



SD-GOLD

600547.SH  
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**2025** | Sustainability Report  
SHANDONG GOLD ECOLOGICAL MINING  
SHANDONG GOLD MINING CO., LTD.



## About this Report

This report is the second sustainability report released by Shandong Gold Mining Co., Ltd. (referred to as "Shandong Gold", "the Company" or "we" in this report). The Company has been disclosing its environmental, social, and governance (ESG) performance for 11 consecutive years.

### Report Perimeters

- ◎ The time span of this report is from January 1, 2025, to December 31, 2025. To maintain the continuity of information, some content has been retrospectively and prospectively extended. The information disclosed comes from internal data and publicly available information. Unless otherwise specified, all monetary values in this report are denominated in Renminbi.
- ◎ The scope of this report covers Shandong Gold Mining Co., Ltd. and its subsidiaries, consistent with the scope of the consolidated financial statements of the Company.
- ◎ This report is published in three versions: Simplified Chinese, Traditional Chinese, and English. In case of any ambiguities or discrepancies among the different versions, the Simplified Chinese version shall prevail.
- ◎ This report is published in electronic format and can be downloaded from the official website of Shandong Gold Mining Co., Ltd. at <http://www.sdhjgf.com.cn/>

### Report References

- ◎ This Report is prepared in accordance with the requirements of the "Environmental, Social and Governance Reporting Code" issued by The Stock Exchange of Hong Kong Limited, the "Guidelines No.14 of Shanghai Stock Exchange for Self-regulatory of Listed Companies-Sustainability Report (Trial)", and the "Guidelines for the ESG Indicator System for Shandong Listed Companies" issued by Shandong Provincial State-Owned Assets Supervision and Administration Commission, and with reference to the "Sustainability Reporting Standards (GRI Standards)" issued by the Global Reporting Initiative (GRI) and Sustainability Accounting Standards Board (SASB) the "Standard on Metals and Mining".

### Data Description

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

### Report Feedback

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## Chairman's Statement

Standing at the historical juncture of the upcoming "Fifteenth Five-Year Plan", 2025 is a pivotal year for Shandong Gold to bridge the past and the future, carrying forward and advancing its development. Facing the era's challenges of accelerated global resource integration, systematic technological innovation, and deep integration of ESG strategies, we have consistently embedded sustainability into our corporate DNA, interpreting our original intentions through responsibility and fulfilling our mission through action. We diligently cultivate the foundations of safety, the essence of green, the driving force of innovation, and human care, steadfastly honoring our solemn commitment to "Pursue Prosperity While Protecting Clear Waters and Lush Mountains."

### Safety as the Foundation, Fortifying the Lifeline of High-quality Development

We regard safety as the lifeline of corporate development, placing it above all else in strategic priority. We have built a comprehensive safety system covering life and health, production and operations, asset security, and brand reputation. In 2025, the Company's annual investment in production safety exceeded RMB 1.2 billion, advancing the "Mechanized Substitution of Manpower and Intelligent Unmanned Operation" initiative. Nine enterprises passed ISO 45001 system certification; for major risks such as underground mines water inrush, fire, and roof collapse, we carried out 824 special emergency drills. Our mine rescue team successfully passed provincial rescue qualification certification and achieved outstanding results in national skill competitions. We have deepened cooperation with the provincial occupational disease prevention institute to conduct research on occupational hazard prevention and control, strengthened dust and noise source management, and continued to reduce the number of occupational disease cases, safeguarding high-quality development with high-level safety management competence.

### Green as the Foundation, Painting a New Picture of Ecological Mining

We regard ecological protection as an inherent responsibility, fully integrating environmental requirements into the entire process of project planning, construction, and operation. In 2025, the Company's investment in environmental protection reached nearly RMB 300 million; 19 subsidiaries have passed ISO 14001 Environmental Management System (EMS) certification, 14 mines were rated as national green mine, 12 were rated as provincial green mine, and Gold Smelting Company was rated as national green factory. We continue to advance mine water treatment and upgrade dust removal systems; actively explore resource utilization paths such as waste rocks tailings underground filling and brick making, vigorously develop a circular economy, and seek a balance between resource development and ecological protection. Further extend the "Carbon Peak and Carbon Neutrality" management framework to each subsidiary, comprehensively implement the Carbon Peaking Action Plan, systematically optimize the energy structure, accelerate the green and low-carbon transformation of the industry, and achieve the unity of corporate value and social value while safeguarding clear waters and lush mountains.

### Innovation as Wings, Activating new Driving Forces for Mining Development.

We regard innovation as the primary engine for guiding development, promoting deep empowerment of the entire business chain through digitalization and intelligence. The Company has carried out 347 scientific research projects focusing on deep shaft construction, deep prospecting, efficient backfill, and other fields; 13 subsidiaries have been certified as "High-tech Enterprise". The "Key Technology for Intelligent Green Filling of Metal Mines " won the First Prize of the Provincial Science and Technology Progress Award and was listed among the "Top Ten Scientific Achievements" of provincial enterprises,

effectively solving the comprehensive utilization of tailings challenge. Relying on the academician workstation, we have advanced four key scientific research projects, deepened industry-university-research cooperation, and continuously enhanced our independent innovation capabilities. We drive smart mine construction with digital technology, successfully promoting 19 smart scenarios such as indoor drone inspection and intelligent fire assay testing; implemented 223 smart mine projects, achieving remarkable results in "Enhancing Safety and Improving Efficiency", reshaping the mining development paradigm with technology innovation, and building future-oriented competitive advantages.

### People as Orientation, Fostering Cohesion for Symbiosis and Shared Prosperity

We adhere to the employee relations development philosophy, respect employees' central role, invested over RMB 55.5 million annually in occupational training covering more than 37,000 participants, improved multi-channel career development mechanisms, and helped employees grow together with the Company. Upholding the original aspiration of "Symbiosis and Shared Prosperity," we follow the FPIC principles and maintain friendly communication with communities; proportion of local employees was 81.37% domestically and 93% at overseas Cardinal Resources Company, effectively boosting local employment. We invested RMB 2.18 million in rural revitalization throughout the year to support rural development through industry, consumption, and education assistance; each subsidiaries formed specialized volunteer service teams to convey the "Warmth of Shandong Gold" in areas such as community service, elderly care, and assistance for the disabled. We take outstanding culture as our foundation, inherit the red gene, and promote patriotic sentiment through serving the society and benefiting people's livelihoods, injecting strong spiritual impetus into the Company's sustainable development.

Looking back at 2025, Shandong Gold gathered strength in facing challenges and moved forward with confidence in seizing opportunities. This year, we fortified our defenses with safety as the foundation, reshaped processes with innovation as the driving force, optimized operations with green standards, and united hearts with responsibility as the bond, forming the deep resilience that enables us to weather cycles and ensure everlasting prosperity. Looking forward, we will demonstrate our commitment through safe development, pursue excellence in green transformation, stand boldly at the forefront in Technology Innovation, convey warmth in benefiting people's livelihoods, create value for shareholders, contribute well-being to society, accumulate momentum for the future, and strive to compose a new chapter in the sustainable development of Shandong Gold!



Chairman of Shandong Gold Mining Co., Ltd.  
March 26, 2026

## Board's Statement on ESG Governance

### Board's Role in ESG Governance

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

Under the Board, the Sustainability Committee is responsible for formulating strategic plans related to sustainability, overseeing commitments and performance on key ESG issues, reporting to the Board, and promoting the integration of ESG concepts into the Company's strategies.

### ESG Management Strategies and Policies

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

### ESG Targets, Indicators and Review of Progresses

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

This report provides a detailed disclosure of the progress and achievements of Shandong Gold's ESG work in 2025, and was reviewed and approved by the ninth meeting of the seventh session of the Board of Directors on March 26, 2026. The Board of Directors and all directors guarantee that the contents of this report do not contain any false records, misleading statements, or significant omissions, and take individual and joint responsibility for the truthfulness, accuracy, and completeness of its contents.



## About Us

### Company Profile

Shandong Gold Mining Co., Ltd. is a listed company controlled by Shandong Gold Group Co., Ltd. Established in 2000, Shandong Gold was listed on the main board of the Shanghai Stock Exchange in 2003 (600547.SH), and on the main board of the Hong Kong Stock Exchange in 2018 (1787.HK). It also holds shares in Shanjin International Gold Co., Ltd., which is listed on the main board of the Shenzhen Stock Exchange (000975.SZ), achieving a layout in capital markets in Shanghai, Hong Kong, and Shenzhen. The Company aims to maximize enterprise value and protect the legitimate rights and interests of shareholders and has been repeatedly selected as a constituent stock of the SSE 50, SSE 180, CSI 300 indices, and three major international indices: MSCI, FTSE Russell, and S&P Dow Jones. The Company has received numerous honors, including the "Investors' Most Respected Public Companies", "Best Practices in Corporate Governance", "Best Practices in Investor Relations Management for listed companies", and "Best Practices in ESG for listed companies."

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

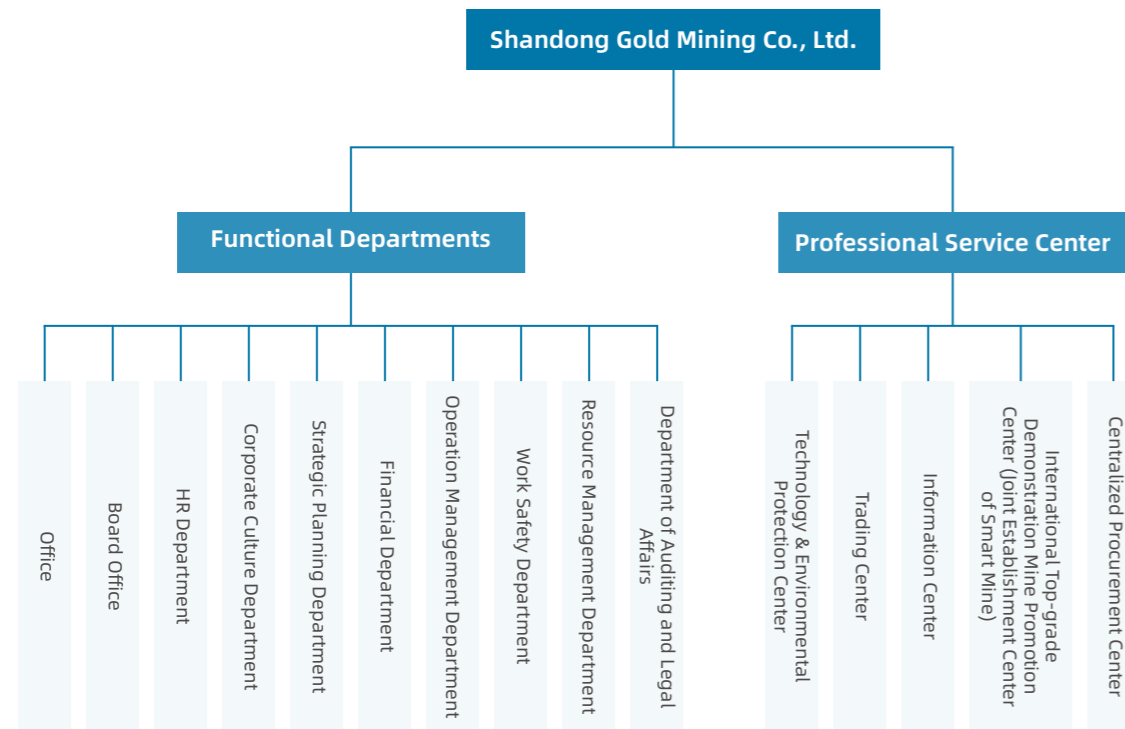
The Company is the only enterprise in China that operates four mines with a total gold output exceeding 100 tons. Its subsidiary, Shanjin International Gold Co., Ltd., owns five mining companies that produce non-ferrous metals such as gold, silver, lead, and zinc, creating complementary advantages and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

The Company closely focuses on the development concepts of "Safe Shandong Gold, Ecological Shandong Gold, Vibrant Shandong Gold, and Humanistic Shandong Gold", with an emphasis on mastering cutting-edge core technologies in the mining industry, increasing investment in technological research and development, and using Technology Innovation to lead development; committed to building a safe green mine, continuously consolidating green mine construction achievements, and establishing the brand image of "Shandong Gold, Ecological Mining"; caring for employees, dedicated to building harmonious communities, actively assuming social responsibilities, enthusiastically participating in public welfare undertakings, serving and influencing society through concrete actions, and achieving a win-win situation in economic, environmental, and social benefits.

Looking forward, the Company will take promoting high-quality development as its theme, reform and innovation as its driving force, and generate more outstanding operating performance for shareholders.

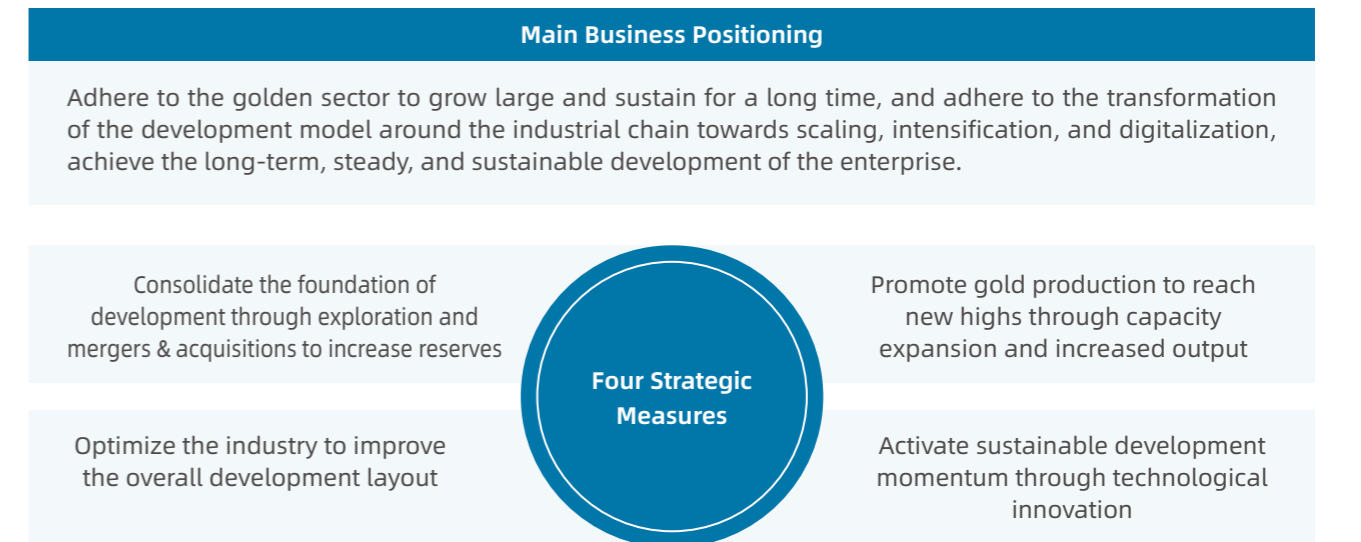


## Organizational Structure

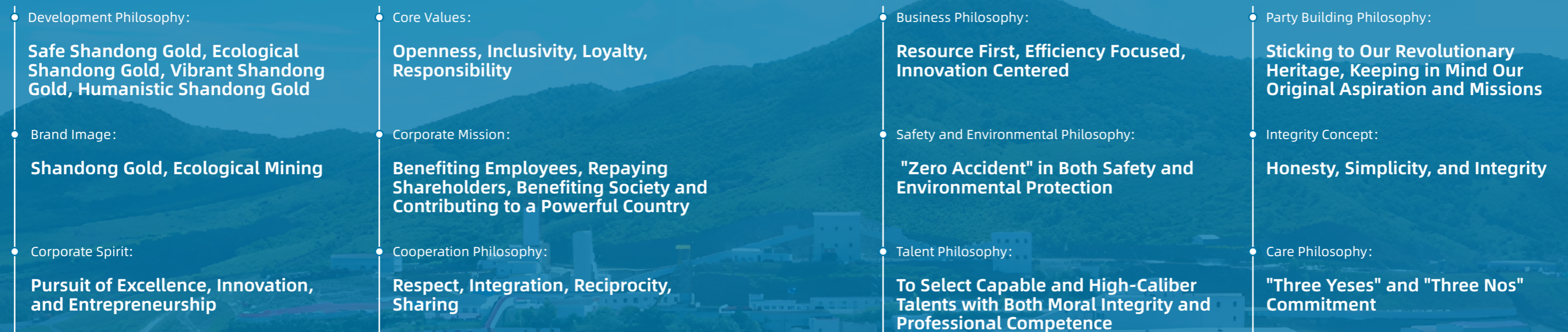


## Development Strategy

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



## Corporate Culture



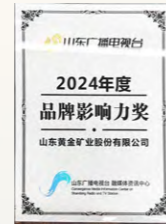
## Honor Recognition



The 13th Financial Sector "Golden Intelligence Award"—Outstanding ESG Information Disclosure Model Award

2025.1

China Finance Online Co. Limited



2024 Brand Influence Award

2025.1

Shandong Radio and Television Station



2025 Best Practice Case for Sustainable Development of Listed Companies

2025.11

China Association for Public Companies



2025 Best Practice Case for the Board of Directors of Listed Companies

2025.11

China Association for Public Companies



Best Practices in Investor Relations Management for Listed Companies

2025.5

China Association for Public Companies



Investor Relations Management Tianma Award

2025.6

Securities Times



Best Practices for Listed Company Board Office in 2025

2025.12

China Association for Public Companies



The "Shanghai Stock Exchange Eagle Golden Quality" – Corporate Governance Award

2025.12

Shanghai Securities News



2025 China Listed Company Yinghua Award A-share Investor Relations Demonstration Case

2025.9

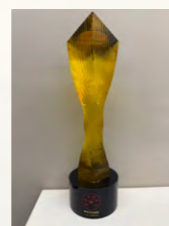
China Fund



The "Golden Kungpeng" China Financial Value List

2025.9

Hong Kong Commercial Daily, Global Commercial Newspapers Union



The 19th Golden Round Table Award for the Board of Directors of Chinese Listed Companies – Special Contribution Award for Corporate Governance

2025.9

The "Board Magazine"



Best Practices for Listed Company 2024 Annual Report earnings presentation

2025.12

China Association for Public Companies



19th Listed Company Value Selection – Top 100 Main Board Listed Companies by Value

2025.12

Securities Times

# ESG Strategy and Management

## ESG Management

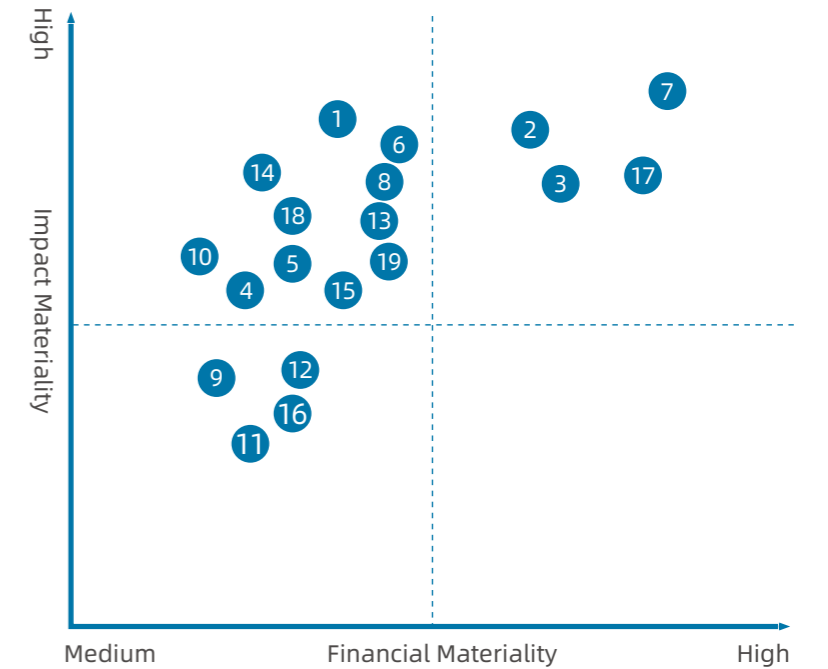
Shandong Gold has established and continuously optimized its ESG management framework to comprehensively guide and promote all functional departments and subsidiaries to continuously enhance their sustainable development management capabilities. The Company is committed to deeply integrating the ESG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

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

Decision-making Level: Sustainability Committee of the Board	<ul style="list-style-type: none"> <li>• Research and formulate the Company's sustainable development and ESG management strategies, medium- to long-term plans, and annual goals</li> <li>• Regularly review the implementation of the Company's sustainability goals, evaluate the effectiveness of strategic plan implementation, and analyze the progress of key indicators</li> <li>• Assess the risks and opportunities the Company faces in sustainability, guide the senior management in developing risk response strategies, and supervise the implementation of prevention and control measures</li> </ul>
Implementation Level: Functional Departments and Subsidiaries	<ul style="list-style-type: none"> <li>• Promote and implement the Company's ESG strategies</li> <li>• Implement the work arrangements of the Board of Directors and Sustainability Committee</li> <li>• Collect, organize and submit the ESG performance of each unit</li> <li>• Discuss the implementation of the Company's sustainability strategy and key issues</li> </ul>

## Materiality Analysis

In 2025, the Company conducted an analysis of financial materiality and impact materiality for sustainability issues, identifying four issues with dual materiality (both financial and impact materiality): occupational health and safety, response to climate change, waste management and circular economy, and compliance and risk management.



