the disruption of stable production	Medium
Chronic risk	Average temperature increase	Accelerated wear and tear of equipment (such as lubrication systems of equipment in open-pits and motor cooling) due to the rise in average temperatures, thereby compromising equipment performance	– Increase in operating costs due to the higher frequency of using ventilation for cooling and equipment cooling – Shorten in equipment replacement cycles, leading to increase in capital expenditure	Medium
	Thermal pressure	Prolonged exposure to high temperatures, adversely affecting employee health and outdoor work efficiency	– Increase in cooling demands (rest shelters, drinking water supply and ventilation), leading to higher operating costs – Shorten in effective working hours of employees, leading to a decline in productivity	High

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Type of Risk	Risk Factor	Main Risk Drivers	Potential Impact	Degree of Risk Impact
	Precipitation pressure	Structural damage to assets caused by rainstorms (tailings ponds, slopes, factory buildings)	– Increase in investment in drainage facilities and slope reinforcement to cope with more frequent rainstorms – Increase in risk of production disruption during the rainy season	Medium
	Fire weather pressure	Increased risk of damage or destruction under weather conditions conducive to fire (dry regions of Xinjiang)	– Decrease in revenue due to diminished production capacity resulting from wildfires' impact on resources and operation	Low

Strategy

The Group understands that climate change will bring various risks to its business, such as physical risks such as water resource stress, floods and extreme weather, which will cause damage and negative impact on assets and supply chains; and transition risks such as policy changes and reputation, will also cause potential financial impact. Therefore, it is actively taking actions to address the impact of climate change. The Group is committed to reducing and offsetting greenhouse gas emissions, enhancing the resilience of the Group in response to climate change, and seizing relevant opportunities to build a cleaner environment. Facing the continuous impact of climate change, the Group has established and implemented a series of strategies to deal with climate risks, re-positioning the Group in the ever-changing world, in order to enhance the city's climate change resilience and promote sustainable development. The Group has adopted the following strategies to address climate change, and will strengthen its efforts and take more relevant actions to achieve the goal of carbon neutrality.

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Climate-related transition risk, opportunities and responses

Type	Name of the risk	Time frame of the impact	Analysis of the impact	Responses
Climate-related transition risk	Increased requirements for disclosure of carbon emissions	Short-term	The State and relevant departments have further strengthened the management of carbon emissions, and put forward the requirements of carbon peaking and carbon neutrality, and the Company will increase manpower and capital investment in carbon emission data management in response to policy requirements.	Establish and improve the carbon management system, carry out carbon footprint research, form a sound statistical mechanism, and reduce the manpower and management costs of enterprise.
Climate-related transition risk	Reduction of carbon emission indicators year-by-year	Mid-term Long-term	According to the relevant government policies, the carbon quota for enterprises will be gradually reduced. The Company is currently included in the carbon trading market of Hubei Province, and in the long run, it may need to purchase carbon quota, resulting in increased costs.	With large-scale equipment renewal as the starting point, strengthen the application of energy-saving and low-carbon technologies and equipment, reduce energy consumption levels, and reduce carbon emissions.
Climate change opportunities	Green and low-carbon products	Mid-term Long-term	The Company's comprehensive energy consumption per unit product has been reduced year by year through measures such as environmental protection upgrading, large-scale equipment renewal and industrial energy efficiency improvement action plan. As the country's requirements for energy conservation and consumption reduction become more and more stringent, green and low-carbon products will have strong competitiveness in the market, and the enterprises' reputation will be further enhanced.	By promoting the construction of intelligent factories and digital mines, we can reduce energy consumption per unit of product and improve enterprise competitiveness.

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Analysis of the Impact of Climate-related Risks on Finance

During the Reporting Period, the working group has identified and assessed a number of climate-related issues that have affected or may affect the Group (e.g. disruption to production operations, supply chains, energy resources and logistics due to the increasing intensity and frequency of extreme weather events (e.g. typhoons, rainstorms, snowstorms, floods, etc.); replacement of existing products, services or technologies during the transition period; the increased capital expenditure and operating costs due to damage to assets and facilities; threats to employee safety; increased insurance premiums due to the potential recurrence of extreme weather events; possible implementation of climate-related regulations and policy changes; global transition to a low carbon economy through energy efficiency innovations, etc.).

Climate-related risks	Climate risk outcomes	Potential financial impact
Policy and legal risks (low risk)	The Group may face the risks of being held legally liable or subject to regulatory measures, facing disciplinary actions, encountering property damage or loss of business reputation due to its failure to meet climate-related policies or laws.	Reduction of operating income, increase of credit risks
Technology risks (low risk)	In the process of low-carbon technology transformation, the development and application of energy-saving and environmental protection technologies such as renewable energy and new energy may have certain impacts on the operation and business of the Group.	Reduction of fixed asset value, increase of R&D investment cost
Acute physical risks (high risk)	Severe climate changes such as extreme weather or natural disasters such as typhoons and floods, among which rainstorm will cause flooding can aggravate the Company's flood relief efforts. Extreme weather may lead to disruptions in the transportation of raw materials and products, as well as reduction of efficiency of mine and smelter production operations.	Reduction of operating income, increase of operating cost, and reduction of fixed asset value
Environmental risks (high risk)	The Company's major environmental risks include contaminant leakage and the occurrence of events such as the construction and operation of projects that do not meet expectations due to their impact on the environment.	The Company's headquarters and subsidiaries take impermeable measures in accordance with the regulations and have set up collection ponds and weirs to prevent harmful substances from leaking into the environment, and also conducts regular emergency drills for hazardous waste.
Chronic physical risks (low risk)	The long-term shift in natural phenomenon such as rising of sea level and continuous high temperature may influence the normal operation of the Group.	Increase of operating cost, and reduction of fixed asset value
Reputation risks (low risk)	The public pays more and more attention to green operation. If the Group fails to meet the expectations of stakeholders, it may face reputation risk in the operation.	Reduction of operating income, increase of operating cost
Market risks (low risk)	Considering the business characteristics of the industry, the risk of transformation caused by the increased demand of consumers for green products and services.	Reduction of operating income, increase of operating cost

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It is concluded that these climate-related issues are not material to the Group. The materiality assessment, as detailed in the “Stakeholder Engagement and Peer Benchmarking” and “Materiality Assessment” sections above, indicated that the materiality of A4 Level: Climate Change and Key Performance Indicator A4.1 has been currently ranked as “low” overall, consistent with the conclusions of the Enterprise Risk Management team above.

Analysis of the Impact of Climate-related Opportunities on Finance

During the Reporting Period, the working group has identified and assessed a number of climate-related issues that have affected or may affect the Group (e.g. promotion of resource and energy use efficiency, etc., use of clean energy and low-carbon energy instead of traditional high-carbon energy, selection of environment-friendly suppliers resulting in lower operating cost and higher operating income).