### Environmental

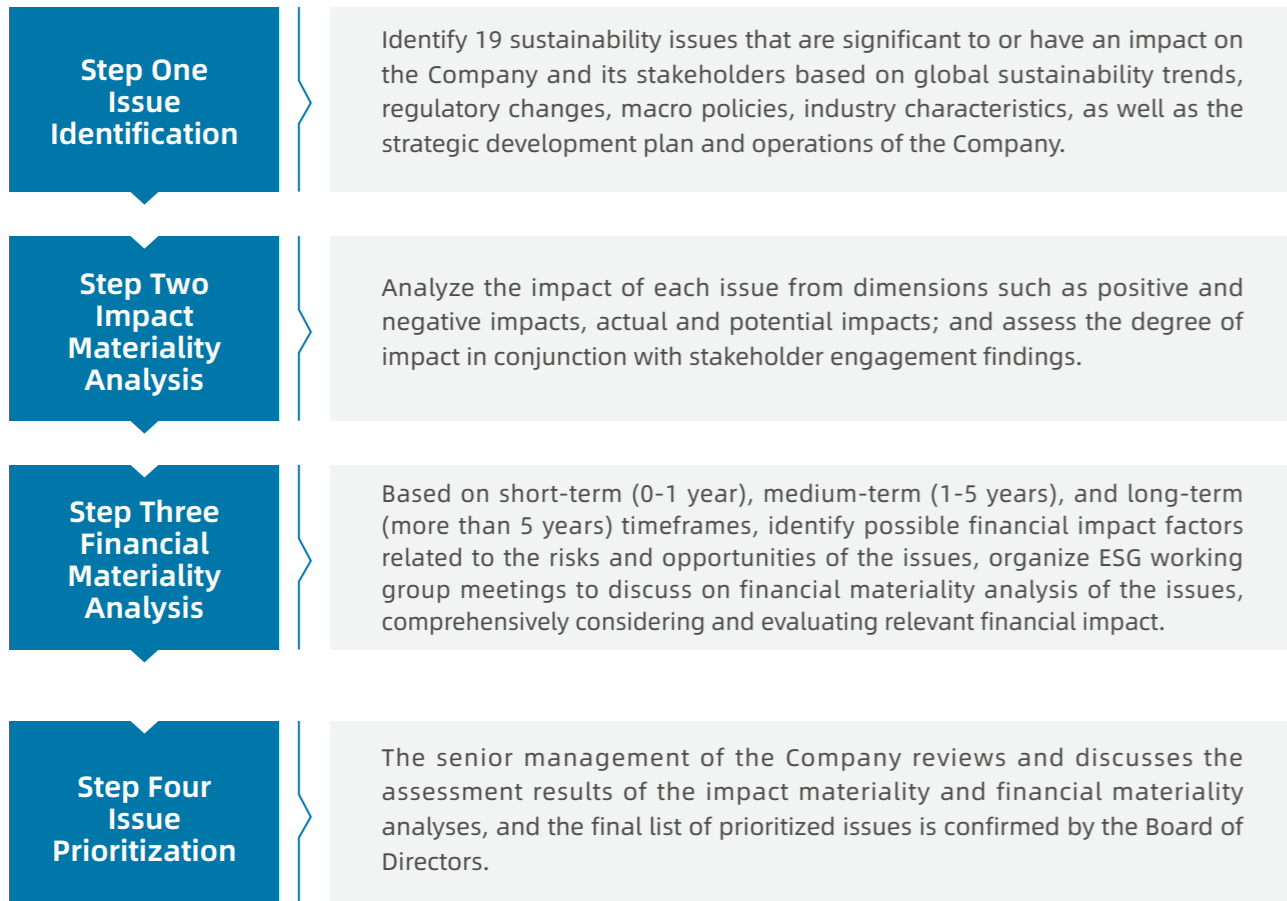
1	Environmental Protection Management
2	Response to Climate Change
3	Waste Management and Circular Economy
4	Ecological Operational Efficiency
5	Biodiversity Management
6	Tailings Management

### Social

7	Occupational Health and Safety
8	Product Responsibility
9	Respect for Human Rights
10	Employee Rights
11	Security Management
12	Rural Revitalization and Community Welfare
13	Community Relations and Development

### Governance

14	Corporate Governance
15	ESG Management
16	Digitalization and Informatization
17	Compliance and Risk Management
18	Supplier Management
19	Technological Innovation



## Stakeholder Engagement and Due Diligence

Shandong Gold incorporates stakeholder engagement into key aspects of ESG governance and establishes a regular dialogue mechanism. The Company, based on actual business circumstances, accurately identifies key groups such as government and regulatory agencies, shareholders and investors, employees, value chain partners, and communities, and conducts due diligence through questionnaires, surveys, and interviews. By collecting the substantive concerns of various stakeholders regarding the Environmental, Social and Governance (ESG) issue, feedback is transformed into management improvement measures to ensure that the ESG strategy precisely addresses the demands of all parties and achieves co-creation of sustainable value.

Stakeholders	Key Communication Topics	Communication Channels
 Government and Regulatory Authorities	ESG Management Compliance and Risk Management Environmental Protection Management Biodiversity Management Ecological Operational Efficiency Production safety	Daily Communication and Reports Project Approval Government Supervision Statistical Reports
 Shareholders and Investors	Corporate Governance Response to Climate Change Compliance and Risk Management Waste Management and Circular Economy	Annual Reports and other Statutory Information Disclosure Performance Briefing Investor Communication Meetings Website, Hotline, Research, Roadshow, etc.
 Employees	Employee Rights Respect for Human Rights Production Safety Occupational Health Protection Security Management	Trade Union Organizations and Employee Assemblies Field Research Regular Training Corporate Cultural Activities
 Value Chain Partners	Supplier Management Product Responsibility Digitalization and Informatization	Daily Business Communication Regular Visits Strategic Cooperation Negotiations Questionnaire Survey Official Website and WeChat Interactions
 Community	Community Relations Rural Revitalization and Community Welfare Environmental Protection Management Tailings Facility Management	Public Welfare and Charity Activities Community Communication Activities Response to External Surveys

# 01 Optimizing Corporate Governance

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- Percentage of female directors **22.2%**
- Anti-corruption training **1,920** times, anti-corruption training coverage rate **100%**

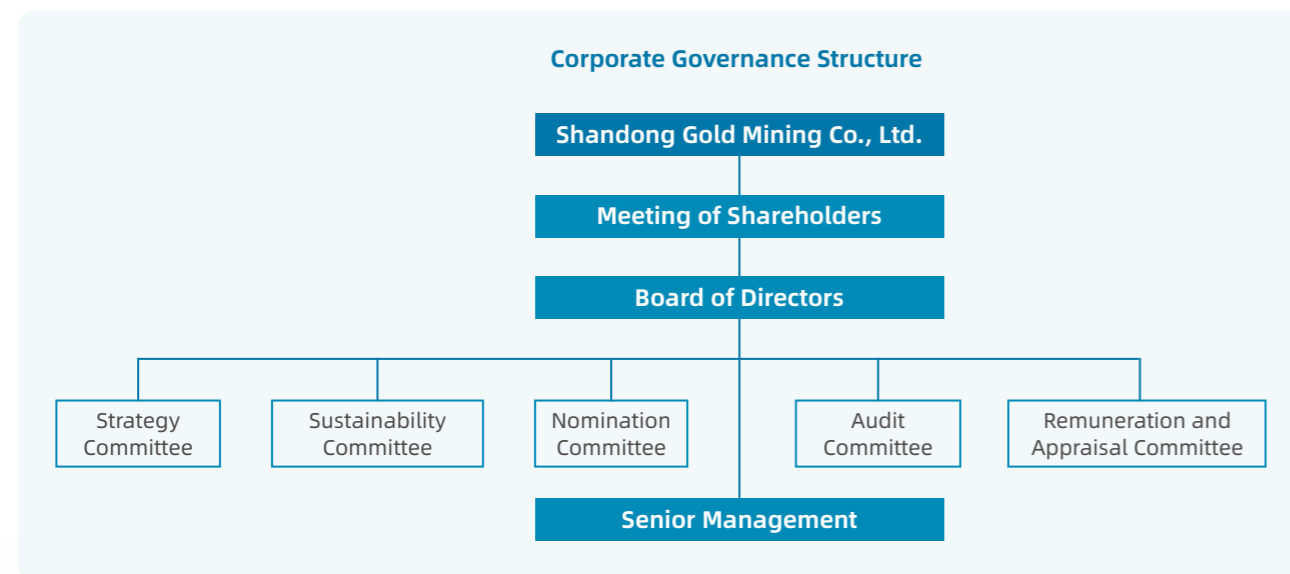


# Corporate Governance

## Corporate Governance Structure

Shandong Gold strictly abides by the "Company Law of the People's Republic of China", the "Securities Law of the People's Republic of China", and various regulatory rules established by the Shanghai Stock Exchange and the Hong Kong Stock Exchange, focusing on building a governance structure with clearly defined and transparent authorities and responsibilities, coordinated operation, and effective checks and balances. The Company's Meeting of Shareholders, Board of Directors, and Senior Management each perform their respective duties, with clear authority and smooth operations. In accordance with laws, regulations, and regulatory rules of the listing locations, the Company has established governance systems such as the Articles of Association to provide institutional guarantees for standardized operations. The Company continuously monitors and studies the latest regulatory rules both domestically and internationally, promptly revising relevant systems to maintain compliance with corporate governance policies.

In 2025, to meet regulatory requirements for listed companies and further improve corporate governance, the Company abolished the Supervisory Committee and supervisor positions, with the related supervisory powers of the Supervisory Committee being assumed by the Audit Committee of the Board.



### Meeting of Shareholders

The Meeting of Shareholders is the Company's authority body, exercising its powers in accordance with the law. The Company convenes and holds Meetings of Shareholders in compliance with laws and regulations, ensuring all shareholders enjoy equal rights. In 2025, the Company held eight Shareholders Meetings, including one annual general meeting, five extraordinary meetings, and two class meetings.

### Board of Directors and its Special Committees

The Board of Directors is the Company's decision-making body, playing a key role in corporate governance and accountable to Meeting of Shareholders. The Board has five specialized committees, namely the Strategy Committee, Sustainability Committee, Nomination Committee, Audit Committee and Remuneration and Appraisal Committee. In 2025, the Company held 12 Board meetings, with an overall attendance rate of 100% by directors.

### Senior Management

The Company's Senior Management includes all senior management personnel. They are appointed or dismissed by the Board of Directors, and report to the Board of Directors. The General Manager of the Company is responsible for overall production and operation management, reporting to and accepting the supervision and inspection of the Board of Directors.

## Board Development

The Company's Board of Directors, in compliance with relevant laws, regulations, and the Company's Articles of Association, continuously strengthens board development, implements board powers, and promotes standardized board operations. Directors are elected or replaced by the Meeting of Shareholders, with a term of three years, and may be re-elected upon expiration. In 2025, the Company held the Employee Representative Congress, during which a workers' representative was nominated and approved, adding a new employee director to the Board.

In 2025, the Company's Board of Directors performed its duties in accordance with the law and operated in a standardized manner, making decisions concerning corporate governance and major issues; completed the Board's term renewal and the appointment of senior management personnel; revised the Company's Articles of Association to continuously improve corporate governance-related systems; established the Sustainability Committee to further enhance the ESG governance mechanism at the Board level.

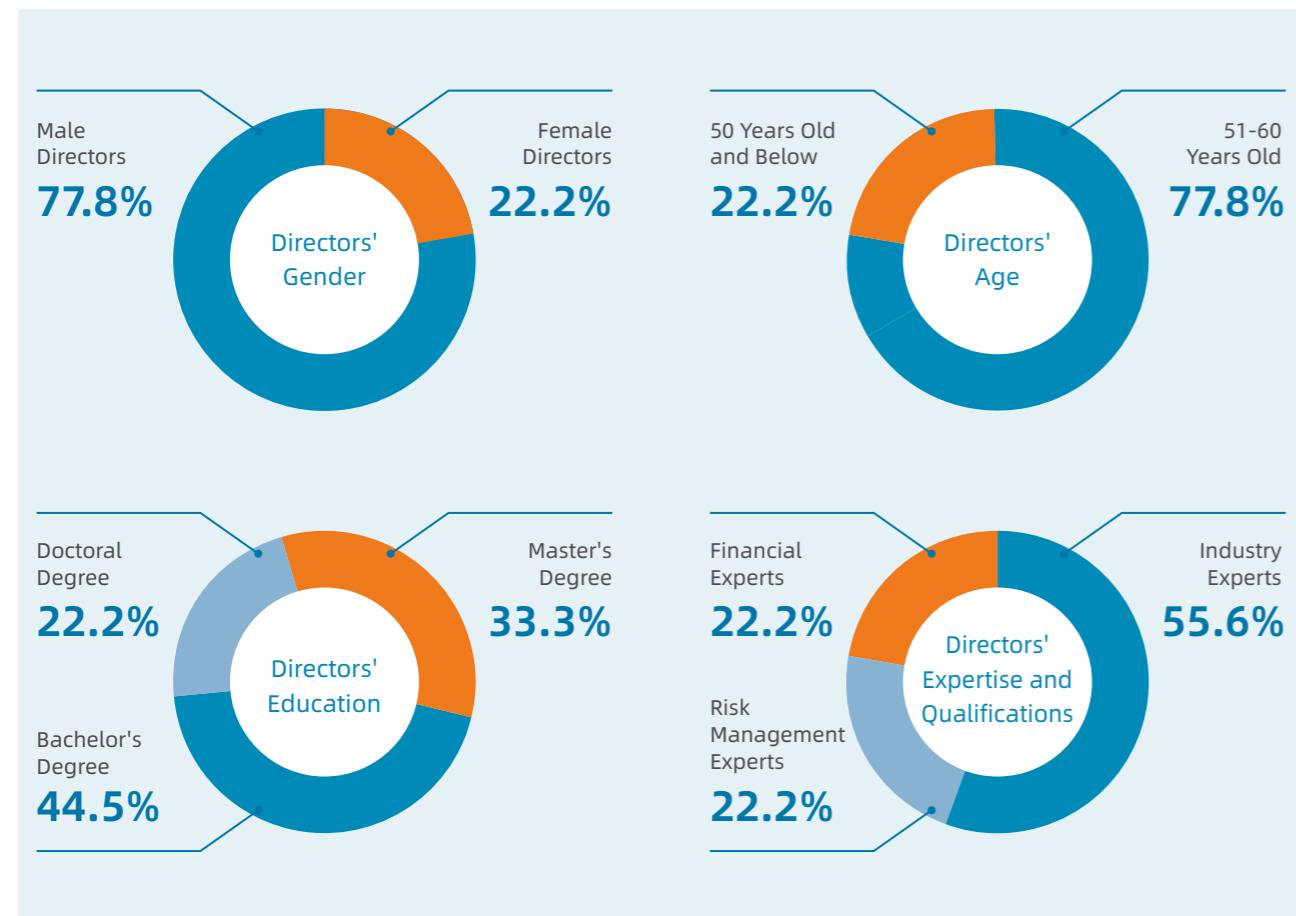
### Independence of the Board

The Company strictly selects independent directors in accordance with the election procedures and qualifications stipulated in the Independent Non-Executive Director Working System. Candidates for independent directors may be nominated by the Board of Directors or by shareholders holding more than 1% of the Company's issued shares, and elected through the Meeting of Shareholders. The Board of Directors must have at least one-third independent directors, including at least one accounting professional. Independent directors shall not hold any other positions in the Company except the position of director. Independent directors may concurrently serve as independent directors in no more than three domestic listed companies, ensuring they have sufficient time and energy to perform their duties effectively. As of the date of this report, the Company's Board of Directors has three independent directors, accounting for 33.3%.

The Company has formulated the Rules for Special Meetings of Independent Directors, which stipulate that special meetings of independent directors should be held periodically or occasionally as circumstances require, with the regular meeting to be held once a year. The special meeting of independent directors discusses and votes on specific matters and the exercise of special powers, further improving corporate governance and protecting shareholders' interests.

### Board Diversity

The Company has established the Board Member Diversity Policy, which stipulates that the nomination and appointment of Board members should be based on the skills and experience necessary for the sound operation of the Board as a whole, while fully considering the objectives and requirements of Board member diversity. The Company's considerations regarding Board member diversity include, but are not limited to, gender, race, language, cultural background, educational background, industry experience, and professional experience. The current members of the Company's Board come from diverse fields and have extensive work experience. Their professional expertise covers mining, corporate management, economics and finance, auditing, and law, ensuring the Board's decisions are comprehensive, professional, and scientific. As of the date of this report, the Company has two female directors, accounting for 22.2%, and the Nomination Committee includes a female director.



### Board Committees

To effectively fulfill the functions of the Board and improve decision-making quality, the Company's Board has established five special committees, including the Strategy Committee, Nomination Committee, Audit Committee, Remuneration and Appraisal Committee, and Sustainability Committee. All members of each specialized committee are company directors, who perform their duties in strict accordance with the Articles of Association.

Committee	Responsibilities	Activities During the Year
Strategy Committee	Provide suggestions on the Company's long-term development strategy, major investment and financing plans, capital operations and asset management projects, and other significant matters affecting the Company's development.	The committee is composed of five directors, including two independent directors. In 2025, the committee held a total of four meetings.
Nomination Committee	Formulate selection criteria and procedures for directors and senior executives. Select and review candidates for directors and senior management positions and their qualifications.	The committee is composed of five directors, including two independent directors. In 2025, the committee held a total of two meetings.
Audit Committee	Exercise the responsibilities of the Board of Supervisors as stipulated in the "Company Law of the People's Republic of China". Review the Company's financial information and its disclosure, supervise and evaluate internal and external audits as well as internal control work.	The committee is composed of five directors, including three independent directors. In 2025, the committee held a total of nine meetings.
Remuneration and Appraisal Committee	Formulate assessment criteria for directors and senior management, and conduct evaluations. Develop and review policies and plans for directors and senior management regarding the remuneration decision-making mechanism, decision-making process, payment and clawback arrangements, and other related matters.	The committee is composed of five directors, including three independent directors. In 2025, the committee held a total of three meetings.
Sustainability Committee	Research and formulate the Company's sustainable development and ESG management strategy, medium-to-long-term plans, and annual targets. Research and provide recommendations on relevant policies in the field of corporate sustainability to ensure alignment with national strategies and international standards.	The committee is composed of five directors, including two independent directors. In 2025, the committee held a total of one meeting.

### Executive Remuneration

The Company, in compliance with the "Code of Corporate Governance for Listed Companies" and other laws, regulations, and regulatory requirements, formulates the remuneration system for senior management personnel. The Company's executive remuneration plan is formulated by the Remuneration and Appraisal Committee, approved by the Board of Directors, and reported to the Meeting of Shareholders. The executive compensation structure consists of fixed remuneration and variable remuneration, with the variable remuneration being deferred and linked to the results of the annual performance evaluation.

## Conflict of Interest

The Company recognizes that stakeholders such as Board members, Senior Management, employees, shareholders, and customers may have potential conflicts of interest. To ensure the healthy development of the Company and safeguard the legitimate rights and interests of all parties, the Company requires relevant personnel to uphold the principle of integrity, promptly identify and avoid conflicts of interest, remain fair and objective, and prevent exceeding authority and seeking personal gain. The Board of Directors Audit Committee, in accordance with the Articles of Association, undertakes supervisory and inspection duties, supervises the Company's directors and senior executives, and promptly corrects actions that harm the interests of the Company.

## Tax Compliance

The Company strictly abides by national tax-related laws, regulations, and administrative rules, establishes and improves internal tax management rules and operating procedures, adheres to the principle of honest taxation, and fulfills its tax obligations. The Company will continue to improve its tax management system to ensure that all tax-related work is carried out legally and in an orderly manner.

## Investor Relations and Information Disclosure

The Company strictly performs its information disclosure obligations in all listing locations in accordance with laws and regulations, formulates the Shandong Gold Information Disclosure Management Measures, adopts an investor-oriented approach, continuously optimizes disclosure content and methods, and constantly improves the effectiveness of information disclosure. In 2025, relying on solid and comprehensive information disclosure work, the Company won the Shanghai Stock Exchange's annual Information Disclosure Work Evaluation Result of Grade A (the highest grade) for the eighth consecutive year.

The Company attaches great importance to investor relations management, has formulated the Shandong Gold Investor Relations Management System, and continuously strengthens communication with investors and potential investors to enhance their understanding and recognition of the Company, thereby promoting steady improvement in corporate governance and enterprise value. Through organizing investment exchange activities, holding earnings presentations, and online investor interactions, the Company effectively conveys its value and enhances market recognition. In 2025, Shandong Gold was included by the China Listed Company Association in the Best Practice Cases of Investor Relations Management for Chinese Listed Companies and the Compilation of Best Practice Cases of Sustainable Development for Listed Companies.



## Compliance Management

### Governance

The Company clearly defines the specific responsibilities of the Board of Directors, Senior Management, and Compliance Management Committee in compliance management, strengthening the compliance baseline in all aspects, and promoting coordinated development between the enterprise and society through standardized operations.

<b>Board of Directors</b>	Approve compliance systems, plans, and reports; decide on major matters; promote system development and evaluate effectiveness; determine departmental structures and responsibilities; authorize work and hear reports; and perform other statutory duties.
<b>Senior Management</b>	Formulate basic compliance management systems and system development plans; approve annual plans; organize the development of specific regulations; respond to major compliance risk incidents; guide and supervise the compliance management work of all departments and subsidiaries; and perform other compliance duties stipulated by laws, regulations, and the Company charter.
<b>Compliance Management Committee</b>	Promote the construction of the compliance system and supervise departmental performance of duties; review major compliance matters; coordinate operations and hear reports; propose major risk response plans; guide and supervise subsidiaries' management; and oversee the development of compliance culture and information systems.

The Company has established a "Three Lines of Defense" compliance management model, defining business functional departments as the first line of defense, the Department of Auditing and Legal Affairs as the second line of defense, and the discipline inspection committee's internal body as the third line of defense, thereby reinforcing compliance responsibilities at every level.

Business Functional Departments (First Line of Defense)	Department of Auditing and Legal Affairs (Second Line of Defense)	Internal Discipline Inspection Commission Units (Third Line of Defense)
Lead and take responsibility for compliance reviews, risk identification and assessment, and legal publicity within their scope; ensure compliance for departmental requests or review opinions according to authority.	Responsible for establishing compliance management systems and drafting documents; conduct compliance reviews of regulations, economic contracts, and major decisions; organize compliance risk identification, early warning, and response handling; set up reporting channels and handle violation reports in accordance with authority; assist business departments in conducting compliance training and consultation; promote the informatization of compliance management.	Supervise the implementation of compliance requirements within the scope of authority and carry out accountability in accordance with regulations.



The Company has established compliance management systems such as the Compliance Management Measures, the Compliance Review Measures for Major Business Decisions, and the Compliance Risk Identification, Assessment, Monitoring, and Control Measures in accordance with relevant laws and regulations. To proactively respond to the increasingly complex legal, regulatory, and supervisory environment, in 2025, the Company issued the Antitrust Compliance Guidelines for Business Concentration, the Data Security Compliance Guidelines, the Anti-Corruption Anti-Commercial Bribery Compliance Guidelines, and the Ecological Environment Compliance Management Guidelines; formulated the Compliance Risk List to systematically sort out the Company's compliance risks; and revised the Shandong Gold Integrity and Compliance Handbook to further precisely transmit compliance responsibilities to each position and every employee, laying a solid foundation for the Company's compliance management and control.

## Strategy

The Company has established a compliance risk identification and assessment mechanism and conducts comprehensive and systematic risk identification and assessment work every year. For the identified compliance risks, the Company formulates and implements countermeasures to continuously improve the compliance of its operations.

Risk Description	Countermeasures
Company information disclosure has violated laws, regulations, or regulatory requirements in terms of event disclosure, completeness, and accuracy of disclosures, triggering risks such as administrative penalties and compulsory delisting.	Define disclosure standards, review procedures, and responsible parties for different types of information, and establish a multi-level review mechanism for information disclosure to ensure that disclosure content is truthful, accurate, and complete. Establish a major event early warning and disclosure mechanism to promptly assess significant events that may affect stock prices and disclose them in a timely manner when necessary.
Due to insufficient contract review before signing, failing to identify clauses that do not comply with regulatory requirements, the contract became legally invalid, causing losses to the Company.	Improve the legal compliance review process for contracts, requiring that contracts involving significant interests must be reviewed by the legal department or external lawyers.  Develop a standardized contract template library for high-frequency trading business types, drafting standardized contract templates that have undergone compliance review in advance to reduce legal risks arising from individual negotiations.
When handling disputes, failure to establish or implement standardized response procedures led to escalation of disputes, resulting in damage to the Company's reputation and interests.	Improve the legal dispute case management system by clarifying division of responsibilities and handling procedures to ensure timely and appropriate intervention to control the situation.  Establish a dispute resolution review and improvement system, organize relevant departments to conduct review and analysis, summarize lessons learned, and form a closed-loop improvement mechanism.

## Risk Management

The Company has established a compliance risk assessment and identification mechanism, conducting regular and ad-hoc compliance risk identification and evaluation to systematically and thoroughly identify the Company's compliance risks. Compliance risk identification is carried out focusing on aspects such as internal and external environments, compliance obligations, and risk distribution. Based on the likelihood of occurrence, impact level, and control exposure of identified compliance risks, the Company classifies the risks, establishes and updates a compliance risk register, and effectively prevents compliance risks.

On the basis of compliance risk identification and evaluation, the Company defines key areas and critical links of compliance management, determines responsible parties according to the principles of "Those Who Manage are Responsible" and "Those Who Cause are Responsible", and handles matters in accordance with compliance risk levels and internal regulations. Compliance risk management measures include rectifying illegal or non-compliant behavior, providing additional guarantees, signing supplementary agreements, applying for property preservation, and initiating arbitration or litigation.

The Company actively promotes the development and operational effectiveness improvement of the subsidiaries' compliance management system. In 2025, the Company conducted a systematic evaluation of the subsidiaries' compliance system construction. Regarding the construction of the subsidiaries compliance system, the Company provides tailored feedback reports for the subsidiaries and urges them to implement optimization within a set timeframe, effectively enhancing the subsidiaries' compliance management level.

The Company attaches great importance to the cultivation of a compliance culture and is committed to establishing an environment where everyone abides by the law. In daily operations, the Company conducts regular compliance training for managers through formats such as law lecture classes and the Legal Observation Monthly newsletter; it makes compliance management a required training subject for management, key positions, and new employees, and actively carries out legal training for Board members to strengthen their compliance awareness. In 2025, the Company compiled and published 16 sessions of the Legal Journal Rule of Law Observation, organized 12 sessions of "Shandong Gold Legal Classroom", and hosted special events such as Constitution Promotion Week and law popularization education. In addition, the Company conducted an annual special training on legal compliance, covering topics such as the "Company Law of the People's Republic of China" and the "Labor Law of the People's Republic of China", effectively fostering a culture of compliance among all employees.

## Metrics and Targets

The Company continued to establish compliance incident screening throughout the entire business process, forming a closed-loop control. In 2025, the Company did not experience any major administrative penalties or litigation incidents in key compliance areas such as anti-corruption, environmental protection, product quality, and employee rights.

## Risk Management

The Company adheres to the principle of "Tiered Management and Categorized Responsibility," building a comprehensive risk management organizational structure combining head office and subsidiaries. The Department of Auditing and Legal Affairs is responsible for the daily work of comprehensive risk management, reporting to and being accountable to the management team; each subsidiary's risk management functional department acts as the lead department for its unit, coordinating functional business departments to carry out risk management work collaboratively.

The Company strictly complies with relevant laws and regulations, formulating the Comprehensive Risk Management Measures to standardize and guide comprehensive risk management in processes such as information collection, risk assessment, risk response, supervision and improvement, and risk reporting. In 2025, each subsidiary, based on the unified framework of the Comprehensive Risk Management Measures and in conjunction with their own business domains, operational scale, and risk characteristics, made differentiated revisions to their own Comprehensive Risk Management Measures to standardize comprehensive risk management work, strengthening the Company's overall risk control synergy.

The Company follows a risk management closed-loop model with "Risk Assessment, Risk Control, and Supervision and Improvement" as the core, establishing and improving the risk assessment system and building a major risk assessment and monitoring mechanism that includes early-year forecasting and quarterly monitoring. In 2025, the Company actively carried out comprehensive risk assessments, focusing on the annual business management objectives to systematically identify risks in strategic, investment, production, operations, finance, legal, financial, safety, and environmental domains, thoroughly investigating potential risk hazards, and combining qualitative and quantitative analysis methods to comprehensively assess identified risks, analyze and determine annual major and significant risks, thereby enhancing risk forecasting capabilities.

In 2025, the Company's risk management mechanism operates effectively, with major and significant risks under effective control.

## Internal Audit

Shandong Gold regularly conducts economic responsibility audits, special audits, project management audits, and high-risk business audits, incorporating ESG factors such as energy consumption, project settlement, anti-corruption, and material procurement into the audits. In 2025, the Company carries out multiple audit projects, continuously enhancing the frequency and intensity of audits on labor costs, energy consumption, project settlement, and material procurement, achieving full audit coverage in key areas such as anti-corruption, energy usage, and supplier compliance, and improving oversight quality and efficiency on environmental and social risk-related topics.



## Business Ethics and Anti-Corruption

### Business Ethics

Shandong Gold upholds the philosophy of "Upholding Integrity and Innovation, Steadily Progress for the Long-term," and comprehensively carries out business ethics management work. The Company strictly abides by the "Anti-Unfair Competition Law of the People's Republic of China", the "Anti-Monopoly Law of the People's Republic of China", and other laws, regulations, and regulatory requirements, placing constraints on key issues such as lawful compliance, integrity and contractual commitment, dedication, anti-unfair competition, anti-monopoly, commercial bribery management, anti-money laundering, conflict of interest management, and others.

The Company strictly complies with the "Anti-Unfair Competition Law of the People's Republic of China" and relevant laws and regulations of the countries where it operates, together with business ethics, resolutely avoiding any unfair competition behavior that disrupts market order or infringes upon the legitimate rights and interests of other business operators or consumers, consciously safeguarding a fair and orderly market environment. In 2025, the Company did not incur any lawsuits or penalties related to unfair competition.

The Company strictly adheres to the "Anti-Monopoly Law of the People's Republic of China", upholding fair competition. We oppose any form of monopoly agreement, and do not fix prices, restrict production or sales volume, or divide markets. We never abuse our market dominance, and we eliminate unfair transactions, tying, or discriminatory practices. At the same time, the Company strictly complies with regulations for notification of operator concentration, ensuring that all mergers and acquisitions are lawful and compliant, and taking practical actions to safeguard a fair and orderly market environment.

### Integrity and Anti-Corruption

The Company strictly adheres to the "Criminal Law of the People's Republic of China", the "Supervision Law of the People's Republic of China", and other relevant laws and regulations, as well as the laws and regulations of the countries and regions where its projects operate, firmly opposing any acts of corruption. The Company upholds the anti-corruption management concept of advancing the integrated approach of "Dare not Corrupt, cannot Corrupt, and Do not Want to Corrupt," continuously improving collaborative work mechanisms, strengthening systematic anti-corruption capabilities, and promoting the transformation of integrity risk control from post-event handling to pre-event prevention, providing solid disciplinary assurance for the Company's high-quality development.

In terms of anti-corruption mechanism development, the Company continues to promote the "Integrity Co-construction" management model, formulating and implementing the Implementation Opinions on Gradually Promoting the Integrity Co-construction Mechanism in Key Businesses. Through the approach of "Unified Organization by Supervising Units and Corresponding Participation by Both Parties to the Joint Project", and based on the Integrity Co-construction agreement, the Company implements a joint meeting and joint supervision and inspection system to block loopholes in integrity risks at the source, jointly creating a fair, honest, standardized, and clean business environment.

In corruption risk identification and control, the Company promotes the integrated construction of "Three Controls", and has issued the Implementation Plan for Integrated Construction of Three Controls. Focusing on eight key powers, including "audit authority, market customer service and sales authority, personnel authority, procurement authority," systematically identifying and assessing explicit and potential integrity risks, promoting deep integration of risk control, internal control, and compliance management, and continuously improving the integrity risk prevention and control system.

At the ideological development level, the Company adheres to a combination of positive guidance and negative warnings, building a multi-dimensional ideological defense line against corruption and degeneration. On the one hand, it formulates the key points of "Integrity Shandong Gold" construction work, completes the upgrade and renovation project of the integrity culture cloud exhibition hall, establishes the industry's first comprehensive base integrating red revolutionary, patriotic, and integrity warning themes, and continuously amplifies the effect of the "Red and Honest" front. On the other hand, it regularly carries out warning education and special lectures, produces warning education films about "People Around Us" who have been investigated, relies on the integrity warning education base to conduct on-site teaching, guiding relevant personnel to maintain respect, stay cautious, and adhere to the bottom line.

In 2025, the Company actively carried out various anti-corruption training and education activities, organizing a total of 1,920 anti-corruption training sessions over the year, amounting to 1,973 training hours, achieving an 100% coverage rate among the Board, the management, and primary employees. The company's anti-corruption work has achieved good results.

In 2025

Anti-corruption training  
**1,920** sessions

Coverage rate of the Board, the management, and primary employees  
**100%**

## Complaint and Whistleblowing Mechanism

The Company has established a standardized and comprehensive whistleblowing mechanism, offering multiple channels for whistleblowing including mail, visits, online platforms, and phone calls. Employees, customers, suppliers, and other external stakeholders can use these channels to report violations, misconduct, and illegal activities to the Company.

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

Whistleblowing hotline: 0531-67710281

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



## Supply Chain Management

### Supplier Management

Shandong Gold continuously optimizes supplier management, aiming for mutual benefit with suppliers, fully leveraging the advantages of both parties, promoting collaborative development through resource sharing. The Company strictly complies with relevant legal requirements and has formulated and implemented systems such as the Shandong Gold Material Procurement Management Measures (Trial), the Shandong Gold Material Procurement Bid Evaluation Expert and Expert Database Management Measures (Trial), and the Shandong Gold Material Inquiry Procurement Management Measures (Trial), establishing a sound supplier management system. In 2025, the Company revised the existing institutional system and formulated the Shandong Gold Group Co., Ltd. Material Supplier Access Management Implementation Rules, systematically stipulating the conditions for supplier access, qualification review, evaluation and approval processes, and establishing unified access assessment standards.

The Company has systematically built a supply chain management risk identification and response mechanism, monitoring suppliers' business, judicial, financial, and public opinion data in real-time through a credit platform to identify potential risks such as abnormal operations and legal disputes. For highly concentrated key material suppliers, the Company develops alternative suppliers to diversify supply risks.

The Company actively promotes the supplier lifecycle management model, achieving full-process management covering supplier registration, access, collaboration, assessment, and exit.

#### Supplier Admission and Review



Following the principles of openness, fairness, and justice, we will screen products that are technologically advanced and of high quality, implement total quantity control and a survival of the fittest mechanism, and conduct supplier admission reviews.

Key review items focus on suppliers' legal qualifications, business strength, professional capabilities, and risk levels, while also incorporating ESG-related indicators such as safety marks, production licenses, quality and Environmental Management System (EMS) certification, and industry-specific qualifications.

#### Supplier Evaluation



Establish a dynamic supplier management mechanism that combines "one order, one evaluation" with periodic annual evaluations.

The "one order, one evaluation" approach records key supplier performance in delivery, quality, and service responsiveness immediately after each order fulfillment, forming process data; periodic annual evaluations integrate yearly data and combine quantitative indicators for comprehensive assessment and grading.

#### Supplier Removal



Suppliers receiving a D grade (lowest rating) in the annual evaluation or exhibiting improper conduct will be placed on the prohibited list to safeguard the overall health and competitiveness of the supply chain.

### Green Procurement

The Company actively responds to the green and low-carbon environmental concept and implements green procurement standards in the procurement process. During the procurement review stage, the Company has established a strict review mechanism to audit the environmental compliance of the products submitted by suppliers. Products that do not meet environmental requirements will be directly rejected.

### Sunshine Procurement

The Company has formulated and implemented management measures such as the Shandong Gold Material Supplier Management Measures (Trial), Shandong Gold Implementation Rules for Handling Misconduct by Material Suppliers (Trial), and Implementation Opinions on Gradually Promoting the "Integrity Co-construction" Mechanism in Key Businesses, which clarify the code of conduct for suppliers and violations, and may freeze or blacklist suppliers that violate regulations. In addition, the Company requires suppliers to sign an Integrity Agreement when signing the purchase contract, explicitly prohibiting corrupt practices such as offering monetary gifts or paying expenses on behalf of others.

The Company relies on a professional procurement management system and third-party big data risk control tools to strictly screen and evaluate suppliers, increasing the transparency and traceability of the procurement process and preventing corrupt practices in the supply chain. At the same time, the Company has established internal and external reporting channels to accept social supervision and promote responsible supply chain management.

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

The Company complies with the "Law of the People's Republic of China on the Promotion of Small and Medium-sized Enterprises" and other relevant legal requirements to ensure fair treatment of every partner during cooperation. The Company has established and improved a contract management system, specifying terms such as payment time, amount, and method to ensure timely payment of contract amounts. In addition, the Company regularly conducts self-inspections on payment statuses to ensure there are no overdue payments.

## Responsible Mineral Management

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

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

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

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

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

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

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



## Supply Chain Security

Shandong Gold attaches great importance to ensuring resource supply security and is committed to being the "Ballast Stone" of national resource security. In terms of supply chain security strategy, the Company adheres to the strategy of "Based in China, Expanding Overseas" by optimizing the global resource layout, expanding the scale of high-quality resource reserves, enhancing resource control and market influence, and effectively mitigating the risk of supply interruption. At the same time, based on consolidating its advantages in the gold business, the Company is actively expanding into multi-metal resource development, specialized mining services, the resource utilization of tailings sector, and new materials, building a modern industrial system featuring diversified, complementary, and coordinated development, continuously enhancing the overall resilience and risk resistance of the industrial chain. By improving the upstream and downstream closed-loop ecosystem, the Company ensures the continuity and stability of the supply chain in a complex and volatile market environment, establishing a solid resource and safety barrier for high-quality development.

# 02

## Environmental Protection

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- 19 subsidiaries have obtained ISO 14001 Environmental Management System (EMS) certification, covering **97.32%** of the Company's revenue
- **14** national green mines, **12** provincial green mines, and **1** national green factory
- Total recycled water volume reached **40.2623** million tons
- A total of **13** new energy photovoltaic power stations were introduced, with **104** million kWh of new energy electricity consumed

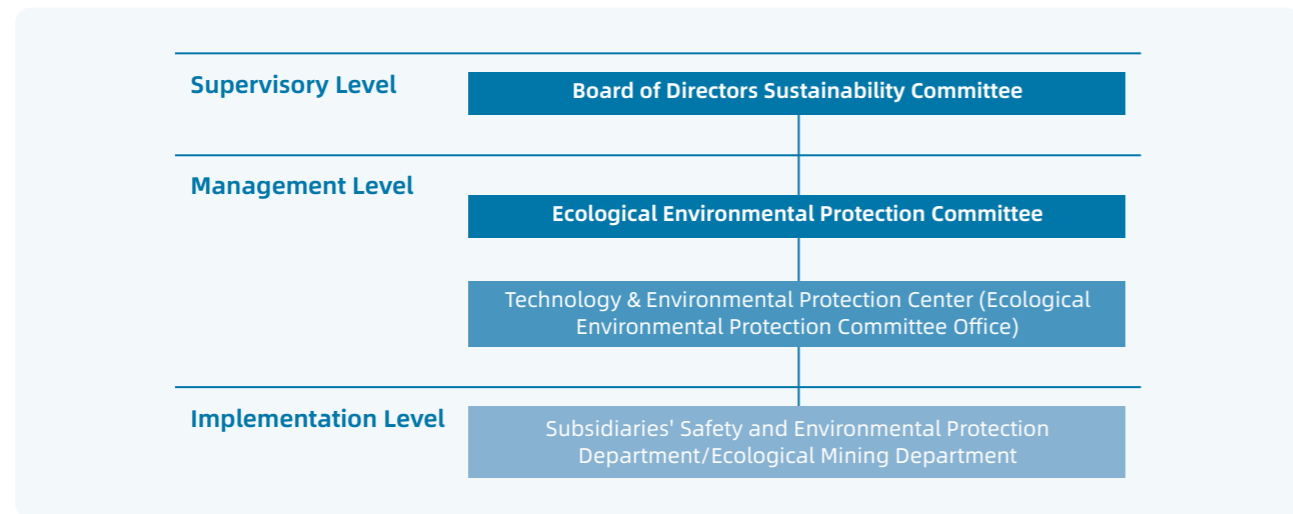


# Environmental Protection Management

## Environmental Management System

On the journey toward becoming a world-class mining enterprise, Shandong Gold keenly recognizes that an outstanding Environmental Management System (EMS) is not only a solid shield for the Company to avoid risks and ensure compliant operations, but also a strategic engine that drives efficient resource utilization, reshapes core competitive advantages, and achieves sustainable prosperity. In 2025, we further enhanced the brand connotation of "Shandong Gold, Ecological Mining", deeply integrating green development into the Company's operational genes and lifeblood. Through the improvement of institutional systems and optimization of structures, we transformed ecological and environmental protection into a new driver for high-quality development.

The Company has established a comprehensive environmental protection management framework, implementing a management structure of "Board of Directors Sustainability Committee–Ecological Environmental Protection Committee–Technology & Environmental Protection Center–Subsidiary's Safety and Environmental Protection Department/Ecological Mining Department." At the supervision level, the Board of Directors Sustainability Committee comprehensively oversees work related to water resources, energy, waste, emissions, biodiversity, and climate change response. At the management level, the Ecological Environmental Protection Committee is responsible for formulating the Company's overall environmental protection strategy, supervising the implementation of environmental management processes and procedural documents related to water resources, energy, and waste, and continuously evaluating the Company's environmental performance. The Technology & Environmental Protection Center (Ecological Environmental Protection Committee Office) is responsible for formulating relevant environmental protection standards, management systems, and procedural documents, carrying out Environmental Risk assessments, and guiding and reviewing subsidiaries in carrying out various environmental protection tasks. At the implementation level, the Environmental Protection Department/Mineral Resource Departments of the subsidiaries are responsible for implementing various environmental protection measures, ensuring compliance with daily operations, and regularly reporting relevant data.

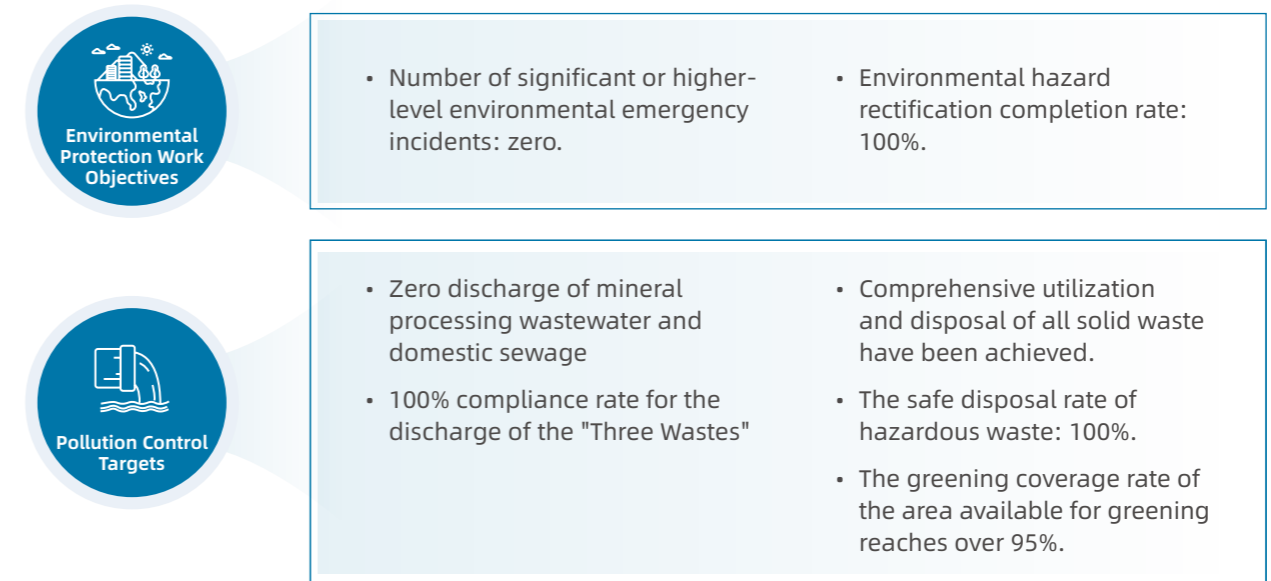


The Company regards lawful compliance as the lifeline of green development, strictly adheres to laws and regulations such as the "Environmental Protection Law of the People's Republic of China", the "People's Republic of China Mineral Resources Law", implements environmental management systems such as the Shandong Gold Ecological and Environmental Protection Responsibility System, and builds a full-process environmental protection control system. Xincheng Gold Mine, Penglai Mining continuously improve institutional and procedural documents such as the Environmental Monitoring Management Measures and the "Environmental Management Assessment Measures, further refining and clarifying management matters such as monitoring frequency and assessment indicators, ensuring that environmental protection work is rule-based and violations are investigated.