Climate-related opportunities	Climate opportunities outcomes	Potential financial impact
Resource efficiency	The Group promotes energy conservation and emission reduction through promoting resource and energy use efficiency, etc., which is conducive to reducing operating costs.	Reduction of operating costs
Energy sources	The use of clean energy and low-carbon energy instead of traditional high-carbon energy will help significantly reduce the uncertainty of Group’s energy expenditure in the future.	Reduction of operating cost risks
Resilience	The Group’s climate resilience is enhanced by adopting energy efficiency measures in operations and choosing environment-friendly suppliers and partners.	Increase of operating income, and reduction of operating costs

It is concluded that these climate-related issues are not material to the Group.

3.2 Carbon Emission

We focused on the goal of “carbon peak and carbon neutrality,” and our green and low-carbon development pattern was continuously consolidated and improved. We support the Paris Agreement and the Chinese government’s National Strategy for Climate Change Adaptation. Achieving the “Carbon Peak” and “Carbon Neutrality” goal and stepping into the “renewable energy and advanced materials” business have become important components of the Company’s development strategy for the next decade.

The Company has been firmly establishing its “energy transformation and green low-carbon development” concept in quickening the promotion of green transformation and development. The Company has successively completed the full-process transformation of mining and smelting systems, greatly improving the level of greening, intelligence, mechanization, automation and informatization. At the same time, the Company steps up efforts on the management of energy conservation and carbon reduction, and promotes the continuous development of energy conservation and carbon reduction work through measures such as advancing the construction of energy management systems, promoting the application of energy-saving technologies, strengthening the management and control of production process, and optimizing the energy mix.

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The Company has always actively supported and participated in the building of the carbon emission market. In 2013, the parent company became a shareholder of China Emissions Exchange in Hubei Province. In 2014, it was among the first group of enterprises to participate in the pilot carbon emission trading market in Hubei Province, achieving certain results in terms of carbon emissions planning, verification and trading as well as carbon reduction technology, etc. With the implementation of projects including increasing the oxygen enrichment of the Ausmelt furnace with the smelting system to reduce electricity and raw coal consumption, applying the lean-oxygen combustion technology at the refining furnace to reduce natural gas consumption, dismantling renewable resources and recovering scrap copper to reduce energy consumption in the blister copper smelting process, the Company plays a significant role in controlling and reducing carbon dioxide emissions in the course of production.

The Company has a long-term plan for carbon emissions, aiming at carbon peaking by 2030 and carbon neutrality by 2060. "Carbon peaking" means that carbon dioxide emissions no longer increase, and gradually decrease after reaching the peak. "Carbon neutrality" means that total amount of carbon dioxide generated from enterprise offset through tree planting, energy conservation and emission reduction, and other means to achieve "zero emission" of carbon dioxide.

Carbon peaking and carbon neutrality have presented a huge issue for the green, low-carbon and high-quality development of enterprises. However, in the specific implementation process, the gradual emergence of issues including the few number of latest low-carbon and zero-carbon technologies being developed and promoted for application, the relatively high cost of implementing low-carbon technology, the slow speed of developing clean energy, the need for further research and promotion of carbon capture technology, etc., has formed certain obstacles for enterprises to achieve the goals of carbon peaking and carbon neutrality.

The Company is vigorously promoting the development of double carbon work in accordance with the national requirement to promote "carbon peak and carbon neutrality". The Company has set up a leading team for the "carbon peak and carbon neutrality" action, formulated work responsibilities and action requirements, organized continuous learning and training on the policy requirements of "carbon peak and carbon neutrality", studied carefully the ideas and technical methods for the implementation of the double carbon action, and formed the implementation direction and working ideas for the implementing of the action.

In order to implement the new development concept, focus on reducing carbon emissions, accelerate the formation of green production methods, strengthen green technology innovation, and help the Company achieve high-quality development, the Company is engaging a professional institution to prepare an implementation plan for the "carbon peak and carbon neutrality" action and develop and build the Company's carbon assets management information platform. Through a comprehensive and systematic verification on the Company's existing carbon emissions, and LCA full life-cycle assessment and analysis of the carbon footprint of the main products, the project carries out research on low-carbon technology measures and carbon reduction potential technologies, proposes targeted low-carbon control solutions for each production control step and business segment, builds the Company's carbon assets and carbon footprint information management platform system, formulates the technical roadmap and implementation steps for carbon peak and carbon neutrality, and conducts overall research and planning of the Company's carbon management system (carbon emission rights, carbon assets, carbon finance, etc.). Finally, a scientific, systematic, quantifiable and practical implementation plan for the Company's "carbon peak and carbon neutrality" action has been formed and implemented. The first draft of the action plan has been formed and the Company's carbon assets information management platform has been built and is ready for operation. Upon completion of the project, it will provide substantial planning and guidance for the commencement of the Company's double carbon work.

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Next, the Company will vigorously promote the development of energy utilization in the direction of high efficiency and cleanliness in combination with double carbon planning, vigorously promote the application of key national energy-saving and low-carbon technologies, clean energy technologies, new energy storage technologies and low-temperature waste heat recovery technologies within the Company, gradually explore ways to adjust the energy structure, improve energy use efficiency and build a clean, low-carbon, safe and efficient energy management system. The Company will improve the dual control of total energy consumption and intensity, seek various effective paths of carbon peak and carbon neutrality, and strive to promote the achievement of the goal of carbon peak and carbon neutrality.

Low-Carbon Transition Goals

Our Group is committed to a “dual-carbon” goal, adhering to the concept of “energy transformation and green low-carbon development.” Through measures such as energy structure adjustment, equipment energy efficiency improvement, and breakthroughs in key technologies, we aim to achieve a “double decrease” in energy consumption and carbon dioxide emissions. In the future, our Group will continue to practice the concept of green and low-carbon development and has initially set green and low-carbon transformation goals for 2026-2030.

Stage	Goals	Measures
Short-Term (2026-2027)	Increase the proportion of green electricity use; steadily reduce carbon emission intensity.	Green electricity use will increase by more than 20% annually compared to the previous year; leverage large-scale equipment upgrades to promote the application of high-efficiency and energy-saving equipment and improve equipment energy efficiency.
Medium- to Long-Term (2028-2030)	Achieve “carbon peak”; reduce carbon emission intensity by more than 20% compared to 2020.	Steadily promote the application of energy-saving and low-carbon technologies to reduce energy consumption; improve the informatization level of carbon emission management, strengthen daily supervision and management, and steadily reduce total carbon emissions and intensity.