The Company continues to deepen the construction of its environmental management system. In 2025, Xincheng Gold Mine, Linglong Gold Mine, Yinan Gold Mine, and other subsidiaries underwent rigorous internal audits and external reviews, and for the first time passed ISO 14001 Environmental Management System (EMS) certification, helping the Company's standardized environmental management reach a new level. By the end of 2025, a total of 19 subsidiaries had passed the ISO 14001 Environmental Management System (EMS) certification and annual audits, with the revenue from certified subsidiaries accounting for 97.32% of the Company's total revenue. The Company attaches great importance to the compliance and transparency of environmental management, and all 19 subsidiaries included in the key pollutant discharge units have disclosed environmental information in accordance with the law. In 2025, the Company did not experience any environmental incidents that resulted in significant administrative penalties or criminal liability.

## Environmental Protection Goals and Annual Progress

Shandong Gold deeply understands its important responsibility for ecological environmental protection and firmly implements the environmental protection policy of "Priority to Protection, Prevention First, and Comprehensive Management." The Company, together with its subsidiaries, and the subsidiaries, in turn, with their respective workshops and departments, signed the Ecological Environmental Protection Responsibility Agreement level by level, clarifying the environmental protection goals and division of responsibilities at each level, laying a solid foundation for effective environmental management. In 2025, both Shandong Gold and its subsidiaries successfully achieved their annual environmental protection goals.



## Green Mine Construction

Shandong Gold adheres to the principle of balancing resource development and environmental protection, continuously promoting the construction of green mines and green factories, making every effort to reduce the impact of mineral resource development on the ecological environment, continuously improving resource utilization efficiency, and strengthening the brand image of "Ecological Shandong Gold." In 2025, Sanshandao Gold Mine, Xincheng Gold Mine, and Shandong Jinzhou Group advanced upgrades to mine water purification systems, crushing dust removal systems, sewage pipelines, and other facilities, significantly improving the operational efficiency and stability of environmental protection equipment, and achieving controllable management of environmental risk. In 2025, the Company's total investment in environmental protection reached RMB 275 million.



Guilaizhuang Gold Mine Water Purification Project

The Company upholds the concept of "Green Mines, Beautiful Shandong Gold," continuously advancing mining area greening work. In 2025, Jiaojia Gold Mine, Xinjiang Jinchuan Mining, and others promoted mining area transportation road hardening, exterior wall painting, yard and plant renovation, cleanup of obsolete equipment and materials, maintenance of high-noise equipment, and replacement of high-energy-consuming electromechanical equipment, as well as other greening, beautification, and enhancement tasks, giving the mining area a completely new look and achieving harmony between production scenes and the ecological environment. The subsidiaries benchmarked against first-class international and domestic standards, and carried out green mine establishment and consolidation regularly. By the end of 2025, the Company had 14 subsidiaries recognized as national green mine, 12 subsidiaries recognized as provincial green mine, and Gold Smelting Company recognized as national green factory.

**By the end of 2025**

Recognized as national green mine <b>14</b> Subsidiaries	Recognized as provincial green mine <b>12</b> Subsidiaries	Gold Smelting Company was recognized as <b>National Green Factory</b>
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Xihe Zhongbao Green Mine Construction



Yinan Gold Mine Mining Environment



Chifengchai Gold Mine Tree Planting Activity

## Environmental Education and Training

Employees are the core force in environmental protection practices. The Company conducts a series of rich and targeted environmental protection training activities to comprehensively enhance employees' awareness of environmental protection, strengthen practical skills, and effectively improve the Company's ability to respond to environmental risks. In terms of environmental protection training, the Company, based on updates to laws and regulations and the skill needs of relevant personnel, organized special training sessions such as "Typical Cases of Environmental Supervision" and "Environmental Risk and Hidden Hazard Investigation" to improve the professional quality and skills of environmental management personnel. In terms of environmental protection education and publicity, the Company organizes thematic education activities and environmental volunteer programs around relevant occasions such as the "International Day for Biological Diversity," "World Environment Day on June 5," "Energy Conservation Publicity Week," "National Low Carbon Day," and "National Ecology Day." It also conducts environmental publicity through multiple channels such as the Company's official website, WeChat public account, and publicity boards, continuously enhancing employees' awareness of ecological and environmental protection. In 2025, the Company held a total of 181 environmental protection training sessions, with cumulative participants of 62,345. The average environmental protection training duration per person was 5.47 hours, and the total investment in environmental protection training amounted to RMB 0.7312 million.

**In 2025**

Total number of environmental protection training <b>181</b> sessions	Cumulative participation <b>62,345</b>
Average training duration per person <b>5.47</b> hours	Investment in environmental protection training RMB <b>0.7312 million</b>



Changtai Mining Cleans up White Pollution



SDG Heavy Industry "June 5 Environment Day" Publicity



Xinjiang Jinchuan Mining Environmental Volunteer Activities

# Ecological Operational Efficiency

## Water Resource Management

Shandong Gold has built a three-tier water resource governance framework of "Supervisory-Management-Implementation". At the Supervisory level, the Board Sustainability Committee is responsible for top-level oversight, controlling the policy implementation direction; at the management level, the Ecological Environmental Protection Committee coordinates strategic planning and supervises the water extraction and recycling system commercialization of high-tech achievements; at the implementation level, the subsidiaries Safety and Environmental Protection Department (or Ecological Mining Department) specifically implements control measures to ensure compliant and efficient daily operations.

The Company strictly complies with the "Water Law of the People's Republic of China", the "Law of the People's Republic of China on the Prevention and Control of Water Pollution Groundwater Management Regulations," and other laws and regulations, and formulates and implements management documents such as the Shandong Gold Water Management Regulations and the Shandong Gold Wastewater Pollution Prevention and Control Management System, to ensure lawful withdrawal of water resources and lawful discharge of wastewater. In 2025, the Company had no violations or illegal incidents related to water withdrawal.

The water resources used in the Company's operations mainly come from surface water, mine water inflow reuse, and third-party municipal water supply. All subsidiaries related to production operations have lawfully obtained water withdrawal permits and paid water resource taxes. Based on the natural conditions and groundwater resource distribution in the regions where it operates, the Company scientifically allocates water intake channels, taking mine water inflow as the main source for production use, giving priority to mining area production. Any surplus mine water inflow is treated and discharged in compliance with standards. Discharge outlets are equipped with online monitoring facilities connected to relevant regulatory authorities, ensuring compliant discharge, further reducing new water consumption and environmental impact. Meanwhile, the Company has built facilities such as rainwater collection ponds and return water ponds to fully collect alternative water sources such as rainwater, greywater, and sewage. After treatment, these are reused in production processes and for landscaping purposes. In 2025, the Company's total water withdrawn amount was 17.5531 million tons, with mine water inflow amounting to 13.2585 million tons.

<p><b>Water Resource Protection</b></p>	<p>The Company adopts a comprehensive water control policy focusing on diversion with supplementary blockage and necessary avoidance of water-rich zones, reducing mine water inflow from the source to effectively protect groundwater resources.</p>
<p><b>Promote Circular Utilization of Water Resources</b></p>	<p>During production, the Company recycles both mine water inflow and domestic wastewater, builds a mine water treatment plant to purify mine water inflow to reclaimed water standards, and constructs domestic wastewater treatment facilities to reuse treated water for surface spraying, landscaping irrigation, and other purposes, achieving comprehensive and efficient utilization of water resources. In 2025, the Company's total recycled water volume reached 40.2623 million tons, with a comprehensive water resource utilization rate of 100%.</p>
<p><b>Wastewater Discharge Management</b></p>	<p>The Company strictly complies with local regulations and requirements, formulating the "Wastewater Pollution Prevention and Control Management Regulations" to ensure wastewater is treated and discharged in compliance. To monitor external water quality in real time, the Company has installed an online monitoring system at the discharge outlet that is connected to the environmental regulatory authorities, precisely measuring key indicators such as pH value, Chemical Oxygen Demand (COD), and ammonia nitrogen concentration, thereby ensuring all pollutant indicators meet discharge standards. In 2025, the Company had no major violations or illegal incidents related to wastewater discharge.</p>

To promote the compliant and efficient utilization of water resources, the Company has clarified the relevant practices of water resource usage quota management in the Shandong Gold Water Management Regulations, linking water resource usage and other related indicators with management compensation indicators, and implementing performance assessment management to hold management accountable for water usage.

### Upgrade and Renovation of Rain and Sewage Diversion System

In 2025, Xinhui Company upgraded and transformed the dressing plant's rain and sewage diversion system, adding a fully automated rain and sewage diversion control system. Through remote monitoring and automatic detection functions, the system achieved efficient and stable operation, eliminating the problem of land and water resource pollution caused by sewage overflow.



Xihe Zhongbao Water Treatment Device



Jiaojia Gold Mine Domestic Sewage Treatment Plant

## Energy Management

Shandong Gold is actively building a scientific and efficient energy management system, introducing the contract energy management model, accelerating the elimination of outdated equipment, widely promoting clean energy, optimizing the energy structure, and making every effort to accelerate green transformation.

### Contract Energy Management Model

Adopt an innovative energy management model, sign contracts with professional energy service companies, and implement energy efficiency enhancement projects to reduce energy consumption and costs. In 2025, Linglong Gold Mine, relying on the contract energy management model, introduced photovoltaic power generation and carried out transformation of equipment such as air compressors and water injection pumps, as well as replacement with new equipment.

### Elimination of Outdated Equipment

Comprehensively carry out inspections of high-energy-consuming mechanical and electrical equipment, and continuously promote equipment updates and iterations. The Company reduces total energy consumption by phasing out high energy-consuming equipment and introducing efficient energy-saving devices. In 2025, Changtai Mining carried out the processing plant vacuum disc filter replacement project, reducing tons ore unit consumption by 14% to 8.26 kWh/tons, cutting CO<sub>2</sub> emissions by about 1,600 tons; Xincheng Gold Mine undertook air-conditioning system upgrades and applied high-efficiency permanent magnet motors, saving 192,000 kWh of electricity and reducing CO<sub>2</sub> emissions by about 106.92 tons; Xihe Zhongbao replaced 14 air compressors, saving over 3 million kWh of electricity annually.

Coal-fired boilers were eliminated, and heating and cooling were provided using a water-source heat pump system and air-energy facilities.

**Development of Clean Energy**

Carry out the "New Energy Green, Low Carbon Doubling" action to promote the development and utilization of clean energy such as solar energy, wind energy, and photovoltaic power generation. In 2025, Laixi Company's distributed photovoltaic project achieved an annual power generation of 3.6 million kWh, reducing the consumption of about 446 tons of standard coal and cutting CO<sub>2</sub> emissions by about 2,019 tons; Gold Smelting Company installed photovoltaic modules on the roof of the maintenance greenhouse, with an annual total power generation reaching 36,972 kWh. By the end of 2025, the Company had introduced 13 photovoltaic power stations, with a cumulative capacity to consume approximately 103.97 million kWh.



Guilaizhuang Gold Mine New Type Energy-Saving Air Compressor



Shandong Jinzhou Group Air-source Heating



Linglong Gold Mine Photovoltaic Power Generation Device



Gold Smelting Company Photovoltaic Greenhouse

**Waste Gas Management**

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

The Company has established a waste gas management system that covers the entire production process, systematically promoting waste gas emission reduction efforts from source control, process management to end supervision, ensuring that waste gas emissions meet environmental protection standards. In 2025, the Company and its subsidiaries achieved a 100% compliance rate on waste gas emissions.

**Reduction of Underground Waste Gas Emissions**

Controlled underground waste gas through measures such as forced mechanical ventilation, wet operations, and water spraying for dust suppression.

**Unorganized Dust Treatment**

Enhanced dust prevention during ore and material loading/unloading, storage, transportation, and tailings facility operations. All mines have constructed enclosed ore conveyor corridors and storage sheds and installed sprinkler systems, vehicle washing systems, and fully covered transport vehicles.

**Treatment of Waste Gas during the Ore Processing and Smelting**

Installed dust collectors and other dust control facilities at key locations where mineral processing dust is generated.

Installed alkaline absorption and electrical dust removal waste gas treatment facilities in key processes producing smelting waste gas.

**Management of Waste Gas Pollution Prevention and Control**

Organized and carried out special inspections and supervision activities for waste gas pollution prevention and control, and required all subsidiaries to conduct self-inspections and corrections to effectively prevent risks in waste gas management.



In 2025, Jiaojia Gold Mine, Linglong Gold Mine, Guilaizhuang Gold Mine, and other subsidiaries actively carried out a series of tasks such as upgrading and renovating dust removal facilities in mining area filling stations, building equipment washing platforms, installing high-efficiency dust collectors, and installing acid mist absorption towers, in order to control exhaust gas emissions, reduce dust generation, and comprehensively improve mining area environmental quality.



Xincheng Gold Mine Crushing Dust Removal System



Linglong Gold Mine Bag Filters



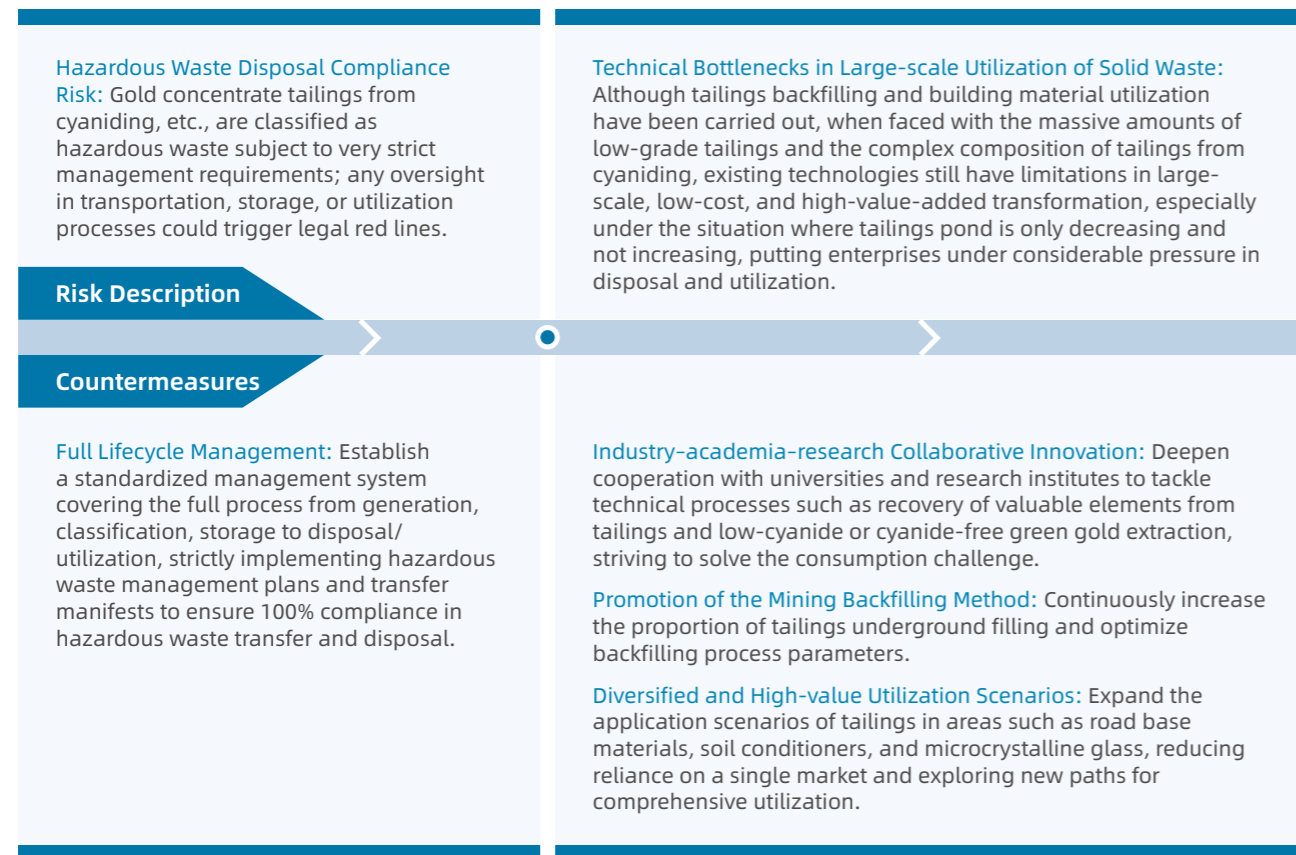
Paint Spray Exhaust Treatment Equipment

# Waste Management and Circular Economy

## Governance

Shandong Gold regards waste management and the circular economy as an important part of its environmental protection work, integrating them into the Company's unified environmental management framework, with oversight by the Board Sustainability Committee, coordination and leadership by the Ecological Environmental Protection Committee, and implementation of specific tasks by the subsidiaries' Safety and Environmental Protection Department/Ecological Mining Department. The Company strictly complies with the "Law of the People's Republic of China on the Prevention and Control of Solid Waste Pollution", the "Circular Economy Promotion Law of the People's Republic of China", the "Hazardous Waste Transfer Management Measures" and other laws, regulations, and rules, building a compliant management system for the full lifecycle of waste; meanwhile, it deepens resource utilization, promotes "Turning Various Operational Waste into Valuable Resources", and actively integrates into the green circular economy system.

## Strategy



## Risk Management

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

The waste generated by Shandong Gold's operations can be divided into non-hazardous waste and hazardous waste. Non-hazardous waste mainly includes used tires, scrap steel, and domestic garbage, all of which are handed over to third-party organizations for recycling; hazardous waste mainly includes gold concentrate tailings from cyaniding and waste mineral oil, both of which are properly stored and handed over to third-party organizations for harmless treatment.

At the same time, the Company actively promotes the recycling of waste materials. For the main waste generated from mining and processing activities, such as tailings and waste rock, the Company utilizes diversified technologies and processing methods for comprehensive utilization. The main method for comprehensive utilization of tailings is underground backfilling, while advanced technologies such as environmental remediation, secondary resource selection, and building materials production effectively reduce land resource occupation by tailings storage, decrease damage to surface vegetation, lower the risk of tailings pollution, and significantly alleviate environmental burdens. In terms of comprehensive utilization of waste rock, resource recycling is mainly achieved by applying it to underground backfilling, building materials production, and other methods, significantly reducing waste emissions.

### Photonic Intelligent Sorting Technology Achieves Waste Reduction at the Source

Linglong Gold Mine used photonic intelligent sorting technology to separate the ore in waste rocks for backfilling and waste rocks, greatly reducing the amount of tailings generated. At the same time, backfilling waste rocks after excavation created an equal amount of empty space for tailings filling, effectively improving the utilization rate of tailings filling.



Linglong Gold Mine Photonic Intelligent Sorting

### Gold Smelting Company Carries out Resource Recovery of Cyanide-Containing Lean Solution

Gold Smelting Company used the SART (Sulfurization-Acidification-Recycling-Thickening) process to replace the existing acidification process for treating high-copper cyanide lean solution, achieving resource recovery of copper and zinc from cyanide-containing lean solution. Each year, it can recover over 3,000 tons of free cyanide, reduce hazardous waste (cyanide-containing sludge) generation by over 4,800 tons, produce 1,191.35 tons of copper sludge annually, and produce 135.41 tons of zinc sludge annually.

## Metrics and Targets

Indicators	2025
Hazardous waste generation (10,000 tons)	823.40
Non-hazardous waste generation (10,000 tons)	2.04
Mineral waste generated (including underground mine tailings and waste rock) (10,000 tons)	1,343.58
Of which: Tailings of underground mines (10,000 tons)	790.09
Waste rock of underground mines (10,000 tons)	553.49
Comprehensive utilization of mineral waste (10,000 tons)	1,075.34
Comprehensive utilization rate of mineral waste (%)	80.04

# Response to Climate Change

## Governance

Shandong Gold has established a comprehensive governance framework to address climate change. At the supervisory level, the Board Sustainability Committee is fully responsible for overseeing Climate Change Risk and opportunity management work and the implementation of response plans, as well as reviewing the annual Climate Change Risk and opportunity assessment results. At the management level, the "Carbon Peak and Carbon Neutrality" Leading Group is responsible for ensuring that the implementation of relevant action plans is organically aligned with related strategic planning, defining the responsibilities of departments such as the Technology & Environmental Protection Center, the Operation Management Department, and the Strategic Planning Department in climate change response work, and comprehensively coordinating the formulation of major low-carbon development policies, budget allocation, staffing, departmental coordination, and project evaluation. At the subsidiary level, each subsidiary has established an organization for responding to climate change, responsible for specifically implementing the "Carbon Peak and Carbon Neutrality" work, forming a governance structure that links the upper and lower levels and promotes integrated advancement. In 2025, the Company organized one Climate Change Risk-focused training session for relevant management personnel to enhance the climate governance capabilities of the management.

The Company fully considers climate change-related risks and opportunities in its investment decisions, incorporating climate factors into project feasibility studies and risk assessment stages. In response to physical climate risks, the Company mitigates the impact of extreme weather on asset operations by prioritizing deployment in climate-stable areas, strengthening climate adaptability considerations during project design stages, constructing targeted emergency drainage and water storage infrastructure, and adjusting operational plans based on climate trends. In the face of climate transition risks, focus on promoting the transformation of the energy structure, implementing traditional energy substitution projects, upgrading low-energy-consumption intelligent production processes, promoting green and environmentally friendly technologies, optimizing the asset portfolio, prioritizing low-carbon and efficient projects, and carrying out technological upgrades or capacity replacement for high-energy-consuming outdated assets.