In order to implement the concept of green operation and fully capitalize on the opportunities brought from low-carbon transformation, the Group closely aligns with the national objective of building “Beautiful China”, integrating ecological priority and green development principle throughout the entire process of mine development and smelting operation. The Group is committed to establishing a resource-efficient and environmentally friendly modern mining enterprise, and has preliminarily established an ESG management roadmap to be implemented in phases from 2025 to 2030, covering five core areas such as ecological restoration, safety compliance, employee safety and health, community engagement and green value chains, planning a comprehensive sustainable development strategy from a long-term perspective.

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Set quantitative goals for a green environment, green enterprise, green employees, green communities and green career, and achieve sustainable development in all aspects			
	Short-term		Long-term
Green Environment	- Continue to enhance employees' awareness of low-carbon and environmental protection, and conduct green and low-carbon education and training at least once per quarter. - Continue to implement clean production and energy-saving upgrades and transformations by subsidiaries. - Continue to implement water conservation and optimization measures by subsidiaries, enhancing the water recycling.	- Actively promote the use of renewable energy in production, and increase the proportion of clean energy and the utilization rate of recycled resources by subsidiaries, thereby reducing both the total volume and intensity of carbon emissions. - Deploy and implement technologically advanced, highly effective and widely promotable green and low-carbon projects to promote the comprehensive utilization of bulk solid waste from mining operation. - Increase efforts to adjust the industrial structure, eliminate outdated production capacity and equipment with high energy consumption and high emissions, improve equipment energy efficiency, and develop and use new technologies, new processes and new equipment with low energy consumption and low carbon emissions.	- Establish mechanism for the statistics, calculation and analysis of carbon emissions in subsidiaries, transitioning towards the management of targets for both total carbon emissions and carbon emission intensity. - Strengthen research and application in carbon asset management and carbon finance to achieve the phased targets of the carbon peaking action plan. - Significantly improve the clean production standards and water resource utilization of subsidiaries.
Green Enterprise	- Increase the coverage of ESG awareness, and promote the extension of ESG-specific training to grassroots levels. - Define the ESG vision, mission and governance structure.	- Establish an ESG coordination and management body in the Company to promote the standardization and normalization of ESG management. - Strengthen ESG due diligence for new industries.	- Enhance digital and intelligent empowerment by leveraging the safety and environmental information platform to develop the Company's ESG intelligent AI assessment system. - Improve and refine the ESG disclosure mechanisms for subsidiaries.

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Set quantitative goals for a green environment, green enterprise, green employees, green communities and green career, and achieve sustainable development in all aspects			
	Short-term		Long-term
Green Employees	Strengthen the service guidance of trade unions, and continue to promote activities of small reforms and small invention of green and low-carbon.	Incorporate the fulfilment of green and low-carbon responsibilities into the scope of performance appraisal.	Create a green and low-carbon corporate culture in which everyone participates and jointly governs.
Green Society	- Strengthen coordination between local governments and enterprises to foster a positive atmosphere of mutual support and collaborative development. - Strengthen ecological restoration to create a beautiful mining environment.	Take a piece of resources for a greener homeland, and transform the closed tailings ponds into theme parks to improve the living environment for local residents.	
Green Career	Incorporate ESG governance performance as one of the criteria for selecting suppliers and service partners.	- Establish an industry-wide ESG initiative system. - Promote the cooperation and application of green and low-carbon smelting and mining technologies.	Achieve transparency of the carbon footprint throughout the industrial chain. Promote "green copper" certification and market promotion.

In the future, we will further sort out and refine various management objectives, continuously improving the level of climate change management.

Internal Carbon Pricing

It has been confirmed that carbon pricing was not used in decision-making.

Green Compensation

At present, the fulfilment of green and low-carbon responsibilities is not incorporated into the performance appraisal.

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SOCIAL

1. Safety Development

Adhering to the principle of putting people and their lives first, the Group gives top priority to the protection of employees' lives and safety, firmly establishes the safety development concept upholding the policy of safety first, prevention the key and comprehensive management, strictly complies with the laws and regulations of the PRC on production safety, and establishes and continuously improves its occupational health and safety management system, thus providing a safe and healthy workplace for employees for the protection of their safety and health.

The Group strictly abides by national production safety laws, regulations and standards such as the National Work Safety Law and the Occupational Disease Prevention and Control Law, continues to improve the occupational health and safety management system, strives to create a healthy and safe working environment, protects the physical and mental health of employees, and establishes a good corporate image.

The Group places great importance on safety development, integrating safety production into its overall development strategy as a primary and critical governance responsibility. It regularly reviews major safety management matters and has established a safety governance framework featuring "Board supervision, management execution, and full participation by all employees" to ensure that the concept of safe development runs throughout the entire production and operation process. In 2025, the Group steadfastly advanced key initiatives including tackling the root causes of safety production, intelligent mine construction and technology and safety and environmental protection. An annual safety and environmental protection conference was convened, with safety target responsibility agreements signed. A leadership team "weekly morning meeting" (周晨會) oversight mechanism was established to ensure safety responsibilities were effectively implemented at every level and position. Throughout 2025, the Group recorded no production safety incidents of general severity or above. The overall safety production situation remained stable, with all safety production objectives and tasks successfully accomplished.

1.1 Safety Management System

The Group continues to refine its safety management system, leveraging standardization, regulation and informatization to enhance safety governance effectiveness and fortify the foundation for safe operation. Regarding system standardization, a routine mechanism combining quarterly inspections with internal audits and closed-loop issue resolution has been established. In 2025, the Group successfully passed the ISO45001 Occupational Health and Safety Management System recertification audit, ensuring system operation in compliance with national regulations and industry standards.

- Safety management organization:** The Group has established a Safety Production Committee, with all affiliated factories and mining enterprises setting up safety production supervision and management bodies, staffed by safety (occupational health) management personnel. In 2025, the Group actively implemented a four-tier safety supervision responsibility system covering plants (mines), workshops, teams and individual posts. It formulated the Implementation Plan for Post (Area) Safety Supervisors (《崗位(區域)安全監督員實施方案》), appointing 308 full-time and part-time supervisors to integrate supervision throughout the entire production process. The Group revised the Safety Production Whistleblower Reward Scheme (《安全生產舉報獎勵辦法》) to encourage employees participation in hazard identification and ensure reward implementation, thereby establishing a comprehensive supervision framework involving all personnel.