## Strategy

Risk/Opportunity Description	Impact Period <small>Note</small>	Scope of Impact	Expected Financial Impact	Concentrated Area	Countermeasures
<b>Physical Risks</b>					
<b>Acute risk:</b> Extreme weather events such as heavy rain and typhoons may lead to mine closures, transportation interruptions, dam failures in tailings ponds, and other incidents, affecting the Company's normal operations.	Short-term	Business operations	Cost	Mining sector	Timely warning of extreme weather events through meteorological monitoring.
	Medium-term				Establish and improve emergency response mechanisms for extreme weather events.
	Long-term				
<b>Chronic risk:</b> Changes in temperature may alter geological and topographical conditions, affecting the formation and distribution of mineral deposits, which in turn can lead to changes in the distribution of mineral resources and increased difficulty in extraction.	Long-term	Business operations	Cost	Mining sector	Strengthen geological research, employing advanced geological survey and remote sensing technology to monitor geological and topographical changes.  Develop and implement new technologies to reduce the impact on surface geology and terrain.

Risk/Opportunity Description	Impact Period <small>Note</small>	Scope of Impact	Expected Financial Impact	Concentrated Area	Countermeasures
<b>Transition Risks</b>					
<b>Legal risk:</b> As global attention to climate change increases, more environmental regulations and standards may be enacted, requiring a reduction in carbon emissions and environmental impact. This may lead to increased compliance costs and even affect the Company's operating model.	Medium-term	Business operations	Compliance cost	/	Regularly review and update laws and regulations to ensure business activities align with climate change-related laws.
	Long-term				Closely monitor the dynamics of laws and regulations to ensure a quick response to policy changes.
<b>Reputation risk:</b> With the increasing global focus on climate change, failure to effectively manage carbon emissions and environmental impacts may lead to criticism from the public and media, resulting in reputational damage.	Short-term	Business operations	Revenue	/	Enhance communication with stakeholders, publicly disclose environmental information, and showcase the Company's achievements in actively addressing climate change.
	Medium-term				
	Long-term				
<b>Technology risks/opportunities:</b> The need to invest in new technologies, such as purchasing more efficient mining equipment and investing in the new Renewable Energy Utilization technology, involves risks such as rising costs and potential interruptions in production and operations due to immature technologies.	Medium-term	Business operations	Cost	/	Increase research and promotion efforts for green low-carbon technologies, encourage affiliated companies to optimize production processes, and adopt clean low-carbon technologies to help achieve carbon reduction targets.
	Long-term	Value chain	Revenue		

Note: Definition of impact periods: Short-term is 0-1 year, medium-term is 1-5 years, and long-term is more than 5 years.

Shandong Gold actively responds to the global trend of response to climate change, actively explores adaptation plans and mitigation measures for climate change risk and related opportunities, formulates and implements the Carbon Peaking Action Plan, and accelerates the development of clean energy through optimization of industrial layout and adjustment of the energy structure. The Company strengthens energy conservation and comprehensive utilization of resources, continuously enhances digital and intelligent capabilities as well as low-carbon technology innovation capacity, and promotes the transformation of the industry towards high-end, intelligent, green, and low-carbon development.

In terms of financial impact, the Company's projects under construction or in operation face potential risks from extreme weather events such as strong winds, heavy rain, and typhoons that could cause project shutdowns, operational interruptions, or asset losses. In 2025, the Group did not experience any significant financial impacts caused by climate-related risks. At the same time, the Company's mining enterprises have established a weather warning mechanism to respond promptly to potential future extreme climate events, and it is expected that they will not be significantly affected. However, given the long-term nature, uncertainty, and complexity of the impact pathways of various climate risks, it is currently difficult to accurately quantify the potential financial impacts such risks may have during a specific future period.

## Risk Management

The Company, with reference to the "International Financial Reporting Sustainability Standard 2 - Climate-related Disclosures (IFRS S2)" published by the International Sustainability Standards Board (ISSB), and climate scenarios published by the IPCC and IEA, fully considers the degree of impact and likelihood of risks, identifies environmental and climate risks and potential opportunities brought by climate change, and establishes a risk ranking and dynamic tracking and updating mechanism. The Company regularly assigns climate-related risks and opportunities to be supervised by management and has fully incorporated them into the Company's risk management system.

Based on the geographical characteristics and operational realities of its location, the subsidiaries have established a meteorological early warning mechanism. By connecting to local meteorological platforms, it promptly obtains information on extreme weather risks such as heavy rain and high temperatures, integrates production scheduling, and shifts from passive disaster relief to proactive prevention to strengthen the safe production defense line. On the other hand, Shandong Gold actively responds to the national "Carbon Peak and Carbon Neutrality" goals, accelerating the green transformation of the energy structure in its subsidiaries through the deployment of photovoltaic and other clean energy to gradually replace traditional fossil fuels, promoting high-efficiency and energy-saving mining and processing technologies to replace outdated equipment and facilities. This effectively addresses potential transformation risks brought by tighter future carbon tax policies and technological iterations, and actively seeks to turn climate challenges into opportunities for cost reduction, efficiency improvement, and enhanced brand competitiveness, continually boosting the Company's climate resilience.

In 2025, the Company promoted its subsidiaries to establish their Carbon Peak and Carbon Neutrality Leading Group, and, according to local conditions and its own circumstances, carry out Carbon Peaking Action Plans, clarifying main goals, strategic routes, and key tasks. It also set up training courses on green and low-carbon management knowledge and practices to further enhance the professional competence and practical skills of subsidiaries. At the same time, the Company continues to advance comprehensive research and assessment of carbon emissions, calculating greenhouse gas emissions generated by mining and processing at its operating mines, smelting, and manufacturing enterprises' production sites and facilities. Through carbon accounting, the Company understands its greenhouse gas emissions profile, identifies major emission sources, and implements targeted emission reduction measures, thereby optimizing resource allocation, improving energy efficiency, and reducing greenhouse gas emissions.

### Shandong Gold's Emission Reduction Measures

#### Continuously Increase the Proportion of Clean Energy

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

#### Promote the Electrification of Production Energy Usage

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

### Sanshandao Gold Mine Drives Low-Carbon Operations

In 2025, Sanshandao Gold Mine took technological innovation as a key driver to advance the Energy Efficiency Improvement initiative in depth. Through equipment upgrades, eliminated and replaced 22 high-energy-consuming motors with high-efficiency, energy-saving models; implement intelligent control by introducing a microwave induction lighting system to achieve "Lights Off When People Leave" and dynamically optimize power usage; carried out process improvements, applying explosion-proof high-voltage variable frequency technology to the Xishan main fan to significantly reduce start-up and operating losses, and upgraded Flotation mechanical transmission to belt transmission, simultaneously enhancing energy efficiency and recovery rates. This series of measures saved a total of 2,007,300 kWh of electricity over the year, reducing CO<sub>2</sub> emissions by 1,077.12 tons.



Jiaojia Gold Mine Laying Photovoltaic Panels

## Metrics and Targets

The Scope 1 greenhouse gas emissions generated by Shandong Gold mainly come from the consumption of gasoline, diesel, coal, natural gas, and other energy sources during operations. In 2025, the Scope 1 greenhouse gas emissions was 0.3356 million tons of CO<sub>2</sub> equivalent; the Scope 2 greenhouse gas emissions generated by Shandong Gold mainly come from electricity consumption. In 2025, the Scope 2 greenhouse gas emissions was 1.0109 million tons of CO<sub>2</sub> equivalent.

As a company whose main business is relatively high-energy-consuming mineral extraction and smelting, its operating mines and smelting plants are relatively more susceptible to climate physical risks and climate transition risks. In 2025, the revenue from related business activities accounted for 95.50% of the Company's total revenue.

Shandong Gold responds to the national call to implement the "Carbon Peak and Carbon Neutrality" initiative and has formulated corresponding management targets based on the Company's actual production and operation situation.

### Shandong Gold's Climate Change Management Goals

2025	2030	Medium to Long-term
<ul style="list-style-type: none"> <li>• Preliminary establishment of a carbon emission management system;</li> <li>• Positive progress has been made in adjusting and optimizing the industrial and energy structures;</li> <li>• Improvement in energy utilization efficiency and resource utilization levels;</li> <li>• Key energy-saving and carbon reduction projects have achieved positive results.</li> </ul>	<ul style="list-style-type: none"> <li>• Significant achievements in comprehensive green and low-carbon transformation;</li> <li>• Major progress in adjusting industrial and energy structures;</li> <li>• Energy utilization efficiency and resource utilization levels have reached domestically advanced levels.</li> <li>• Establish a new model of mining development that meets the requirements of ecological civilization construction.</li> </ul>	<ul style="list-style-type: none"> <li>• Fully build a green and low-carbon industrial system to help the industry and the whole country achieve carbon neutrality goals.</li> </ul>

## Biodiversity Conservation and Land Use

### Commitment to Biodiversity

Shandong Gold strictly adheres to the "Environmental Protection Law of the People's Republic of China", the "Technical Specifications for Ecological Environment Protection and Restoration in Mines (Trial)" and carries out ecological environment protection and restoration work in a standardized manner during the mineral resources development process. All operating mines of the Company have complied with comprehensive environmental impact assessments and firmly avoid developing in areas prohibited by ecological red lines.

To effectively fulfill ecological environment protection responsibilities, the Company commits to strictly follow the requirements for categories Ia, Ib, II, III, IV, V, and VI protected areas as stipulated by the International Union for Conservation of Nature (IUCN), ensuring that mining activities do not harm local biodiversity. During the exploration and mining processes, the Company avoids World Heritage sites, ecological red-line prohibited development zones, and internationally recognized legitimate protected areas to minimize interference with the natural ecosystem. In addition, the Company will actively promote land reclamation and ecological restoration projects, systematically rehabilitating affected lands and striving to achieve a balance between resource development and ecological protection.

### Biodiversity Protection Actions

Shandong Gold emphasizes biodiversity protection by managing throughout the entire lifecycle of the project "before Construction, during Construction, and after Construction," continuously reducing the impact of mining activities on biodiversity and the ecological environment. In 2025, the Company did not have any incidents causing harm to biodiversity.

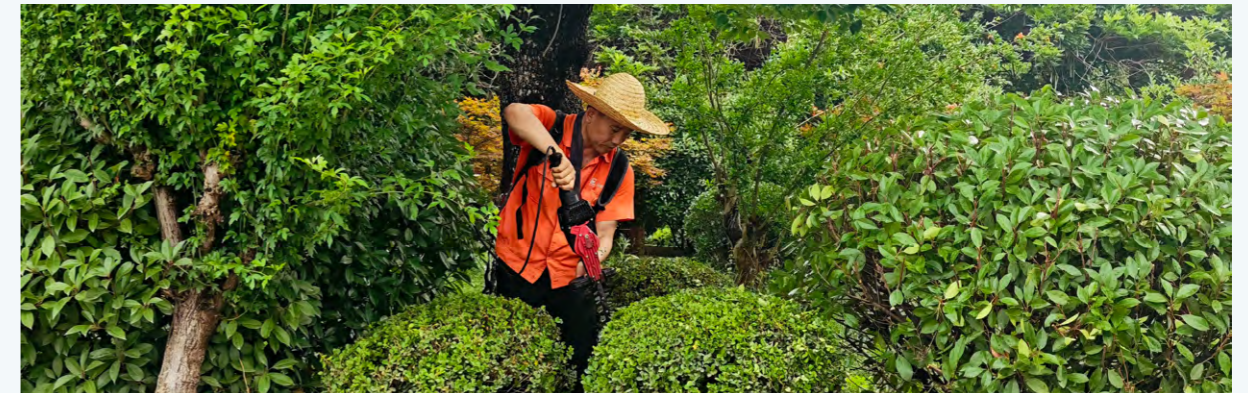
All of the Company's operating mines have conducted ecological environment status and biodiversity surveys during the environmental impact assessment phase, ensuring that there are no rare and endangered plants and nationally protected wild animals around the operating mines, thereby implementing biodiversity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



Changtai Mining Rescuing Surrounding Wild Animals

### Green Mines, Beautiful Shandong Gold

Yinan Gold Mine carried out diversified plant cultivation around the mining area, including bamboo, boxwood, white pine, magnolia grandiflora, holly, roses, and various other green plants and saplings.



Yinan Gold Mine Plant Pruning

### Land Reclamation

The development of mineral resources inevitably causes ecological problems such as surface disturbance, vegetation degradation, and soil erosion. Shandong Gold adheres to the concept of "Ecology First, Green Development" and comprehensively establishes a land reclamation model of "Mining And Reclamation Simultaneously," incorporating land reclamation and ecological restoration into the entire process management of production operations. The Company strictly follows the technical specifications for mineral geological environmental protection and land reclamation plans, fully assessing the damage caused to the geological environment and land by mining construction and production activities, and clearly defining reclamation goals, tasks, measures, and timelines. Shandong Gold's subsidiaries, based on local climate and geographical features, selects native advantageous species to build a three-dimensional, multi-layered vegetation system of grasses, shrubs, and trees, significantly enhancing the mining area's biodiversity and ecological stability. In 2025, the annual land reclamation area reached 220.63 hectares, with total investment in land reclamation and geological environment management costs amounting to RMB 34.9722 million.



Xinhui Company Slope Greening



Chifengchai Gold Mine Mining Area Environment



Xihe Zhongbao Land Reclamation

## Tailings Management

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

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



Sanshandao Gold Mine Tailings Pond Greening

### Life-Cycle Management of the Tailings

#### Site Selection, Design, and Construction Phases

Develop plans and design standards for tailings dams, prioritizing safety throughout the entire lifecycle of the dam. Fully consider the classification of accident impacts to reduce the likelihood of tailings dam failure.

#### Operational Phase

Formulate, implement, and regularly review the Operational, Maintenance, and Monitoring (OMS) manual for tailings dams, clarifying the background of tailings dam operations and key control facilities. Adjust the discharging technology schemes in a timely manner, build emergency ponds, flood control dams, and other targeted measures, and provide relevant training on the OMS manual to personnel involved in tailings dam management to continuously control risks.

Establish an online monitoring system for tailings dams, implementing regulations such as the Alarm Handling Procedures for Online Monitoring Systems of Tailings, to monitor and provide early warnings for key safety information in real-time, including dam displacement, saturation line, beach length, and water level. This ensures the timely acquisition of operational parameter changes for the safe and stable operation of the tailings dam.

Conduct slope stability analysis for open-pit mining sites and waste dumps with current heights greater than 100 meters, in accordance with regulations.

#### Risk Management

Conduct a comprehensive survey of the management status of key aspects such as tailings discharge, dry beach length, dam construction process, dam displacement and stability, and infiltration line burial depth, and rectify risks and hazards such as dam failure and leakage.

#### Emergency Response

Develop an emergency response plan for tailings dams, clearly defining the emergency organizational structure and allocating responsibilities for command, rescue, and logistics teams. At the same time, set different risk alert thresholds for various emergency incidents that correspond to the levels of response to be initiated. Establish information reporting processes to ensure timely communication of hazards.

Regularly organize practical drills, continuously optimize plans, and enhance emergency response capabilities.

#### Information Disclosure

Publicly disclose tailings pond management information through annual sustainable development reports and other channels, accepting public supervision.

# 03

## Safety Management

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Public Security	61

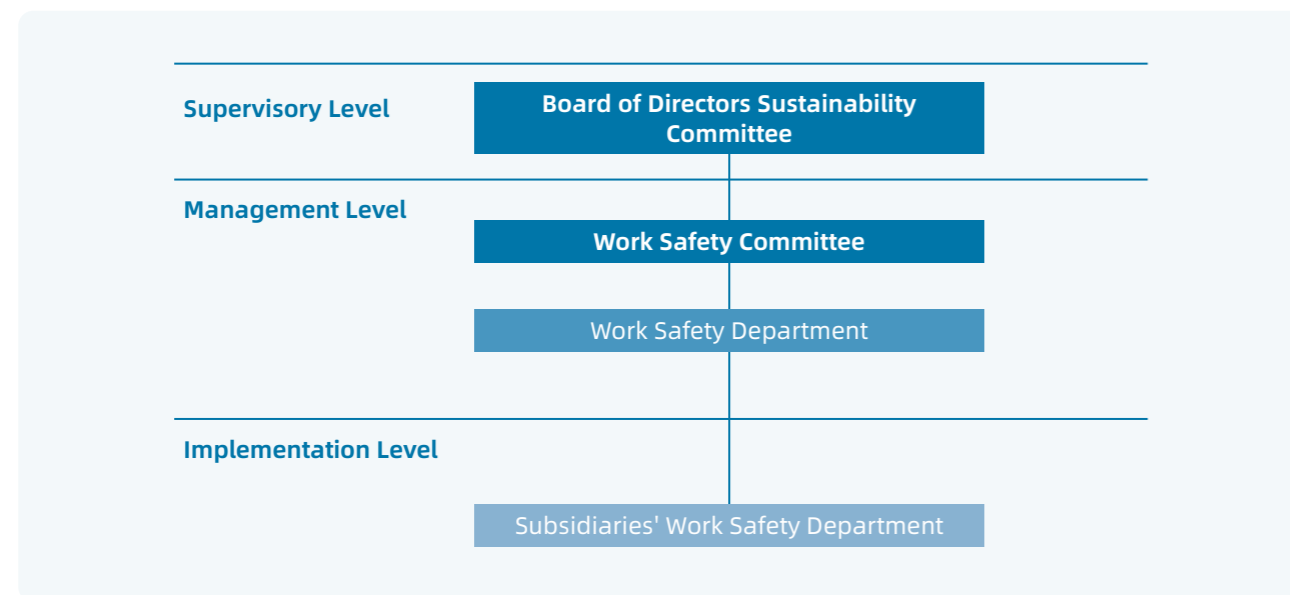
- Investment in safety production: RMB **1,218** billion
- Conducted **4,494** safety training sessions, achieving **100%** safety training coverage rate
- Organized **824** emergency drills, with **15,640** participants



# Occupational Health and Safety

## Governance

Shandong Gold always prioritizes occupational health and safety, adhering to the concept of "Safe Shandong Gold" and continuously improving the occupational health and safety management system. Through the management structure of "the Board Sustainability Committee-Work Safety Committee-Work Safety Department-Work Safety Departments of the subsidiaries", the Company achieves full-scale occupational health and safety management across the organization. At the supervisory level, the Board Sustainability Committee comprehensively supervises occupational health and safety-related work. At the management level, the Work Safety Committee is responsible for formulating the Company's safe production policies, goals, planning, systems, and annual plans; the Work Safety Department is responsible for setting related safety standards, management systems, and procedural documents, carrying out safe production inspections and hazard investigation and rectification, and supervising and guiding subsidiaries' improvement measures. At the implementation level, each subsidiary's Work Safety Department bears direct responsibility for safe production management in their respective units, implementing various safe production and occupational health management requirements.



The Company strictly complies with laws, regulations, and regulatory documents such as the "Production Safety Law of the People's Republic of China", the "Law of the People's Republic of China on the Prevention and Control of Occupational Diseases", and has established and improved systems, including the Safety Production Inspection System, Major Hazard Source Monitoring and Management System, and Occupational Disease Prevention and Management System. In 2025, the Company revised the Safe Production Rewards and Penalties Management Regulations (Trial), issued the Management Regulations for Intelligent Early Warning and Control Devices for Preventing Injuries from Trackless Vehicles (Trial) and the Measures for Investigation and Management of Potential Production Safety Accidents, further clarifying safety management responsibilities, standardizing the rewards and penalties assessment mechanism, and improving the Company's safety management level.

## Strategy

<p>Mining has deepened, with some mines showing prominent disasters such as high temperature, high humidity, and rock bursts, which may endanger employee safety and health.</p>	<p>Mine safety regulatory personnel are absent or lack sufficient professional competence, failing to promptly identify and control safe production hazards, which may lead to major casualties.</p>	<p>There are numerous occupational hazard factors at the work site; employees have weak protective awareness or do not use personal protective equipment properly, which may increase the risk of contracting occupational diseases.</p>
<p><b>Risk Description</b></p>		
<p><b>Countermeasures</b></p> <div style="display: flex; justify-content: space-between;"> <div data-bbox="1632 621 2050 1133"> <p>Construct a work environmental monitoring and early warning platform to identify high-risk factors in the working environment in advance, and promptly evacuate relevant personnel when an alarm is triggered.</p> <p>Improve underground ventilation and cooling systems to continuously enhance the safety and stability of the working environment.</p> </div> <div data-bbox="2050 621 2467 1133"> <p>Continue to strengthen the safety supervision team by improving the professional competence and sense of responsibility of safety supervisors through training and emergency drills.</p> <p>Develop effective safety risk control procedures and implement safety accountability mechanisms to establish a closed-loop safety supervision and control system.</p> </div> <div data-bbox="2467 621 2893 1133"> <p>Strengthen pre-job and on-the-job training for employees, making the correct wearing of labor protection equipment a mandatory training content, and conduct practical assessments; those who fail shall be strictly prohibited from working on site.</p> <p>Carry out mutual checks on the wearing of labor protection equipment before starting work, and include wearing status in the team's safety performance assessment.</p> </div> </div>		

## Risk Management

### Safety Management

Shandong Gold strictly enforces on-site management, strengthens source prevention, and promotes the shift of safety management toward proactive prevention. The Company continuously ensures safety investment, improves the standardized management system centered on graded safety risk control and hazard investigation and treatment, the dual prevention mechanism, and safe production, and routinely implements full support work for roof and wall in mining and excavation projects. In addition, the Company is strengthening research and development in safety technology, promoting the intelligent mine construction initiative of "Mechanized Substitution of Manpower and Intelligent Unmanned Operation", and continuously improving the safety level of mine production.

In 2025, the Company revised the Measures for the Management of Total Wages, specifying that the Company's total wages are linked to safe production, effectively enhancing the binding force of safe production assessment and strengthening employees' safe production awareness.

The Company continues to advance the occupational health and safety management system certification work. By the end of 2025, a total of nine subsidiaries had passed ISO 45001 Occupational Health and Safety Management System certification and annual audits, with the revenue of these subsidiaries accounting for 91.98% of the Company's total revenue.

## Risk Identification and Hazard Investigation

Shandong Gold has established a dual prevention mechanism for safety risk classification and hazard investigation and management, comprehensively strengthening the work of safety risk prevention and control as well as hazard investigation and management, effectively preventing and curbing the occurrence of production safety accidents. The Company has established the Interim Measures for the Classification and Control of Work Safety Risks and the Interim Measures for the Investigation and Rectification of Work Safety Hazards, providing institutional guarantees for risk management and hazard inspection and rectification work.