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2. **Safety performance assessment:** The Group adheres to a results-oriented approach combined with process supervision and assessment. Each year, it signs annual Safety Production Target Responsibility Agreements 《安全生產工作目標責任書》 with its affiliated factories and mining enterprises, implementing a supervision and assessment mechanism comprising “daily inspections, monthly assessments, quarterly special inspections and annual evaluations” to strengthen safety process control.
3. **Safety inspection and rectification:** The Group adheres to the principle of advancing safety controls and addressing issues at their source, establishing a comprehensive safety inspection system comprising routine checks, special investigations and technological monitoring. This enables closed-loop management of hazard identification, rectification and closure. Regarding daily and special inspections, in 2025, 16 special safety actions were organized covering mines, smelting operation, mining blasting, building insulation materials and grating plates. A three-month special campaign targeting prominent safety issues was conducted, effectively mitigating a number of major safety risks and facilitating the transition from “centralized remediation” to “routine management”. Regarding major hazard control, the “One Database and Four Mechanisms” (一庫四機制) (i.e., major accident hazard database, self-inspection and rectification, tracking and supervision, accountability tracing and whistleblower reward mechanisms) were established and implemented. Heads of all units conducted monthly major accident hazard inspections, strictly enforced rectification requirements, and completed major hazard rectifications such as mine void area management and emergency exit improvements, effectively preventing major safety risks. Regarding technology-enabled monitoring, upgrades and reconstructions were completed for surface subsidence displacement monitoring, ground pressure monitoring, open-pit on-line monitoring and tailings pond on-line monitoring systems. Real-time data collection with threshold-based alerts enabled early detection, warning and response to risks. Deepening the prevention and control of concealed hazards, the Group completed the review and filing of the survey report on concealed hazard factors in accordance with new national regulations.
4. **Construction of emergency management system.** The Group places high importance on building emergency management capabilities, establishing an emergency management system characterized by “sound systems, regular drills and professional teams” to enhance incident response capacity and safeguard operation continuity of the Group. Throughout 2025, the Group organized 173 emergency drills involving 4,162 participants. These realistic exercises validated the feasibility of the contingency plans and enhanced employee emergency response skills. Over RMB12 million was invested in constructing a high-standard emergency rescue base. Routine team drills and preventive safety inspections were conducted, with provincial-level rescue experts invited to provide on-site, one-to-one training and guidance, comprehensively improving the standardization of the rescue team’s development. In 2025, the Group’s rescue team participated in the 13th National Mine Rescue Skills Competition (第十三屆全國礦山救援技能競賽), receiving high praise from the Mine Rescue Center of the Ministry of Emergency Management.

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5. **Safety education, training and cultural development.** The Group adheres to a people-centered approach, aiming to enhance the safety literacy of all employees. The Group has established a multi-tiered, comprehensive safety education and training system while cultivating a safety culture to foster an atmosphere of full safety participation. Regarding training initiatives, the Group rigorously implemented the annual safety education and training plan, organizing certification training for principal responsible persons, safety management personnel and special operation personnel, involving 581 participants. The Group conducted competency examinations for 2,136 participants, and delivered comprehensive safety education and training to 10,642 participants. 17 accident warning education sessions were organized, training 3,245 individuals. Construction commenced in the Company's safety training experiential center, with Tonglvshan Mine pioneering an integrated digitalized training room. Concurrently, a mobile app mini program learning function was launched, enabling electronic safety training with personalized "one file per person" management. Regarding cultural development, the Group's trade union took the lead in organizing a themed knowledge competition titled "Identifying Hidden Safety Hazards in Your Surroundings from Pictures" (看圖查找身邊安全隱患). It also initiated a story collection activity showing achievements in team-based technological advancement for safety and environmental protection, "Technology and Safety and Environmental Protection". 11 directly affiliated units were organized to conduct safety inspections by employee representatives, preparing reports to drive corrective action and close the loop. Tonglvshan Mine pioneered an "enterprise + family" linkage mechanism, integrating family-oriented culture into safety management to fortify employees' safety awareness and build consensus on safe development. It innovatively implemented the Employee Safety Behavior Scoring Management Measures (《員工安全行為記分管理辦法》), using rigorous assessment to enforce accountability and standardize employee safety conduct.
6. **Occupational health protection management.** The Group strictly adheres to occupational health laws and regulations, implements occupational health protection responsibilities, and safeguards the physical and mental wellbeing of employees. Regarding institutional development, the Group has formulated and rigorously enforced relevant systems including the Occupational Health Management (《職業衛生管理》) and the Personal Protective Equipment Management (《勞動防護用品管理》). Regarding capability enhancement, the Group organizes key personnel from all units to participate in occupational health capability improvement training courses hosted by Huangshi Health Commission, thereby improving the professional standards of occupational health management personnel. Regarding hazard prevention and control, the Group rigorously conducts triennial evaluations of occupational disease hazards, alongside annual monitoring of occupational hazard factors in workplaces. Results are archived, publicly disclosed, and subject to employee oversight. For specific hazards in smelter, such as dust, lead, arsenic and cadmium, control measures include process optimization and equipment upgrades. Operating personnel are required to wear dust and toxic gas masks correctly, with strengthened on-site supervision. Regarding protective safeguards, employees are provided with occupational disease protective equipment compliant with national standards. Correct usage and wearing are enforced through regular spot checks on equipment usage and validity. Periodic occupational health examinations are organized for staff, with comprehensive occupational health surveillance records established to safeguard employees' occupational health rights. Regarding equipment upgrades, multiple occupational hazard prevention projects were implemented in 2025, including introducing wet cleaning and spraying systems, renovating factories to reduce unorganized flue gas emissions, and installing additional wet dust collection equipment to mitigate occupational hazards at source.

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1.2 Safety Operation

The Group leverages technology to enhance safety and environmental protection, deepening the development of intelligent mines, optimizing safety operation models, and improving safety operational efficiency and standards to safeguard the Group's sustained and stable development. In 2025, the Group rigorously advanced the three-year action to tackle the root causes of safety production, phasing out obsolete equipment and facilities such as non-flame-retardant cables, oil-immersed transformers and facilities lacking mine safety certification, thereby eliminating potential hazards at the hardware level. To deepen intelligent development, three local mining units have established remote centralized control platforms for underground hoisting, drainage, ventilation, compressed air supply and ore pass fragmenting systems to reduce personnel risks during on-site operations. Advanced mining equipment such as bolting jumbo and remotely controlled carry-scrapers is being actively promoted, with 57 handheld drills phased out to progressively replace traditional high-risk operational models. Pilot applications of AI-powered violation detection function at smelters and other units capture "three violations" behaviors in real time, advancing intelligent and precision-based safety oversight.

The Group places high priority on traffic safety management, having established regulations and systems such as the Road Traffic Safety Management (《道路交通安全管理》). The Group has appointed dedicated traffic safety personnel who conduct regular special traffic safety inspections, continuously strengthening road risk prevention and control. For hazardous chemical transport vehicles, the Group has comprehensively installed GPS positioning dynamic monitoring system and in-vehicle video surveillance system, enabling real-time monitoring and dynamic management throughout the entire transport process to further enhance driving safety control capabilities. We regularly organize safety education and training for drivers and strictly enforce a pre-employment access system – all motor vehicle drivers must pass assessments organized by the safety management department and achieve satisfactory results before being permitted to commence duties.