### Risk Identification Management

- ◆ Conduct comprehensive identification and assessment of safety risks across all stages of production and operations, and classify them according to the level of risk into four categories: Red, Orange, Yellow, and Blue, corresponding respectively to major and significant risks, general risks, and low risks.
- ◆ Develop corresponding control measures for different levels of risk, clearly define the responsible unit and person for control, and ensure that all types of risks remain under control.

### Hazard Investigation and Rectification

- ◆ Formulate inspection plans, specifying inspection content, methods, cycles, etc. Through various approaches such as daily inspections, special inspections, and seasonal inspections, conduct comprehensive checks on production sites, equipment and facilities, working environments, and personnel operations. Promptly identify and eliminate potential safety hazards to effectively prevent safety incidents.

In 2025, the Company promoted the safe production three-year fundamental improvement campaign and special rectification of hidden disaster-causing factors, identifying 630 hazards; organized the "Looking Back" special rectification of underground mobile equipment safety in mines, identifying 66 hazards, all of which are being rectified on schedule.

## Emergency Management

The Company has established a three-tier accident response management and information transmission mechanism, responding according to the severity of the accident to ensure that accident information is promptly and accurately conveyed to the decision-making level, supporting scientific decision-making and precise rescue operations. Meanwhile, the Company requires the preparation of comprehensive, detailed, and continuously updated accident reports, allowing the decision-making level to keep abreast of the latest developments and fortifying support for responding to emergencies.

The Company adheres to the principle of "Prevention First, Combining Prevention and Rescue," and has comprehensively upgraded the emergency management mining system. In terms of monitoring and early warning, it has strengthened comprehensive monitoring capabilities for multiple types of disasters and disaster chains, achieving real-time awareness and precise assessment of critical locations and key areas to ensure early risk identification. In terms of contingency plans and drills, it dynamically revises emergency plans, regularly conducts practical drills and specialized training in evacuation, disaster avoidance, and self-rescue, thereby enhancing the emergency literacy of all staff. In terms of rescue support, it continuously updates rescue equipment, strengthens professional team training, and tackles technical challenges in rescue under complex conditions. In terms of mechanism implementation, strictly enforce the system of promptly reporting major disaster changes and emergency evacuation upon signs of accidents, and establish a red line prohibiting underground entry during extreme weather.

In 2025, the Company conducted 824 emergency drills focusing on preventing incidents such as underground mines water inrush, fires, roof collapses, skip drops, poisoning, and tailings pond dam failure leakage, with a total of 15,640 participants.



Sanshandao Gold Mine Organizes Emergency Drill for Water Inrush Accident.

### Establishing a Specialized Mine Rescue Team

In 2025, the Company formed a mine rescue team through internal competition and social recruitment, carried out qualification applications and practical training, and achieved standardized operation of the rescue team. The mine rescue team has successfully passed the provincial rescue qualification assessment and achieved outstanding results in the national skills competition, providing strong support for mine safety production.

## Fire Safety Management

The Company has established a comprehensive fire safety management system, clearly defining responsibilities at each level for fire safety management, standardizing fire inspection procedures, implementing fire safety management for contractors, and maintaining fire safety records, thereby achieving standardized, normalized, and regulated fire safety management to effectively safeguard lives and property. In addition, the Company requires subsidiaries to actively carry out various fire drills and fire safety publicity activities, promoting the capability building and awareness cultivation of fire safety management.

### Fire Safety Training

For key aspects of fire safety in the explosives warehouse, Yinan Gold Mine conducted focused drills covering fire alarm procedures, use of extinguishers and fire hydrants, and transfer of flammable and explosive materials, further strengthening the fire safety awareness and emergency response capabilities of warehouse managers and nearby workers, and solidifying the safety defenses of critical areas.

### Fire Safety Promotion Month Activities

Penglai Mining carried out a series of Fire Safety Promotion Month activities, organizing 377 participants to take part in fire evacuation and equipment operation drills, and formulated improvement measures for identified issues; extensive promotion was conducted via LED screens, information release systems, and online training to enhance overall fire safety awareness and skills.

## Hazardous Chemical Management

The Company has established a dedicated warehouse in accordance with national standards, strictly implements in-and-out inventory registration, and has installed monitoring and alarm devices. A leakage prevention plan has been developed, and emergency drills are regularly organized to improve employees' emergency response capabilities. In addition, the Company has established a hazardous materials management responsibility system, clarifying management requirements for each link in procurement, transportation, storage, use, and disposal.

## Explosives Management

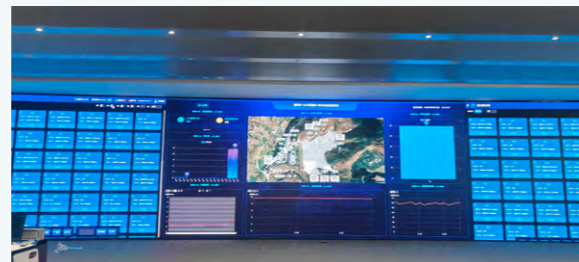
The Company strictly controls the management of all aspects involved in the procurement, transportation, storage, and use of civilian explosives. Strictly select suppliers to ensure the quality of civil explosives; entrust professional transportation units for delivery, and use a satellite positioning system to monitor the transportation process in real time. The Company sets up underground explosive warehouses in accordance with national standards, implementing a 24-hour dedicated management system; blasting operators must be certified and work strictly according to operating procedures.

## Tailings Safety Management

The Company has developed and implemented systems such as the Tailings Ponds Archive Management System, utilizing advanced monitoring technology and equipment to achieve real-time monitoring of key parameters of the tailings pond; organizing professional teams to carry out special actions for hazard investigation and treatment in tailings ponds; establishing emergency plans for tailings ponds and regularly organizing drills to continuously improve the safety management level of tailings ponds.

### Tailings Pond Online Monitoring

Penglai Mining promoted the development of the tailings pond online monitoring system to monitor dam body displacement, infiltration line, and other safety parameters in real time; through a cloud control platform and drones, daily inspections and intelligent analysis of tailings pond were carried out to achieve precise remote management, effectively improving the safety and stability of tailings pond.



Penglai Mining Tailings Facilities Online Monitoring System

## Safety Culture Development

The Company regards safety culture development as an important part of safe production. Through various forms such as safety training, publicity and education, and safety activities, it creates a strong safety culture atmosphere and enhances employees' safety awareness and safety competence. In terms of safety training, the Company carries out safety certification training, specialized position training, and other training activities to ensure a 100% on-the-job rate for personnel in the "Three Designated Positions", as well as for new employees and those transferring or changing positions. In terms of safety publicity and education, the Company posts safety warning signs and hangs safety-themed banners in offices, mining areas, processing plants, and construction sites, and publishes safety publicity articles and warning education videos via online platforms to create a strong atmosphere where "Everyone Talks about Safety and Everyone is Capable of Emergency Response". In addition, the Company organized the 2025 Safe Production Legal Knowledge Competition for mining enterprises, covering safe production laws, regulations, standards, and specifications, enhancing all employees' awareness of safety and the rule of law through the safety competition.

In 2025, the Company invested a total of RMB 50.75 million in safety training, holding 4,494 safety training sessions, with a total of 389,386 employee participants, achieving a 100% coverage rate.



Sanshandao Gold Mine "First Lesson at Work"



Penglai Mining Conducting Safety Education and Training

### Sanshandao Gold Mine Innovative Self-rescuer Operation Training

Sanshandao Gold Mine adopted a hands-on training model, focusing on front-line team employees participating in blind operation competitions for self-rescuers. In key mining areas, simulated underground hazardous scenarios are used to conduct operational contests, enhancing employees' emergency response and self-rescue/escape capabilities through competition-based practice.

### Chifengchai Gold Mine Conducts Safe Production Monthly Themed Activities

During the safe production monthly activities in 2025, Chifengchai Gold Mine fully utilized platforms such as the COP office platform, Ding Talk, bulletin boards, and electronic screens to comprehensively promote safety laws, regulations, and professional knowledge. In addition, promotional slogans and banners were created and hung in significant areas such as office buildings and auxiliary shafts to create a strong safety atmosphere.

## Safeguard Occupational Health

The Company and subsidiaries strictly adhere to the requirements of laws and regulations such as the "Law of the People's Republic of China on the Prevention and Control of Occupational Diseases," establishing sound management organizations, assigning dedicated (and part-time) management personnel, revising and improving various management systems and occupational disease hazard prevention responsibility systems, thereby standardizing occupational health management from the aspects of responsibility and process. The Company formulates annual goals, plans, and implementation schemes for the prevention and control of occupational diseases, clarifying task division and assigning responsibilities, with strict assessments; occupational disease prevention and control funds are included in the annual budget, ensuring that the funds are used specifically to improve the working environment and conditions for employees; by vigorously promoting relevant laws and regulations, the overall occupational health awareness of all employees is enhanced. After long-term unremitting efforts, the number of new occupational disease cases in the Company has continuously declined, employees' awareness of occupational health and safety has significantly increased, the working environment has effectively improved, and the incidence of accidents and occupational diseases has markedly decreased.

The Company's system carries out identification and management of occupational disease hazard factors, entrusting third-party professional institutions each year to conduct testing of these factors, and implements corrective measures based on the identification results. In 2025, the Company took Xincheng Gold Mine as a pilot project and collaborated with the Shandong Occupational Disease Prevention Institute to research technical measures for the prevention and control of occupational hazards, such as dust and noise, to protect employees from harm and explore new occupational disease prevention management models, thereby improving source control for occupational diseases.

The Company actively conducts occupational health examinations for employees before, during, and after employment, determines medical examination items based on the types of exposure factors, entrusts qualified medical examination hospitals to carry out occupational health examinations for all employees, and promptly updates the medical examination records in workers' health monitoring files.

The Company strictly implements the principle of "Simultaneity of Design, Construction, and Use" to ensure that labor protection items that meet national occupational health standards are provided at the production site. In areas with poor air quality, dust generation, or exposure to harmful factors, protective facilities are installed and sufficient protective equipment is provided; according to seasonal changes, employees are supplied with work clothes, safety shoes, and other labor protection items, with a 100% on-time distribution rate.

The Company attaches great importance to the awareness and capability building for occupational disease prevention, and continuously strengthens occupational health publicity and education. The Company actively carries out various activities such as the occupational disease prevention publicity week, occupational health thematic training, and regular occupational health lectures, creating an atmosphere in which all employees participate in occupational health management.



Sanshandao Gold Mine Conducts Occupational Health Training

### Shandong Gold Occupational Disease Prevention Institute Breaks Through the "Last Kilometer" of Service

Shandong Gold Occupational Disease Prevention and Treatment Hospital is dedicated to providing workers with comprehensive occupational health protection, continuously offering occupational health examinations for employees of Shandong Gold and surrounding mining enterprises, and conducting consultations and evaluations based on examination results, providing medical recommendations, and generating analysis reports to ensure early detection, diagnosis, and treatment of diseases. In 2025, Shandong Gold Occupational Disease Prevention and Treatment Hospital received the occupational disease labor capacity appraisal qualification issued by the Yantai Municipal Human Resources and Social Security Bureau, targeting the construction of a complete occupational disease service chain and delivering efficient one-stop services.

Laixi Company, in collaboration with Shandong Gold Occupational Disease Prevention and Treatment Hospital, organized medical examinations for more than 230 employees exposed to occupational disease hazards, closely focusing on the occupational health core risk points in the gold mining and beneficiation industry, and set up key examination items such as internal medicine, electrocardiogram, chest X-ray, lung function, routine blood tests, routine urine tests, and audiometry. This achieved precise matching between job hazard factors and testing items, comprehensively identifying occupational health potential risks.



Shandong Gold Occupational Disease Prevention and Treatment Hospital

## Metrics and Targets

Indicators	Unit	2023	2024	2025
Investment in production safety	RMB 100 million	8.91	12.56	12.18
Employee coverage rate of production safety liability insurance	%	-	100	100
Number of work-related deaths	/	0	3	0
Number of major safety production accidents	Cases	0	0	0
Number of lost time injury incidents (LTI)	Cases	-	9	10
Lost time injury rate per million man-hours (LTIR)	/	-	0.23	0.17
Number of recordable injury incidents (TRI)	Cases	-	32	28
Recordable injury rate per million man-hours (TRIR)	/	-	0.82	0.48

## Public Security

To ensure the stable operation of overseas mines and the security of overseas employees, Shandong Gold invests sufficient resources in public security management and has established an efficient and comprehensive management mechanism. The Company has hired professional security teams for both Veladero Gold Mine and Cardinal Resources Company. The security personnel have undergone rigorous training, are familiar with the mining area terrain and potential risks, and are able to effectively respond to emergencies. The Company conducts public security risk identification and assessment, covering production areas, living quarters, as well as the entire process of employee commuting and precious metals transportation. The mining area mine is equipped with advanced closed-circuit television monitoring systems, security alarm systems, and communication devices, covering all critical areas to ensure rapid response in emergencies. In addition, the mining area has set up multiple security isolation zones and emergency shelters to ensure that employees can swiftly evacuate to safe areas in case of emergencies.

The Company adheres to the principle of respecting and safeguarding human rights in security management. It has established the CSR-SECURITY department, which integrates the functions of community relations and security, to strengthen proactive communication and risk prevention, avoiding undue impact of security measures on the community.

### Security Personnel Recruitment

Conduct human rights due diligence on security service providers and specify human rights protection clauses in contracts.

### Security and Human Rights Training

All security personnel receive training on human rights principles and voluntary principles on security and human rights, emphasizing respect for local communities and ensuring that security practices are standardized and responsible.

### Security Incident Response

Develop clear security protocols that prioritize strategies to avoid conflict escalation and non-violent conflict resolution methods; all security incidents are submitted to the local police for investigation and handling according to the law.

### Community Engagement and Feedback Mechanisms

Establish regular communication and coordination mechanisms with surrounding communities, local governments, police, and rescue agencies; resolve potential tensions through local collaboration and information sharing, continuously reducing the risk of conflicts triggered by security activities.

Actively communicate with the local community to understand their needs and concerns, hold regular consultations and dialogues, and build trust.

Establish a grievance management system to facilitate community members in reporting issues related to security personnel, ensuring transparent and fair handling.



# 04

## Employee Relations

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- Female employees accounted for **12.33%**, a relatively high proportion in the mining industry
- Invested RMB **55.5** million in employee training, systematically conducting **267** training sessions, covering **37,554** participants



## Respect and Protect Human Rights

Shandong Gold complies with relevant laws and regulations in its operational locations, refers to the "National Human Rights Action Plan", the "Universal Declaration of Human Rights," the "International Bill of Human Rights," and other domestic and international human rights provisions, and continuously improves its human rights management work.

The Company commits to: eliminating forced labor, child labor, and human trafficking during operations; treating every employee equally without discrimination based on gender, race, ethnicity, nationality, religion, disability, age, culture, or other factors; respecting and protecting the rights and culture of local indigenous peoples, adhering to the principle of "Free, Prior and Informed Consent" (FPIC) when engaging with indigenous peoples. In 2025, the Company experienced no incidents of human rights violations.

<p><b>Human Rights Due Diligence Mechanism</b></p>	<p>Overseas projects invite independent organizations to conduct investigations and assessments on human rights issues such as compliance with labor regulations, fair employment practices, dispute resolution mechanisms, working conditions, workplace dignity, anti-discrimination practices, etc., providing references for the Company to improve internal supervision and safeguarding mechanisms.</p>
<p><b>Grievance Management Mechanism</b></p>	<p>Overseas projects establish employee grievance procedures, whistleblower protection frameworks, anonymous reporting channels, and community complaint mechanisms to ensure that relevant issues are investigated and handled in a timely, fair, and transparent manner, fully in compliance with applicable legal requirements, ethical guidelines, and international best practice standards.</p>
<p><b>Training and Promotion</b></p>	<p>The Company carries out employee human rights training activities through various means, including integrating human rights principles into employee onboarding training, regular human rights training, and awareness promotion activities regarding workers' rights.</p>

The Company opposes all forms of forced labor and the use of child labor, and strictly complies with the "Labor Law of the People's Republic of China" as well as relevant laws and regulations of the locations where it operates during recruitment and employment processes. The Company has established a recruitment review mechanism to avoid the inadvertent hiring of child labor by verifying applicants' identification documents and date of birth, and promotes contractors to conduct child labor and forced labor reviews and management. In 2025, the Company had no incidents of forced labor or the use of child labor.

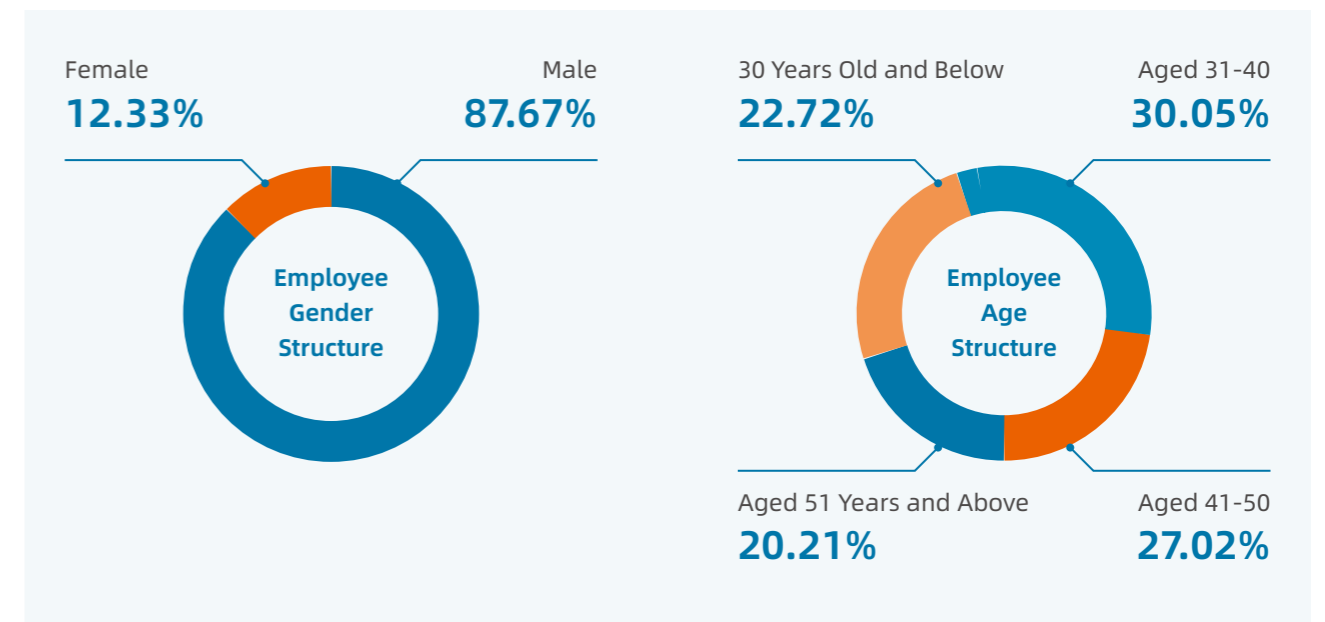
### Artisanal and Small-scale Mining (ASM)

The Company deeply recognizes the potential social harms of manual small-scale mining in terms of environment, safety, labor rights, and economic inequality, and is committed to eliminating manual small-scale mining activities. Currently, there are no artisanal small-scale mining activities in the mining areas and surrounding regions where we operate in China. If such issues arise in future operations, the Company will actively address them and minimize negative impacts. In its overseas operations, the Company actively cooperates with host country governments and local communities to address potential unauthorized artisanal and small-scale mining activities by improving related systems, formulating training programs, and providing financial support, thereby promoting rectification and long-term remediation of artisanal and small-scale mining.

## Employee Management

### Employee Composition

Shandong Gold is well aware of the importance of employees to the Company's business development and is committed to building a diversified, high-quality talent team. Based on actual production needs, the Company continuously expands employment channels and adopts flexible employment models to attract personnel with diverse professional backgrounds, skills, and experience to join the Company.



### Employee Recruitment

The Company strictly complies with laws and regulations such as the "Labor Law of the People's Republic of China" and has formulated systems such as the Employee Open Recruitment Management Measures to carry out recruitment activities under the principle of "Openness, Equality, Competition, and Merit". This ensures that the recruitment and hiring process is compliant and transparent, and no discrimination is practiced against employees or candidates based on race, color, religion, gender, age, disability, marital status, nationality, ethnicity, or other characteristics protected by law.

The Company reserves outstanding talents to promote high-quality development through mechanisms such as the young cadre reserve training mechanism and the high-level scientific research talent introduction plan.

### Protection of Employee Rights

The Company strictly complies with the requirements of laws and regulations such as the "Labor Law of the People's Republic of China", and concludes, performs, modifies, cancels, or terminates labor contracts with workers. The Company effectively safeguards employees' legitimate rights and interests, pays employees' salaries in accordance with laws and regulations, makes full contributions to the five social insurances and one housing fund, and creates a safe and comfortable working environment for employees. At the same time, the Company encourages and guides employees to express their demands through legal channels, actively responds to employee appeals, and promotes the resolution of labor disputes and conflicts.

The Company continues to advance the signing of collective contracts commercialization of high-tech achievements, using the "1+3" collective contract as the core framework, building a solid bridge for efficient communication and positive interaction between the enterprise and its staff. The Company fully leverages the trade union's role as a link in the tripartite labor relations coordination mechanism, continuously deepens the collective bargaining system, and enhances its coverage and influence. Focusing on key aspects such as labor employment management, compensation incentive systems, labor safety and health protection, and safeguarding the legal rights of female employees, the Company refines and improves the terms of the collective contract, ensuring employee rights through collaborative consultation, shared benefits, and mutual development. By the end of 2025, the Company achieved an 100% employee union membership rate.

## Compensation and Benefits

The Company continues to improve its compensation and benefits system, strictly complies with laws and regulations such as the "Labor Law of the People's Republic of China", and continually establishes and refines a series of internal management mechanisms for pay, allowances, subsidies, and benefits distribution. Combining industry characteristics, it adopts appropriate work and rest arrangements, improves the employee medical security system, and provides employees with a sound benefits system and a favorable working environment.