The Group places great emphasis on the safety management of subcontractors and contractors. It strictly implements the Several Provisions on Strengthening the Safety Management of Outsourced Projects in Metal and Non-Metal Underground Mines (《關於加強金屬非金屬地下礦山外包工程安全管理的若干規定》) and the Guiding Opinions on Strengthening the Management of Outsourced Projects in Non-Coal Mines (《加強非煤礦山外包工程管理的指導意見》), implementing a "five unifications" approach for outsourced entities: unified implementation of management, training, inspection, assessment and rewards/penalties. The Group has organized an analysis of outsourced operations, comprehensively reviewing the Company's outsourced business, the undertaking capacity of internal units and the current status of undertakings. It has formulated the Implementation Plan for Standardizing Mining Units' Excavation (Stripping) Construction Teams (《公司規範礦山單位採掘(剝)施工隊伍實施方案》). Mining units have completed the withdrawal of outsourced teams, progressively achieving full self-operation in mine production.

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1.3 KPIs

In 2023, the Group experienced one general production safety incident resulting in one fatality. The total number of working days lost due to work-related injuries amounted to approximately 6,420 days.

In 2024, the Group did not experience any production safety incidents classified as general or above. The number of working days lost due to work-related injuries amounted to approximately 300 days.

In 2025, the Group did not experience any production safety incidents classified as general or above. The number of working days lost due to work-related injuries amounted to approximately 420 days.

Note: In accordance with the Classification Standard for Work-Related Fatalities and Injuries in Enterprises GB6441-86, the loss of working days due to fatality is calculated at 6,000 days, while the minimum loss for injury is calculated at 60 working days.

2. Employment Relationship and Labor Standards

The Group complies strictly with the laws, regulations and policies on human resources and social security, and has formulated a comprehensive human resources management system to ensure the legality and compliance of its labor employment. The Group has also established a diversified income distribution system to open up the development and promotion channels, while providing multi-level training and various welfare benefits to its employees.

2.1 Employment

The Group insists on hiring its staff in compliance with the laws and regulations, entering into labor contracts with them to protect their legitimate rights and interests and promoting harmonious and durable labor relations. During the Reporting Period, the Group did not incur any serious violations of laws and regulations in terms of recruitment and promotion, remuneration and dismissal, working hours, holidays, equal opportunities, diversity, anti-discrimination, other treatment and benefits, and forced labor.

- The Group implements a standard working hours system to ensure reasonable working hours for its employees and made reasonable arrangements for its employees to take paid leaves.
- The Group strives to provide a healthy and safe working environment for its employees, distributes necessary protective equipment to them, and arranges regular medical checkups, rehabilitation and recuperation for those working in toxic and hazardous environment.
- The Group complies strictly with the Labor Law of the People's Republic of China (《中華人民共和國勞動法》) and the Labor Contract Law of the People's Republic of China (《中華人民共和國勞動合同法》) and the labor contract signing ratio of the employees of the Group has reached 100%.
- The Group absolutely forbids the use of child labor and forced labor.
- The Group protects the rights and benefits of its female employees in pregnancy, childbirth and breastfeeding.
- The Group opposes discrimination and treats our employees from different countries, ethnicities, genders and religions in a fair and equitable manner.

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2.2 *Care for Our Employees*

The Group cares for its employees, organizing diverse and interesting cultural and sports activities, as well as physical examination and protection for occupational disease for our employees to enhance their sense of happiness and loyalty.

- The Group takes good care of its employees in need and makes efforts to satisfy their daily needs. We sponsor targeted missions such as support, mutual help and major disease relief to help those suffering from various kinds of difficulties; we also pay condolence visits to the junior level staff and worker exemplar during holidays to extend our greetings and make them feel the warmth like a family.
- The Group provides soccer fields, basketball courts, tennis courts, and badminton courts, and regularly organises various cultural and sports activities, such as basketball, badminton, chess and card competitions, as well as Labor Day and National Day evening parties, for our employees.

2.3 *Remuneration and Incentives*

The remuneration of our employees is determined based on the value of their positions as well as the Group's operating results and the individual employee's performance, which is assessed through a complete performance appraisal system, under the principle of fairness, equity and transparency.

- The Group has established a remuneration management system which is pegged to the achievement of the Group's targets and the completion of respective unit's tasks, whereby the total remuneration varies with the profits of the Group and the units.
- The Group implements a diversified distribution system based on the performance of its employees with various forms of payments, such as annual salary, agreed salary, output-based salary and commission for marketing staff.
- We aim at sharing the Group's profits with its employees and continuously improve their income.

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2.4 Employee Development

On 21 July 2025, the Group held the opening ceremony for a specialized training program on thorough study and education of the spirit of pragmatism and integrity for young executives and newly promoted senior managers. 43 participants attended the training, including young executives, newly promoted senior managers and business backbone from critical positions across all units of the Group.



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2.5 KPIs

As at the end of 2025, the Group had a total of 5,124 employees, which are distributed as follows:

1. Age: 0 under 18; 672 between 18 and 29; 917 between 30 and 39; 2,026 between 40 and 49; and 1,509 at 50 or above;
2. Gender: 4,475 males and 649 females;
3. Type of employment: 100% on a permanent basis;
4. Employees trained: 4,473 males in 2025, with a training rate of 100%, 543 females, with a training rate of 100%; the average number of training hours per employee is 45;
5. Voluntary turnover rate: 8 in 2025, accounting for 0.16% of the total employees; among them, 0.1% are between 18 and 29; 0.06% between 30 and 39; 0% between 40 and 49; 0.08% are male and 0.08% are female.

3. Supply Chain Management

3.1 Environmental and Social Risk Policies for Managing the Supply Chain

The Group is a state-owned large-scale copper industrial conglomerate engaged in geological exploration, mining, mineral processing, smelting and processing, etc. The Group mainly engaged in non-ferrous metal resources development and copper smelting, and the raw materials required for non-ferrous metal resources development are mostly imported copper concentrates, blister copper and anode plates.

The Group manages its supplier with performance evaluation in accordance with a full set of rules such as Credit Risk Management (《信用風險管理》), Implementation Measures for Investing Responsibility for Non-compliant Operation (《違規經營投資責任追究實施辦法》), and Copper Procurement Management Measures (《銅原料採購管理辦法》), aiming to strengthen the access approval, evaluation and withdrawal of suppliers, improve the supplier evaluation system, standardize the Company management on the full life cycle of suppliers, and improve the quality of supplier resources.

The Group attaches remarkable importance to supply chain risk control and maintains comprehensive assessment and control of the environmental protection, safely production, social and governance risks of its suppliers through on-site inspection, telephone communication, Internet information, and review by third-party agencies, etc.