### Employee Compensation

The Company has developed and implemented the Shandong Gold Total Wage Management Measures, continuously optimizing the compensation plan to ensure that employee salaries remain aligned with the labor market and linked to the Company's economic performance and labor productivity. At the same time, the Company conducts annual performance evaluations for employees, with compensation linked to the results of the annual performance assessment, effectively motivating employees' performance. In 2025, the Company issued the Guiding Opinions on Strengthening Subsidiary Compensation Management, using a "tilted" approach to reasonably allocate compensation to front-line grassroots and key hardship positions, promoting the sharing of development achievements.

### Employee Leave

The Company has formulated and implemented the Paid Leave Management Measures for Employees, providing employees with humane leave arrangements including paid annual leave, sick leave, parental leave, and other types of leave. Taking into full consideration the characteristics of mining enterprises being remote from urban areas with inconvenient transportation, the Company offers flexible leave options: non-mining area employees follow a weekend two-day-off system, while mining area employees adopt a flexible leave system, choosing between weekly leave or accumulated leave depending on personal needs.

### Employee Welfare

The Company has developed and implemented internal policies such as the Guiding Opinions on Establishing a Supplementary Medical Insurance System for Shandong Gold Employees, providing comprehensive welfare protection for staff. At the same time, the Company continues to improve a multi-tiered pension welfare system, formulating an enterprise annuity scheme and including eligible subsidiary employees in the enterprise annuity plan.

Supplementary Welfare	Basic Guarantee	Social Guarantee
The Company's welfare programs tailored to its situation include employee health check-ups, distribution of labor protection supplies, and provision of bereavement condolence payments.	Corporate annuity, supplementary medical insurance, trade union benefits	Basic pension insurance, basic medical insurance, unemployment insurance, work-related injury insurance, and housing provident fund

## Talent Development

The Company focuses on talent development and training, continuously improving the recruitment and vocational training system, building a scientific, reasonable, and effective talent development mechanism, providing employees with multi-sequence and multi-channel development space, helping employees achieve career value, and facilitating the mutual growth of employees and the Company.

### Employee Training

The Company values employee development, provides employees with a wealth of training programs, encourages participation in various competitions, vigorously promotes the spirit of craftsmanship, and is committed to building a high-quality workforce.

The Company continuously strengthens the construction of its training system, offering differentiated training activities for employees in different positions to ensure that each employee receives training tailored to the requirements of their role and capabilities. In 2025, the Company continuously strengthened communication and cooperation with external institutions in employee training, carried out the "Deliver Training to Enterprises" initiative, and effectively improved the overall capabilities of the talent team. The Company's total annual occupational training investment reached RMB 55.5026 million, with 267 training sessions conducted and 37,554 employee participation.

#### In 2025

Occupational training investment	Conducted training	Employee participation
RMB <b>55.5026</b> million	<b>267</b> sessions	<b>37,554</b>

<b>Management Training</b>	In cooperation with renowned domestic and international scientific research institutes, the Company carried out training for management personnel at all levels, covering areas such as production operations, human resources, engineering management, financial auditing, financial management, and resource mergers and acquisitions.
<b>Professional Technical Training</b>	A continuing education system has been established for professional technical personnel across 13 specialties including geological surveying, mining, mineral processing, mechanical and electrical disciplines; and an expert committee study system covering 5 specialties including geological surveying, mining, mineral processing, mechanical and electrical disciplines, effectively improving the professional competence of technical personnel.
<b>Skilled Training</b>	Using skills competitions and skills grading evaluations as the driving force, we have carried out vocational skill level certification and professional workers with specialized skills in gold mining industry's independent evaluation work in a solid manner, providing strong support for the construction of a high-skilled talent echelon.



Linglong Gold Mine Organizes Employee Training



Jiaojia Gold Mine Organizes Employee Training

## Career Development

The Company continues to maintain smooth career advancement channels for employees, building a career development system covering three dimensions: management, technology, and skills. It provides employees with development space in multiple sequences and channels, helping them achieve career goals and realize professional value.

<b>Management Track</b>	Actively selecting and employing high-caliber and accountable professional individuals with strong work ethics to promote the construction of a young cadre team.
<b>Technical Track</b>	Continuously improving the technical position and ranking system to facilitate career advancement for technical professionals.
<b>Skilled Track</b>	Using skills competitions and skill-level evaluations to establish an independent certification system for skilled workers in gold mining-specific roles.

### Sanshandao Gold Mine Team Leader Competition

Sanshandao Gold Mine organized 134 team leaders to participate in the Group's first "Shan Jin Cup" Team Leader Professional Skills & Comprehensive Competency Competition, as well as the national Non-Ferrous Metals industry team leader selection competition. Through practicing via competition, it continuously consolidated the core strength of mine safety in production and technological innovation.



Sanshandao Gold Mine Participating in the "Shan Jin Cup" Team Leader Professional Skills & Comprehensive Competency Competition

### Penglai Mining Focuses on Frontline Skills Enhancement

Penglai Mining, in conjunction with core production needs, collaborated with Shandong Gold Training Center to customize training courses centered on key areas such as underground operation safety, beneficiation process optimization, and equipment operation standards, ensuring that the training content directly serves production. The training scope covered operation positions such as frontline filling workers and scoop tram operators, as well as technical and managerial positions, comprehensively improving the operational skills and management level of production units.

## Employee Communication and Care

### Employee Communication

The Company continues to deepen the construction of corporate democratic management and broaden channels for democratic supervision. The Company has established a democratic management system centered on the Employee Representative Congress, creating a democratic management ecosystem where employees "Have Channels for Participation, Responses to Their Appeals, and Commercialization of High-Tech Achievements for Their Suggestions," fully demonstrating the key role of the Employee Representative Congress in safeguarding employees' legitimate rights and interests and driving corporate development.

The Company proactively explores new approaches and methods for employee participation in corporate governance, continuously expanding the dimensions of democratic management and supervision. It has established a mechanism for regular disclosure of factory affairs and normalized inspection and assessment, fully incorporating core matters such as corporate reform and development planning and major production and operation decisions into the scope of the factory affairs disclosure, effectively safeguarding employees' basic rights, fostering a strong sense of ownership among employees, and reinforcing the foundation of harmonious and stable labor relations.

### Employee Care

The Company adheres to the development philosophy of "Humanistic Shandong Gold" and systematically promotes the care for employees' physical and mental health as well as welfare protection, establishing a mechanism for employee care and concern. The Company formulated and implemented the Shandong Gold Employee Assistance Fund Usage Management Measures (Trial) and actively carried out care work for employees in difficulty. The Company focuses on key groups, accurately identifies employees in difficulty within the enterprise, and provides targeted assistance services based on urgent needs and pressing concerns of the employees. In 2025, the Company cumulatively assisted employees in difficulty 843 person-times, with a total assistance amount of RMB 4.3368 million.

The Company strives to enrich employees' spiritual and cultural life, transforming employee care and cultural/sport activities into vivid practices of organizational culture building, fostering a harmonious and mutually progressive atmosphere, and effectively enhancing employees' sense of belonging, happiness, and team cohesion.



Linglong Gold Mine Organizes a Book Sharing Session



Sanshandao Gold Mine Fun Sports Meet



Xihe Zhongbao Organizes a Tug-Of-War Match for Employees



Laixi Company Hosts an Employee Cross-country Race

The Company values the care for female employees, systematically promoting initiatives through four approaches: institutional guarantees, upgraded benefits, empowering activities, and warm-hearted care, effectively safeguarding the legitimate rights and interests of female employees.



Penglai Mining Holds Women's Day Activities



Fujian Yuanxin Organized a Women's Day Movie-watching Event

The Company regularly organizes activities such as staff visits, employee health check-ups, psychological counseling, and mental health support to provide employees with comprehensive and multi-faceted care.



Shandong Jinzhou Group Held a "Run Tong Growth" Family Support Program Parenting Education Lecture



Jiaojia Gold Mine Organized a Summer Cooling Event



Chifengchai Gold Mine New Year's Eve Party



Linglong Gold Mine Conducts Employee Health Check-ups

# 05

## Social Contributions

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- RMB 2.1807 million invested in rural revitalization, with 2,106 people benefited
- RMB 2.922 million invested in public welfare and charity. Employee volunteer services participation: 5,809



## Community Communication

### Community Impact Management and Communication

Shandong Gold always adheres to the community development philosophy of "Mutual Benefit and Shared Prosperity, Walking Hand in Hand", conducting business with a responsible attitude, integrating care for the community into production and operation activities, and achieving a win-win situation between the Company's economic benefits and community development.

The Company has established a community impact assessment procedure, which systematically evaluates community impacts through social baseline studies, environmental impact assessments, archaeological surveys, and other methods before entering new projects. Based on consultation results, the Company carries out ESG management for new projects, ensuring that the impact of mineral exploration development throughout the process meets local regulations and community expectations. Throughout the planning and construction process of the mining area, the Company strictly implements the cultural relics impact assessment system, conducts thorough archaeological surveys and exploration in the construction area, ensuring the safety of underground and above-ground cultural relics.

The Company values communication with local communities and stakeholders, promoting the establishment of harmonious and amicable relations between the enterprise and the localities. The Company follows the principle of "Free, Prior, and Informed Consent" (FPIC) to engage in friendly communication with local communities. The Company has established the community development action management system to improve the communication mechanism. Each subsidiary has a designated person responsible for Community Relations management, working in coordination with environmental protection, human resources, and other departments to respond to community affairs promptly and efficiently. At the same time, the Company has maintained open channels for community feedback and supervision/reporting mechanisms, welcoming opinions and suggestions from all stakeholders to promptly identify and resolve issues.



Sanshandao Gold Mine Visits the Laizhou Community, Delivering Medical Care and Warmth, and Providing Free Health Consultation Services

#### Cardinal Resources Company Promotes Local Cultural Integration

In December 2025, Cardinal Resources Company actively participated in and supported local traditional festivals. During Ghana's Farmers' Harvest Festival, it donated agricultural production equipment and other materials to five local communities, supporting local agricultural production while deepening cultural exchanges with the communities, thereby fostering mutual understanding and trust between the enterprise and the locality.

### Land Use and Resettlement

Shandong Gold strictly adheres to the legal and regulatory requirements regarding land expropriation and resettlement in China and the countries/regions where its projects operate, actively promoting the management of related work. Before the commencement of projects, a detailed assessment of the local environmental and social impacts will be carried out to identify potential risks of resettlement and demolition, and reasonable coping measures will be planned during the project planning phase. When determining the compensation standards for expropriated land and other assets, the Company upholds the principles of fairness and justice, ensuring that affected local residents receive reasonable compensation. In addition, Shandong Gold actively integrates various resources to provide employment skills training, entrepreneurial guidance, and other services to affected residents, helping them acquire the skills to make a living and better adapt to their new lives.

## Community Development

Shandong Gold is committed to fostering harmonious and stable communities. In the countries and regions where it operates, it leverages its strengths through local employment, local procurement, public welfare projects, and the community development program to achieve coordinated, mutually beneficial outcomes between production operations and regional economic development.

The Company actively provides employment opportunities for local residents. In 2025, the proportion of local employees in domestic operations reached 81.37%; in overseas operations under Cardinal Resources Company, the proportion of local employees reached 93%, providing a large number of job opportunities for local communities.

Overseas operating companies strictly adhere to the local procurement regulations of the countries/regions where they operate, supporting and prioritizing the purchase of locally produced goods and services. The Company's local procurement content includes mining equipment, construction materials, daily necessities, transportation services, and catering services. Under the premise of ensuring quality, safety, and compliance, the Company will give priority to qualified and capable local suppliers, continuously enhancing the localization level of production materials and service procurement. Veladero Gold Mine set a public timetable for procured the materials in local place work, gradually increasing the proportion of local procurement value to effectively promote local economic development.

Overseas operating companies actively advance various community development action projects based on the actual development needs of the communities where they operate. The Company integrates resources from partners, contractors, and others to support surrounding communities in areas such as education, local culture preservation, healthcare, agriculture, and infrastructure construction. In 2025, overseas operating subsidiaries invested a total of USD 0.5546 million in community development.

#### In 2025

Domestically, proportion of local employees	Overseas operating subsidiary Cardinal Resources Company's proportion of local employees
<b>81.37%</b>	<b>93%</b>

#### Community development capital investment:

Veladero Gold Mine	Cardinal Resources Company
USD <b>0.4743</b> million	USD <b>0.0803</b> million

Focus on shortcomings in basic public services such as drinking water and transportation and reduce community health and safety risks.

Pay attention to vulnerable groups such as women and youth, and promote improvements in education, health, and social well-being.

Improve community communication and governance mechanisms, and enhance the transparency and sustainability of project planning, implementation, and post-maintenance.

Integrate the localized business strategy with community development, and promote community economic development through local procurement, local employment, and Skill Training.

### Soliga Community Water Well Project

Cardinal Resources Company built and put into use a public water well in the Soliga community, benefiting approximately 450 residents. The average water collection time for community residents was reduced from 60 minutes to 15 minutes, improving the convenience of water access for local residents. At the same time, the use of the water well effectively reduced the risk of waterborne diseases, significantly improving the community's health level.

### Biung Community Road Repair Project

Cardinal Resources Company repaired a 2.2-kilometer main road on the east side of Biung Community in the mining area, shortening the travel time for local residents to reach the hospital, improving the efficiency of agricultural product transportation, and reducing the risk of traffic accidents. The construction project prioritized hiring local labor, effectively promoting a sense of community participation and identification.

### "Purple Peach" Special Public Welfare Campaign


Cardinal Resources Company, in cooperation with the Ghana Chamber of Mines, carried out a special health initiative for adolescent girls, providing six months of sanitary supplies support to 500 schoolgirls aged 12 to 18 in five schools, along with accompanying health and psychological education, effectively enhancing local health levels and awareness.





## Rural Revitalization and Social Welfare

### Rural Revitalization

Shandong Gold firmly follows the national strategy, responds to the rural revitalization assistance initiative, and fulfills the social responsibilities of a state-owned enterprise. The Company integrates assistance efforts with rural characteristics, resources, and industries through various means such as industrial support, consumption support, and educational assistance, to support the development of local specialty industries and continuously consolidate the achievements of the national rural revitalization and poverty alleviation work. In 2025, the Company's investment in rural revitalization amounted to RMB 2.1807 million, benefiting a total of 2,106 people.

- 

Conducting in-depth research to understand the natural resource endowment, agricultural planting structure, and living conditions of residents in the assisted areas, the Company formulates industrial assistance plans tailored to local conditions to promote the sustainable development of local specialty industries.
- 

In the assisted areas, the Company cooperates with local farmers, artisans, and other groups to purchase agricultural and sideline products, fruits, and other specialty goods, thereby addressing local production and sales difficulties through the approach of "Support Through Sales and Boosting Production Through Sales."
- 

Support the construction of basic education facilities in assisted regions, and provide financial aid to local impoverished students to help improve the local education level.

### Dual Support of Funding and Technology Revitalizes Rural Industries

In 2025, Futures Company traveled to Yining County in Xinjiang Uygur Autonomous Region, Dulan County in Qinghai Province, and Chifeng City in Inner Mongolia Autonomous Region to carry out rural revitalization assistance activities. In Chifeng City, Inner Mongolia, agreements were signed with the local governments of Wutonghua Town in Ongniud Banner, Lindong Town in Bairin Left Banner, and Wulandaba Sumu to provide assistance. They visited local eco-livestock farms, traditional dairy workshops, and millet fields, had cordial conversations with farmers to understand the practical difficulties and needs they encountered in production and operations, and while providing financial support to local rural areas, they also introduced expert resources to help millet growers improve planting techniques and increase the added value of their products, unlocking the "Growth Code" of the industry, effectively driving farmers to increase production and income, and injecting strong financial momentum into the local rural revitalization.



Futures Company Members Visiting a Millet Planting Site

### Nurturing the Future with Love, Lighting up Hope through Education Assistance

In 2025, Futures Company donated a second special fund of RMB 200,000 to Aoyimanbulake Primary School in Kalayagachi Township, Yining County, Xinjiang, to improve the construction of the school playground.



Donation to the Education Special Fund

### Changtai Mining Emergency Repairs to Pastoral Roads

In July 2025, Ulat Rear Banner experienced continuous heavy rainfall, causing over 50 kilometers of pastoral roads to become paralyzed. Changtai Mining promptly activated the emergency rescue plan, formed a disaster relief team to carry out rescue operations, and quickly repaired the road. This not only solved the travel difficulties of herders but also made a positive contribution to the economic development and social stability of the pastoral area.



Changtai Mining Dispatched a Disaster Relief Team to Repair the Road

## Public Welfare and Volunteer Activities

The Company earnestly fulfills its social responsibility, coordinating various subsidiary resources, accurately addressing community needs, and widely carrying out various volunteer service activities. Each subsidiary actively responds by establishing professional volunteer service teams, forming a multi-level and broad-ranging service framework covering community development, occupational health, environmental protection, poverty alleviation, legal aid, elderly and disabled assistance, and child development. In 2025, the Company invested RMB 2.922 million in public welfare and charity, with 5,809 participants of employee volunteer services.

### Linglong Gold Mine Provides Health Services for Residents



Linglong Gold Mine Measuring Blood Pressure for Community Residents

Linglong Gold Mine volunteer medical service team went to Mengzhi Community in Zhaoyuan City to carry out the volunteer service activity themed "Golden Red Source Reflects the Original Aspiration·Uniting for Mengzhi to Fulfill the Mission," providing blood sugar and blood pressure testing as well as health consultation services for over 100 local residents, accurately addressing the actual needs of the community.

### Shandong Jinzhou Group Organized a Volunteer Activity to Show Respect and Care for the Elderly.

Shandong Jinzhou Group carried out the volunteer service activity "Caring for the Elderly and Warming Their Sunset Years," delivering fruits, milk, rice, and Double Ninth Festival blessings to the elderly at the Xiake Town nursing home. During the activity, the Company's volunteers helped the elderly with haircuts, making dumplings, and repairing electrical circuits, demonstrating the spirit of volunteerism through practical actions.



Shandong Jinzhou Group Volunteers Serving Elderly Residents in the Nursing Home

### Xinjiang Jinchuan Mining Grassland Waste Cleanup

Xinjiang Jinchuan Mining volunteers went deep into the stationed grasslands to comprehensively clean up waste left behind by tourists, such as plastic bags, cigarette butts, and waste paper, putting the "Lucid waters and lush mountains are invaluable assets" concept into practice through concrete actions and contributing corporate strength to improving the grassland ecological environment.



Xinjiang Jinchuan Mining Organizes Volunteer Service for Waste Cleanup



Guilaizhuang Gold Mine Staff Performing Maintenance on Community Fitness Equipment



Xincheng Gold Mine Organized Employees for Voluntary Blood Donation



Yulong Mining Awarding Golden Autumn Education Scholarships

# 06

## Technological Innovation

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- Carried out **347** scientific research projects, with R&D investing a total of RMB **1.025** billion
- Number of "High-tech Enterprises": **13**
- Obtained **257** patents granted. Possesses **1,242** valid patents
- Product qualification rate reaches **100%**
- A total of **19** smart scenarios promoted, and **223** smart mines projects implemented



## Technology Management System

### Innovation Management and Technology Research and Development

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

#### Scientific Research Team Construction

The Company has always placed talent work at a strategic level, advancing it in a coordinated manner. Focusing on the full chain of "Attracting, Cultivating, Utilizing, and Retaining Talent", it continuously improves the talent work system, strengthens team building, and strives to build a high-quality, innovative talent team. By the end of 2025, the Company had a total of 1,833 R&D staffs.

#### Research Incentives and Rewards

The Company emphasizes innovation incentives for the R&D staffs, stimulating their creativity and research enthusiasm through various means. In 2025, the Company revised and issued the Science and Technology Awards Management Measures, further clarifying procedural compliance and enhancing the fairness of evaluation. Every year, the Company conducts evaluations for the Science and Technology Progress Award and the Technological Innovation Award, granting monetary and other material rewards to personnel who have achieved outstanding results in research projects. In 2025, the Company held a science and technology conference to commend collectives and individuals who excelled in scientific and technological work during the "14th Five-Year Plan" period, continuously encouraging R&D staffs to apply innovative results to actual production and promote the transformation of scientific and technological achievements into economic benefits.

The Company has consistently adhered to driving high-quality development with Technology Innovation, carrying out a series of major scientific research projects in areas such as deep vertical shaft construction, tackling difficult dressing, deep prospecting, deep mining, efficient filling, and tailings utilization, achieving multiple breakthrough results. In 2025, the Company carried out a total of 347 scientific research projects, with an investment of RMB 1.025 billion in research and development. By the end of 2025, the Company had 13 enterprises recognized as "High-tech Enterprises".

In 2025, the Company's "Key Technology for Intelligent Green Filling of Metal Mines" won the First Prize of the Provincial Science and Technology Progress Award for 2024, and was also selected among the "Top Ten Scientific Achievements" of provincial state-owned enterprises by the Shandong Provincial SASAC in 2025. This effectively solved the challenges of tailings intelligent green filling with Mining and the comprehensive utilization of tailings in metal mines, providing technical support and engineering reference for green Mining and high-quality development of China's metal mining industry.

#### Ultra-deep Wells Transparent Shaft Drilling Intelligent Collaborative Construction Key Theory and Technology

Relying on the three key theories and technologies of ultra-deep wells transparent shaft drilling intelligent collaborative construction, the Company successfully built a 2,000-meter deep auxiliary shaft Sanshandao Gold Mine, which is the deepest large-diameter vertical shaft in Asia. This project has developed a 2,000-meter deep shaft three-dimensional visualization model for engineering disaster analysis and prediction, establishing a safe construction process system for 2,000-meter deep shafts that includes transparent dry drilling, pressure relief prevention and control, constant temperature cooling, efficient hoisting, and pressure-free shaft walls.

#### National Major Science and Technology Project for Deep Earth

Focusing on the national deep-earth major science and technology project topic "Key Gold Mine Enrichment Area Intelligent Exploration Evaluation and Real-time Target Optimization," in 2025, the Company completed the integration and collection of the Jiaoxi North gold mine enrichment area and tons-level big data sets, and built the region's first intelligent exploration demonstration base, laying a solid foundation for deep prospecting.