The growth of global copper smelting capacity has been much higher than the growth of copper concentrate capacity since 2024, due to the gradual release of new smelting capacity around the world. In the next few years, the global copper concentrate market will continue to face supply shortages, and the shortage of copper concentrate supply is expected to continue until around 2027. The tight supply of copper concentrate is being transmitted to the smelting end at a faster pace. In the next few years, competition among smelting companies in the same industry will intensify and procurement costs will continue to rise.

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3.2 KPIs

3.2.1 KPIs (Number of suppliers by region)

Year	Raw Material Sources Region	Region	Number of Suppliers
2025	Imported raw materials	Peru	20
		Chile	17
		Indonesia	7
		Canada	7
		Congo	6
		Mexico	4
		Armenia	3
		Saudi Arabia	3
		Australia	3
		Spain	2
		Taiwan	2
		Malaysia	2
		Laos	2
		Botswana	2
		Australia	2
		Turkey	1
		Morocco	1
		United States	1
		South Korea	1
		Kazakhstan	1
		Colombia	1
		Philippines	1
		Eritrea	1
		Brazil	1
		Oman	1
	Domestic mines	Within the province	9
		Jiangxi	1
		Sichuan	1
		Zhejiang	1
	Blister copper, anode plate	Within the province	1
		Jiangxi	4
		Hunan	1

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3.2.2 KPIs (Illustrate the management of the supplier, the number of suppliers to whom the practice is enforced, and the related implementation and monitoring methods)

The Group attaches great importance to the exploration of non-ferrous metal resources and purchases raw copper from qualified suppliers in accordance with the Group's criteria. When selecting the suppliers, we take into account the price, the stability and reputation of the goods and the environmental protection policies of the suppliers. Our commerce department evaluates the quality of the supplied goods and the operation of key links in the execution process every six months based on the supplier's supplying strength and ability to fulfill the contract, and submits the evaluation results to the relevant senior managements for approval, so as to ensure that the quality and price of the purchased raw materials meet the requirements. Meanwhile, process implementation was examined from time to time and offer suggestions for improvement.

During the Reporting Period, the Group included the key indicators of the quality of raw materials, i.e. the grade of copper, sulfur and impurity in its annual performance appraisal system, and improved and optimized the system based on the appraisal results.

3.2.3 KPIs (Illustrate the practices for identifying environmental and social risks in each link of the supply chain, and the related implementation and monitoring methods)

The Group assesses the impacts of its suppliers on the environment and society in their production or supply chain by maintaining contact with them, and continuously monitored them in collaboration with the relevant departments of the Group and made appropriate procurement recommendations to the senior management in a timely manner.

During the Reporting Period, the Group sorted out and examined the latest operations development and the credit risks of its suppliers in the supply chain such as abnormal changes in their industrial and commercial registration, major tax violations and defaults, dishonest person subject to enforcement etc., aiming to eliminate those with abnormal operating conditions and high credit risks in a timely manner.

3.2.4 KPIs (Illustrate the practices for encouraging the suppliers to use more eco-friendly products and services during the screening process, and the related implementation and monitoring methods)

During the Reporting Period, the Group's commerce department made its utmost efforts to encourage our suppliers to adopt more eco-friendly ways in providing mining services and helped them optimize their production processes by providing technical support to suppliers.

3.2.5 Green supply chain: During the reporting period, the Group adhered to the procurement policy of direct supply of copper concentrate to mines and direct supply of blister copper/anode plates to manufacturers, giving priority to green mines as partners, strictly controlling the impurity content of incoming raw materials, and resolutely preventing any adulteration or fraudulent practices by suppliers during the supply process, so as to reduce the impact on the environment pollution and impact on production.

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3.2.6 KPIs *(Illustrate the energy saving and emission reduction management requirements for suppliers, and monitoring of supplier gas emissions.)*

The Group attaches great importance to the selection of suppliers and strictly implements supplier admission procedures to carry out supplier admission review. Through on-site surveys, telephone communications, online information, third-party information verification, etc., it extensively collects the basic information and environmental safety of suppliers. Qualifications and other information, suppliers that do not meet national environmental protection requirements, have environmental protection and safety penalties, and have not made rectifications in place will not pass the review. At the same time, in the process of business development, we insist on dynamic assessment of supplier credit and environmental protection status, and forcibly cancel the qualification of qualified suppliers for suppliers that have been subject to national environmental protection and safety inspections and notified, and have not yet completed rectification.

During the reporting period, the Group sorted out and investigated the latest safety and environmental protection status of all suppliers in the supply chain, and promptly eliminated suppliers that did not meet national environmental protection requirements.

4. Product Responsibility

The Group complies strictly with relevant laws and regulations including 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 Metrology Law of the People's Republic of China (《中華人民共和國計量法》), etc. in its production process. All our products and labels have met the applicable national and industrial quality standards. Our products had a 100% success rate in various product quality sampling tests conducted by national, provincial and municipal government authorities. During the Reporting Period, no punishment was imposed on the Group due to violation of laws and regulations in relation to product quality and technical supervision.

- The Group has established comprehensive quality management systems, under which all the products must be thoroughly tested according to customer's requirements and relevant national standards before leaving the factory. Daye Metal has passed and obtained ISO9001 Quality Management System Certificate, ISO10012 Measurement Management System Certificate, ISO14001 Environmental Management System Certificate, ISO45001 Occupational Health and Safety Management System Certificate and ISO50001 Energy Management System Certificate. Daye Metal aims for zero defect in product quality by insisting on the quality policy of "first-class products, services in good faith, management excellence and market development".
- A strict product inspection system has been established to ensure high product quality in highly-effective production process. In addition to its established customer communication platform, Daye Metal also conducts annual customer satisfaction surveys, aiming to understand customers' opinions on the services of Daye Metal. Apart from regular technical seminars, Daye Metal also has a customer complaint mechanism. Containment actions will be taken within 24 hours upon receiving customer complaint to ensure that once a defective product is reported, the cause will be found out within seven days and preventive measures will be implemented, and the customer will be informed of follow-up measures on a timely basis, while internal review will be made and internal management will be improved.
- In order to foster a good quality management culture, Daye Metal promotes a quality-oriented philosophy among its employees, and carries out different quality assurance education and training for its management, technical staff and front-line operators, aiming to continuously improve their awareness of the importance of quality, the quality efficiency and legal compliance in quality through organizing the "Month of Quality" activities, targeted technical challenges and improvement in quality assurance methods.
- Daye Metal attaches great importance to the protection of customer privacy and undertakes to avoid disclosing customer information when signing contracts with customers to protect customer's privacy.

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4.1 KPIs:

A2.5 The total amount of packaging material used in the finished products (in tonnes) and, if applicable, the amount per unit of output.

The packaging materials used for the finished products are mainly steel belts, with a total consumption of 682 tonnes and 0.8-1 kg per tonne of production.

B6.1 The Group did not identify any cases of non-compliance of its products and services with the relevant health and safety legislation.

B6.2 According to the 2025 customer satisfaction survey, customer satisfaction with the Group is 99.5%.

B6.3 The Group is committed to complying with the national policies and laws and regulations pertaining to the protection of intellectual property rights. During the Reporting Period, the head office of the Group did not receive any reports on violations in the protection and safeguarding of intellectual property rights.

B6.4 The Group has established a product quality accountability management system, and conducts regular assessments of customer satisfaction, initiates quality accountability for complaints against the Company's major products (copper cathode, gold, silver and sulfuric acid), monitors the quality of production, operation and sales, formulates preventive measures and supervises their implementation.

B6.5 During the Reporting Period, the head office of the Group did not receive any complaints due to the leakage of customer information.

4.2 Application of Reporting Principles

The product responsibility of Daye Metal is identified according to the quality management system standard GB/T 19001-2016/ISO 9001:2015.

Total amount of packaging materials used in finished goods (in tonnes) and, if applicable, the amount per unit of output. The packaging material for finished goods are mainly steel belts, with a total consumption of 682 tonnes and 0.8-1 kg per tonne of production. The process of calculation is as follows: the total copper cathode production in 2025 is 718,993 tonnes (smelting plant: 309,617 tonnes, Yangxin Hongsheng: 409,376 tonnes) and the finished copper cathode products are packaged at 2.50 ± 0.05 tonnes/bundle, resulting in 287,597 bundles. The weight of the packaging material of the smelters is 2.2 kg/bundle, so the total weight of the packaging material will be $123,846 \text{ bundles} \times 2.2 \text{ kg/bundle} = 272,461 \text{ kg} = 272 \text{ tonnes}$, and the amount of packaging material per unit of production is $2.2 \text{ kg/bundle} \div 2.5 \text{ tonnes/bundle} = 0.88 \text{ kg/tonne}$. The weight of the packaging material of Yangxin Hongsheng is 2.5 kg/bundle, so the total weight of the packaging material will be $163,750 \text{ bundles} \times 2.5 \text{ kg/bundle} = 409,375 \text{ kg} = 409 \text{ tonnes}$, and the amount of packaging material per unit of production is $2.5 \text{ kg/bundle} \div 2.5 \text{ tonnes/bundle} = 1 \text{ kg/tonne}$.

4.3 Illustration

The Group's "Dajiang" brand copper cathode, "Dajiang" brand gold bullion and "Dajiang" brand silver have all been named as a Famous Brand Product of Hubei Province. Among them, "Dajiang" brand gold bullion and "Dajiang" brand silver have passed the qualification certification of the London Bullion Market Association (LBMA), and "Dajiang" brand Grade-A copper, which has been officially recognized by the international community for its quality, is a brand registered with the London Metal Exchange (LME) for delivery.

In 2025, copper cathode, sulfuric acid, gold bullion, silver and other products of the Group have been registered with domestic and foreign exchanges and have been inspected and confirmed by authoritative testing institutions at home and abroad. Their quality fully meets the standard requirements and reaches the international advanced level.

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5. Anti-corruption

The Group gives particular attention to improving the integrity and maintains its anti-corruption efforts in strict compliance with the relevant national laws and regulations of the PRC as well as basic rules and regulations of the Company, including the Supervision Law of the People's Republic of China 《中華人民共和國監察法》, upholding the general line of making progress while maintaining stability, closely following the theme of high-quality development, conscientiously performing its supervision duties, giving full play to the role of supervising and guarding implementation and promoting and improving development, thereby providing a strong guarantee for the green and high-quality development of the Group. During the Reporting Period, the Group did not incur any cases of corruption and other violations.

The Group remains committed to deepening the “comprehensive supervision” (大監督) framework, driving the integration and coordination of supervision mechanism. The Group has refined the coordination group for conduct, integrity and anti-corruption work under the leadership of the Supervision Committee, formulating the Rules for Coordinating Supervision Committee Meetings and Anti-Corruption Coordination Group Meetings 《監督委會議和反腐敗協調小組會議聯動規則》. This establishes a sound “comprehensive supervision” system integrating various supervision functions. This promotes a power operation mechanism characterized by scientific decision-making, resolute execution and robust supervision. The Group maintains regular meetings for both the Supervision Committee and the Conduct and Clean Governance Coordination Group. The Supervision Committee reviews and deploys work every six months, while the Coordination Group shall arrange implementation on a quarterly basis. Focusing on key areas, specialized supervision initiatives have been launched, including special governance on procurement contract execution, special operation to prevent and mitigate major risks and specialized supervision in the engineering sector. This has established an organizational operational mechanism where the Supervision Committee manages key priorities and the Conduct and Clean Governance Construction and Anti-Corruption Coordination Group ensures implementation, effectively preventing and mitigating various corruption risks.

The Group remains steadfast in deepening its warning education to fortify ideological defences, continuously reinforcing the principles of “being unable to be corrupt” and “not wanting to be corrupt”. Utilizing regularized warning education as a starting point, the Group has launched initiatives such as “Integrity Home Visits” (廉潔家訪進家門) and “Integrity Culture in the Workplace” (廉潔文化進單位), driving disciplinary education to take root in the minds and hearts of all. The Group has convened three rounds of warning education conferences, with organizations at all levels collectively delivering 320 grassroots warning education lectures, studied typical cases issued by higher authorities, and promoted warning education to factories, mines and grassroots units. Supervisory recommendations are issued to urge responsible and related units to stop up management loopholes and enhance governance effectiveness. Concurrently, it consolidates achievements in discipline education, integrating these with the Work Style Improvement Year campaign, including targeted rectification of improper dining practices, implementing measures to reduce burdens on grassroots units by tackling formalism, and continuously fostering a positive and upright ethos.

The Group remains committed to strengthening the development of its disciplinary inspection and supervision personnel. Centered on the initiative “Year of Standardization, Legalization and Formalization of Disciplinary Inspection and Supervision Work” (紀檢監察工作規範化法治化正規化建設年), the Group has comprehensively enhanced the professional capabilities of its disciplinary inspection team. It has deepened training for all personnel, organized study sessions and intensive learning seminars, strengthened self-supervision, reinforced daily management, and adhered to regulations, discipline and the law, conducting all work strictly within defined authority, rules and procedures.

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6. Community Investment

The Group attaches importance to the fulfillment of social responsibilities, and advocates the concepts of patriotism, integrity, law-abiding, innovation, amiability and responsibility to upgrade the employees' moral accomplishment. The Group actively participates in welfare, charity and public undertakings to contribute to the growth of enterprises and surrounding communities, and our employees' sense of social responsibilities has been continuously strengthened.

"Soul Care":

Traditional Chinese Medicine Support Brings Warmth to Employees of Daye Metal

On the afternoon of 15 April, a much-anticipated event, "Soul Care" – Winter Disease Cured in Summer: Free Traditional Chinese Medicine Consultations, commenced with great enthusiasm at the Company union's "Soul Care Station" (心靈護航加油站). The atmosphere at the event was highly charged, with attendance far exceeding expectations, demonstrating the keen interest in TCM health care.

Initially, the event was scheduled to offer medical consultations for just one afternoon. However, the enthusiastic response and active participation of employees on site led to overwhelming attendance. Faced with such fervent enthusiasm and pressing needs, the Company's union promptly made a thoughtful adjustment. Not only did they extend the event by four days, but they also specially arranged dedicated on-site consultation sessions for each secondary unit, ensuring every employee could benefit from this considerate care.

This event prioritized attentive care for employees' health, with consultations covering multiple aspects: on-site pulse diagnosis and inquiries, case study interpretation and consultation, lectures on traditional Chinese medicine health knowledge, acupuncture and physiotherapy for common diseases, cupping therapy, heat therapy, acupoint health care and kidney care. These offerings maximized the immersive experience for attendees.

To bring high-quality traditional Chinese medical services directly to employees, the Company has introduced dedicated on-site consultation sessions. Each time these sessions are held, they are warmly welcomed by the employees. Employees have unanimously expressed that such initiatives are highly practical, not only enabling them to access professional TCM consultations on their doorstep, but also enhancing their awareness of personal health.

The successful implementation of this free Traditional Chinese Medicine consultation initiative, "Soul Care", fully demonstrates the Company's profound commitment to the physical and mental health of its employees. Moving forward, the Company's union will continue to organize diverse employee welfare activities, thereby contributing to both the well-being of our workforce and the harmonious development of the Company.



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"Soul Care":

Traditional Chinese Medicine Wellness Programs Enter Enterprises, Trade Unions Show "Zero-Distance" Care

To further enhance employee health protection and provide follow-up services after health check-ups, thereby helping headquarters employees engage in work and daily life more energetically, the headquarters trade union specially invited Dr. Wang Zhongjun (王忠軍) and Dr. Yuan Yuan (袁媛), chief physicians from the Traditional Chinese Medicine Department of Huangshi Central Hospital (黃石市中心醫院中醫科), to conduct consultations on 29-30 October. They provided one-to-one pulse diagnosis and constitution assessment for over 50 employees. Addressing common issues such as neck and shoulder pain, poor sleep and fatigue, they tailored seasonal dietary therapy and medicinal cuisine plans. On-site, they provided hands-on guidance in locating acupoints, taught massage techniques, and demonstrated "desk-based micro-exercises". Participants unanimously praised the session as "packed with practical insights". The trade union turns this positive feedback into motivation, continuously launching health care initiatives and continuing to serve as the employees' dedicated "health steward".



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"Soul Care":

A Date with Youth • Destiny Beginning in Daye Metal Company's Trade Union Facilitating Young Employees' Romantic Pursuit of Love

On 12 April, the social gathering for young employees meticulously organized by the Company's trade union, "A Date with Youth • Destiny Beginning in Daye Metal", commenced sweetly. Over forty single young employees participated. Though strong winds necessitated a last-minute relocation from Huangshi's Yihu Campsite (一湖营地) to Yuehu Bay's Yishan Café (月湖灣壹山咖啡), the enthusiasm remained undiminished, with a romantic atmosphere filling the venue.

At the event venue, female guests from the East Hubei medical system and outstanding young employees from various departments of the Company accelerated mutual understanding through rotating group activities. A series of entertaining games swiftly bridged the gap between young employees. During the "Charades" session, participants paired up, conveying messages through vivid body language and seamless coordination, filling the space with continuous laughter. In the "Guess the Song" game, familiar melodies instantly transformed the young participants into walking encyclopedias of Chinese music (中華小曲庫), rushing to answer as musical resonance sparked lively exchanges. The dumpling-making session radiated warmth. Young employees gathered in circles, dividing tasks and collaborating, whether their movements were practiced or slightly clumsy, the atmosphere was filled with joy. Matchmakers from the Company's "Tong Xin Yuan" (同心緣) matchmaking studio provided timely assistance with ingredient distribution and conversation guidance. As participants shared dumpling-making techniques and funs from their lives, mutual understanding deepened and bonds quietly strengthened amidst the homely atmosphere. The talent show session fully displayed the young employees' versatility, elevating the event's atmosphere to its climax.

This event serves as a vivid illustration of the Company union's commitment to caring for employees' lives. The union consistently upholds a people-centered philosophy, focusing on staff needs by actively establishing social platforms to address matters of lifelong importance. Moving forward, the union will continue to organize diverse welfare initiatives, continually enhancing employees' sense of happiness and belonging, ensuring they tangibly experience the warmth of the corporate family.



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"Soul Care":

Trade Union's "Soul Care": Providing a Health Protection for Female Employees

To enhance female employees' awareness of self-care, empower them to care for themselves, manage household responsibilities with sound physical and mental health, set a healthy example for family members, and further improve family health index, on the afternoon of 28 February, the Company's trade union specially invited two experts: Dr. Ai Meihua (艾美華), chief physician at Huangshi Central Hospital (黃石市中心醫院), and Dr. Zhang Xiu (張秀), attending physician and senior nutritionist at Huangshi Central Hospital. They conducted the 2025 "Soul Care" - Health Knowledge Lecture for Female Employees in the union conference room on the fifth floor. The lecture centered on two critical themes, i.e. the prevention and treatment of cervical cancer and nutriology. Timed to coincide with the upcoming International Women's Day, it presented female employees with a thoughtful health-focused gift. Following the lecture, both experts engaged in a health consultation session with participating female employees at the "Soul Care Station" (心靈護航加油站) on the second floor of the union service center. Female employees seized this valuable opportunity to consult the experts. Addressing diverse queries, the experts provided professional and practical advices spanning common female health condition prevention and treatment, daily dietary and exercise habits, and the importance of regular health check-ups. The session proved immensely beneficial for all attendees.

This "Soul Care" - Health Knowledge Lecture for Female Employees represents another significant initiative by the trade union to care for its female employees. Through systematic science communication on the prevention and treatment of cervical cancer and nutriology, it not only provided practical health knowledge but also conveyed the union's care and support for female employees. Moving forward, the trade union will remain steadfast in its commitment to serving employees by organizing more diverse activities tailored to their needs. This will provide female employees with protection for their physical and mental wellbeing, enabling them to engage in work and daily life with more intense enthusiasm and robust health, and demonstrating the unique charm of female employees.



ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT 2025

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