#### "Jiaojia Fault Zone Gold Mineralization System and Prospecting Prediction" Project

The Company conducted research on the gold-related mineralization actions in the Jiaojia Gold Mine zone, core hyperspectral scanning, integrated geophysical exploration, and three-dimensional geological model construction, defining the spatial-temporal structure of the structural-alteration-mineralization network, and sorting out the geological and geochemical characteristics of each mineralization subsystem, ultimately delineating 11 prospecting target areas.

### Industry-Academia-Research Cooperation

Shandong Gold places great importance on industry-academia-research cooperation. By establishing academician workstations and industry-academia-research cooperation platforms, it has formed long-term cooperative relationships with well-known universities and research institutions, creating a technology innovation system characterized by "Enterprise-led, Market-oriented, and Deep Integration of Industry, Academia, and Research."

In 2025, the Company made full use of the strength of high-level talents represented by academicians of the Chinese Academy of Sciences, and promoted cooperation through the Academician Workstation to advance four key scientific research projects: "Prediction of gold mineralization system and prospecting in Jiao Family Fault Zone," "Research on gold mine enrichment area and the metallogenic rules in Xiahe-Hezuo, Gansu Province, and Typical 3D mineralization Prediction of gold deposit," conducting a total of 18 activities connecting industry, academia, and research. The Company jointly published 10 high-value papers, promote in-depth integration of industry-academia-research, and continuously enhance the Company's technological innovation capabilities.

### Intellectual Property Protection and Patent Management

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

#### Trademark Management

The Company strictly follows the principles of unified authorization, legal use, and lawful maintenance, and strictly implements trademark re-authorization management for its affiliated enterprises. The trademark management department strictly maintains the brand rights of the Company's trademarks through measures such as regular inspections, contract constraints, and legal rights protection.

In 2025, the Company carried out special training centered around trademark maintenance practices and risk prevention, and supervise affiliated enterprises in conducting special inspections and rectifications of brand authorization operations, continuously improving the standardization and effectiveness of brand management.

#### Patent Management

The Company has designated personnel responsible for patent applications, reviews, rights protection, and technical safeguarding. Through effective patent layout and protection, the Company continuously promotes technological innovation and enhances market competitiveness.

In 2025, the Company applied for 327 patents and obtained 257 patent grants. By the end of 2025, the Company's total number of valid patents reached 1,242.

## Product Quality Management

### Product Responsibility

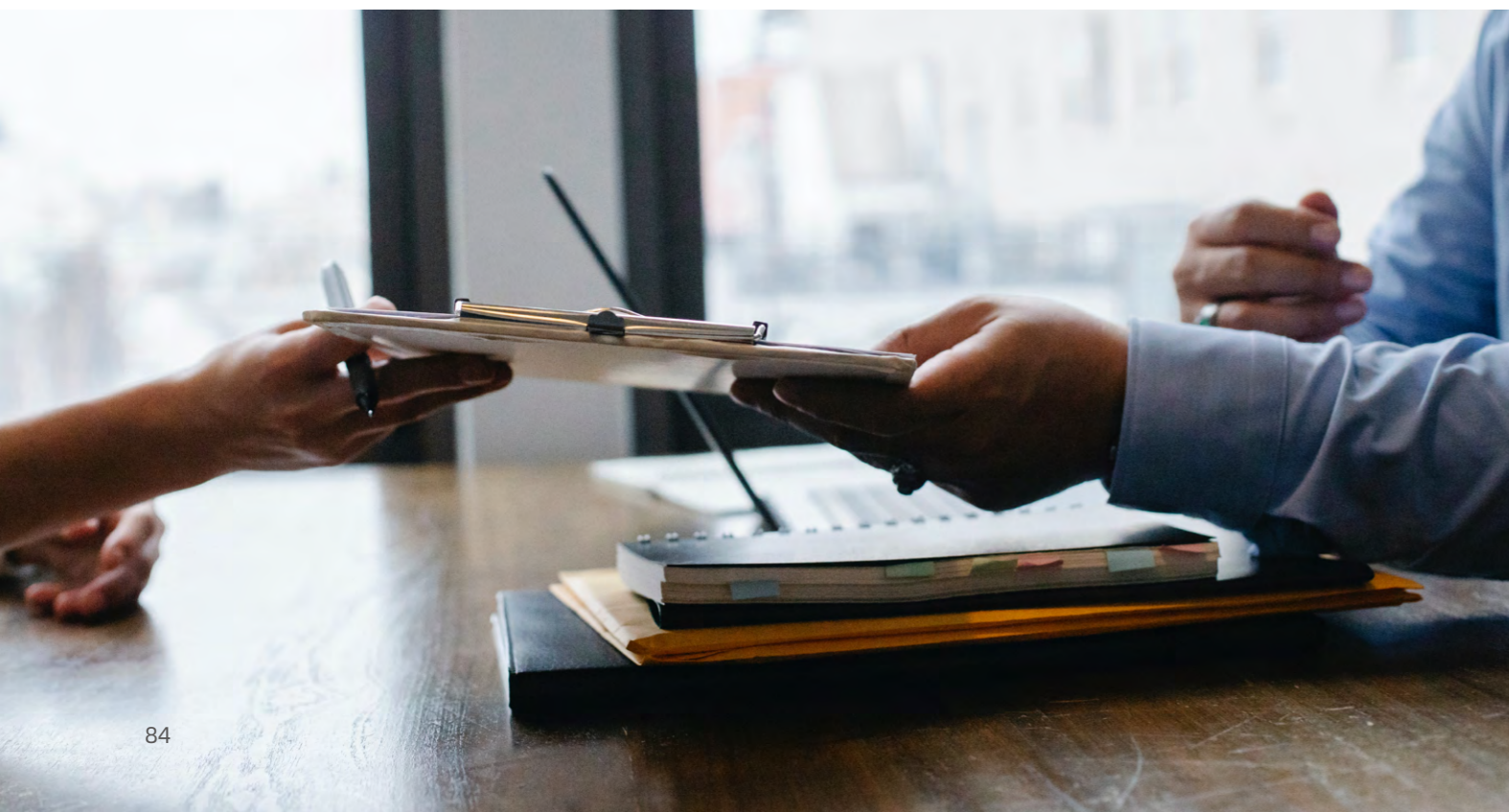
Shandong Gold's main products include standard gold bullions, investment gold bars, alloy gold, and silver ingots. As a strictly standardized Precious Metals product, the Company deeply understands the importance of products in safeguarding investors' rights and maintaining market order, and strictly carries out product quality management work. From mining at the source, to ore selection, smelting processes, and finally to the formation of standard products, every step showcases Shandong Gold's dedication to quality.

The Company's subsidiary, Gold Smelting Company, is among the first batch of ten nationwide enterprises certified by the Shanghai Gold Exchange as "Providers of Standard Gold Bullions" and among the first batch of gold bullions brand registered enterprises by the Shanghai Futures Exchange. For consecutive years, it has been rated by the Shanghai Gold Exchange as an "advanced enterprise providing standard gold bullions," and has been awarded the London Bullion Market Association (LBMA) good delivery bar qualification and recognition for high-quality products in the international gold and silver markets, with production quality and scale reaching international advanced standards. Subsidiary SDG Heavy Industry effectively ensures product quality stability through measures such as establishing a closed-loop mechanism of "problem Identification-Analysis-Rectification-Verification" and carrying out full-process quality control for key projects.

By the end of 2025, five subsidiaries have passed the ISO 9001 International Quality Management System certification and established quality management regulations that meet international standards. In 2025, the Company's product qualification rate reached 100%, with no product recalls occurring throughout the year.

### Customer Communication

Shandong Gold adheres to the service philosophy of "Customer First, Integrity-Based", establishing a sound customer relationship management mechanism committed to providing high-quality products and efficient services for customers. The Company sells self-produced gold uniformly, with the main sales customers being the Shanghai Gold Exchange, Shanghai Futures Exchange, and other financial institutions. The Company actively establishes good cooperative relationships with exchanges, commercial banks, research institutions, etc., and maintains close communication. In 2025, the Company experienced no customer complaint incidents.



## Digitalization and Informatization

### Information Security Protection

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

#### Information Security Protection



The Company strictly implements regulations such as the Shandong Gold Information Security Management Measures, the Shandong Gold Information Security Management Handbook, and the Shandong Gold Integrity and Compliance Handbook. Employees are required to properly store and use confidential information, and are prohibited from retaining, copying, or carrying confidential materials without approval. It is strictly forbidden to process or transmit confidential information via non-confidential media carriers. Employees should avoid involving confidential matters in public places and in private interactions.

Confidential information incidents must be reported promptly and remedial measures taken upon discovery of a leak. In addition, the Company has incorporated information security management requirements into employee performance assessments and reward-and-punishment management, further regulating employee behavior in information security protection. By the end of 2025, the Company's official website, digital archive system, and treasury management system had all obtained Level 2 Information Security Protection Certification, while the Shandong Gold Cloud Platform obtained Level 3 Certification; in 2025, the Company had no information-security-related penalties.

#### Cybersecurity Protection



The Company strictly implements the Shandong Gold Industrial Network Cybersecurity Management Measures (Trial) and other systems, regularly carrying out cybersecurity certification, testing, and risk assessment, building a comprehensive cybersecurity prevention and control system, and promptly addressing system vulnerabilities, viruses, and network attack incidents. Employees must adhere to internet access regulations, prohibiting login to illegal websites, receiving suspicious emails, downloading malicious software, or posting illegal or non-compliant information. The Company conducts cybersecurity training twice a year, covering confidentiality systems, cybersecurity laws and regulations, and emergency response procedures, to enhance employees' cybersecurity awareness and emergency handling abilities.

### Digital Transformation

Shandong Gold is driven by digital technology, with data resources at its core and a digital ecosystem as its enabling tool. Based on business needs, it aims to become a pioneer in the digital transformation of the global gold mining industry. The Company focuses on smart production, excellent operations, and shared services, empowering the digital transformation in the field of safety production through standardization and business system design.

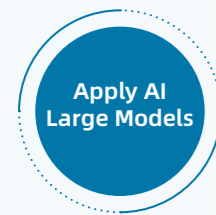
Annual Key Progress



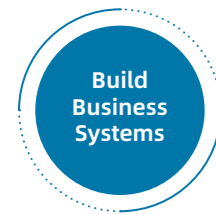
- Smart operations center project cluster: completed overall planning, consulting, and design, as well as five core projects including the commercialization of high-tech achievements emergency command project.
- Dispatch and command center construction: completed interior decoration and smart hardware deployment, established an integrated communications system, and achieved interconnectivity between the Company and pilot enterprises.
- Data collection project: Completed the wrap-up of Phase I and preparation for Phase II, achieving comprehensive production and operation data collection for 2,381 key pieces of equipment across 21 categories, including ball mill and hoists. Deployed over 20,000 collection points in total, laying a solid data foundation for intelligent applications.



- Data platform project: Conducted research and established governance systems across six major business domains—production operations, safety, equipment, human resources, supply chain, and finance—while simultaneously promoting platform development and organizing the data asset catalog, driving the transformation of data from a "resource" into a "Tool for Business Management, Risk Early Warning, and Decision Support."



- Developed an "AI+" action plan, outlining three key tasks, 19 major projects, and 105 intelligent application scenarios.
- Among the 10 quick-win scenarios such as commercialization of high-tech achievements intelligent Q&A for production and operation information, and enterprise-integrated intelligent knowledge management and Q&A, the "Intelligent Operation and Maintenance Large Model Application Scenario for Core Mining Equipment" was selected as one of the "2025 Typical Artificial Intelligence Application Scenarios for Shandong Provincial State-owned Enterprises."



- Completed the construction of the audit digital management platform and digital archive system, improving archive retrieval efficiency by more than 60%.
- Completed Phase II construction of the supply chain system, increasing the centralized procurement rate to 95.04%.
- Independently developed six systems including mining rights management. In 2025, conducted three rounds of specialized training covering more than 220 participants, continuously enhancing subsidiaries' self-developed capabilities.



- Formulate and implement the IT innovation implementation plan, complete the transformation of the unified user management system for IT innovation, and promote the upgrade of COP and its replacement with IT innovation solutions.
- Expand the Shandong Gold Cloud by adding multiple servers and switch devices, freeing up resources to meet the needs of critical business migration to the cloud.

Smart Mine Construction

Shandong Gold is actively building a smart mine that is "Safe, Green, Efficient, and Intelligent" by promoting various intelligent scenario applications and continuously advancing smart mine construction. By the end of 2025, the Company successfully promoted 19 smart scenarios, and established 223 smart mine projects, achieving significant results in "Enhancing Safety and Improving Efficiency".

Annual Exemplary Projects

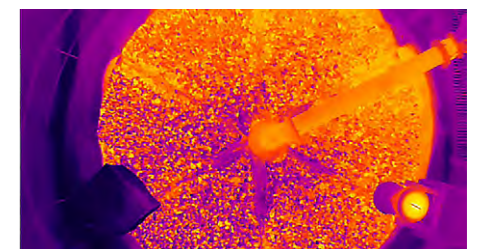
Sanshandao Gold Mine Indoor Drone Inspection Project

The project focuses on indoor workshop scenarios such as beneficiation, leveraging AI holographic multi-dimensional visual diagnostics and infrared thermal imaging technology to build an intelligent inspection system. It dynamically generates inspection routes through 3D modeling to detect defects in core indoor equipment, capturing potential hazards such as equipment failures and abnormal temperatures in real-time, and synchronizing them to the mining management platform and mobile terminals to achieve a second-level closed-loop response from "Monitoring-Early Warning-Handling". The project can monitor the entire lifecycle of equipment operation without human intervention.

Supports historical data review to help predict equipment trends, providing safe production with a "Zero Contact, Fully Intelligent, Highly Precise" solution that significantly reduces manual inspection costs and improves production efficiency.



Beneficiation Indoor Drone Pre-Flight Inspection Preparation



Temperature Detection and Anomaly Identification

Sanshandao Gold Mine Fire Assay Intelligent Control System

The Sanshandao Gold Mine establishes a fire assay intelligent control system based on digital twin technology, enabling automated material transfer across multiple workstations such as feeding, mixing, and the addition of cover agents and reagents. The system integrates multiple technologies including fieldbus, intelligent temperature control, machine vision, and digital twin, achieving automation, precision, and informatization of the fire assay process, significantly improving metallurgical testing efficiency and safety.



Fire Assay Intelligent Control System

In promoting the intelligent construction of mines, the Company actively develops demonstration applications and participates in the development of industry standards. As a pioneer of intelligent mine construction in Shandong Province, Sanshandao Gold Mine focuses on the key direction of "Artificial Intelligence + Mining" to build an industry-leading vertical-domain large-model application system for mines. Among them, the "Integrated Mining and Storage Large Model for Intelligent and Refined Full-Chain Management in Metal Mines" was successfully selected for the first batch of typical application scenario projects under the "Hundred Intelligent Scenes" AI large model initiative by the Shandong Provincial Department of Industry and Information Technology. In 2025, Sanshandao Gold Mine participated in formulating the group standard Technical Specification for AI Drone Indoor Inspection in beneficiation Workshops (T/NDAS 113-2025), which, as the first AI drone inspection technical specification in the domestic gold industry, fills the technical gap in the beneficiation intelligent inspection field; Jiaojia Gold Mine took part in compiling the Ministry of Industry and Information Technology's key industry standards Non-Ferrous Metals Industry Digital Transformation Maturity Assessment (YS/T 1824-2025) and General Technical Requirements for Non-Ferrous Metals Industry Digital Simulation (YS/T 1819-2025), further enhancing Shandong Gold's demonstration leadership and industry influence in the field of mine intelligence.

# Performance Report <sup>Note</sup>

## Economic Performance

Indicators	2023	2024	2025
Revenue (RMB 100 million)	592.75	825.18	1,042.87
Total profit (RMB 100 million)	35.63	56.82	90.89
Total assets (RMB 100 million)	1,345.99	1,606.60	1,703.74
Net assets attributable to shareholders of the listed company (RMB 100 million)	330.85	377.98	448.99

## Governance Performance

### Anti-Corruption

Indicators	2023	2024	2025
Number of anti-corruption training sessions	-	2,100	1,920
Anti-corruption training hours (hours)	-	2,400	1,973
Anti-corruption training coverage rate (%)	-	100	100
Number of participants in anti-corruption training	-	17,447	17,349
Of which: Board members	-	8	9
Senior management employees	-	212	195
Middle management employees	-	756	798
Primary employees	-	16,471	16,347
Of which: Coverage rate of Board members participating in anti-corruption training (%)	-	100	100
Coverage rate of senior management participating in anti-corruption training (%)	-	100	100
Coverage rate of middle management participating in anti-corruption training (%)	-	100	100
Coverage rate of primary employees participation in anti-corruption training (%)	-	100	100
Number of corruption litigation cases during the reporting period	-	0	0
Number of corruption litigation cases concluded during the reporting period	-	0	0
Number of people involved in corruption litigation cases	-	0	0
Of which: Board members	-	0	0
Management level employees	-	0	0
Primary employees	-	0	0

Note: Performance data includes the ESG performance data of the holding company Shanjin International. The data about economic performance, technology innovation, environmental performance, investment in safety production, work injury management, safety training, employee care, rural revitalization, and public welfare charity of Shanjin International is consolidated already.

### Anti-Unfair Competition

Indicators	2023	2024	2025
Number of lawsuits or penalties due to unfair competition during the reporting period	-	0	0
Amount involved (RMB)	-	0	0
Number of incidents rectified and improved by the Company during the reporting period	-	0	0

### Technological Innovation

Indicators	2023	2024	2025
R&D funding investment (RMB 100 million)	7.96	8.63	10.25
Number of research platforms	8	8	8
Number of research projects	279	311	347
Number of technological innovation achievements	199	190	226
Number of R&D staff	-	1,707	1,833
Number of "High-tech Enterprise" certifications	-	13	13

### Patent Management

Indicators	2023	2024	2025
Number of invention patents applied to the main business (items)	-	74	117
Number of patent applications during the reporting period (items)	259	265	327
Of which: invention patents (items)	54	76	167
Number of patent grants during the reporting period (items)	173	176	257
Of which: invention patents (items)	19	74	117
Total number of valid patents as of the end of the reporting period (items)	-	1,071	1,242

## Product Quality

Indicators	2023	2024	2025
Quantity of product recalls (tons)	-	0	0
Percentage of sold or shipped products that are subject to recall for safety and health reasons (%)	-	0	0
Product qualification rate (%)	-	100	100
Number of complaints about products and services (items)	-	0	0
Number of major liability accidents related to product and service safety and quality (items)	-	0	0
Client complaint ratio (%)	0	0	0
Number of customer privacy breach incidents (items)	-	0	0

## Environmental Performance

### Environmental Protection Investment and Training

Indicators	2023	2024	2025
Total investment in environmental protection (RMB 100 million)	1.54	1.47	2.75
Total investment in environmental protection training (RMB 10 thousand)	-	55.24	73.12
Number of environmental protection training sessions	71	124	181
Participants in environmental protection training	31,155	43,876	62,345
Average environmental protection training duration per person (hours)	-	4.23	5.47

### Waste Management

Indicators	2023	2024	2025
Hazardous waste generated (10,000 tons)	-	481.21	823.40 <sup>Note1</sup>
Of which: Cyanide tailings (10,000 tons)	-	346.38	307.14
Heap leach residue (10,000 tons)	-	111.51	516.03
Waste mineral oil (including waste engine oil) (10,000 tons)	-	0.02	0.02
Other hazardous waste (10,000 tons)	-	23.30	0.21
Compliant disposal amount of hazardous waste (10,000 tons) <sup>Note2</sup>	-	369.51	307.95

Indicators	2023	2024	2025
Of which: Third-party disposal amount of cyanide tailings (10,000 tons)	-	46.72	48.90
Disposal amount of cyanide tailings in tailings (10,000 tons)	-	299.47	258.76
Third-party disposal amount of waste mineral oil (including waste engine oil) (10,000 tons)	-	0.02	0.02
Other disposal amount (10,000 tons)	-	23.30	0.27
Non-hazardous waste generation (10,000 tons)	-	1.64	2.04
Of which: Scrap steel (10,000 tons)	-	0.51	0.57
Used tires (10,000 tons)	-	0.06	0.33
Household waste (10,000 tons)	-	0.82	0.30
Other harmless waste (10,000 tons)	-	0.25	0.84
Non-hazardous waste generation intensity (tons/RMB million)	-	0.20	0.20
Mineral waste generated (including underground mine tailings and waste rock) (10,000 tons)	-	1,343.76	1,343.58
Of which: Tailings of underground mines (10,000 tons)	-	759.14	790.09
Waste rock of underground mines (10,000 tons)	-	584.62	553.49
Comprehensive utilization of mineral waste (10,000 tons) <sup>Note3</sup>	-	1,111.89	1,075.34
Comprehensive utilization rate of mineral waste (%)	-	82.74	80.04

Note 1: In 2025, Xinjiang Jinchuan Mining began production, the Company's production capacity increased, and the amount of waste increased accordingly.

Note 2: Some heap leaching residues will continue to be produced through heap leaching. A small amount of cyanide tailings is stored in cyanide residue greenhouses and will be gradually handed over to third-party disposal institution for compliant disposal.

Note 3: The comprehensive utilization methods for underground mine tailings include underground filling, construction materials production, brick making, ecological remediation, etc. The comprehensive utilization methods for underground mine waste rock include underground filling, tailings dam construction, paving, construction gravel making, etc.

### Water Resource Management

Indicators	2023	2024	2025
Water withdrawn amount (10,000 tons) <sup>Note</sup>	499.28	1,589.71	1,755.31
Of which: Surface water (10,000 tons)	-	129.78	342.10
Mine water inflow (10,000 tons)	-	1,247.46	1,325.85
Municipal water (10,000 tons)	-	212.47	87.35
Recycled water volume (10,000 tons)	-	7,172.22	4,026.23
Water resource utilization rate (%)	100	100	100
Water withdrawn intensity (tons/RMB million)	84.23	192.65	168.31

Note: The data related to water withdrawn for 2024 has been adjusted due to statistical optimization.

## Energy Management

Indicators	2023	2024	2025
Total energy consumption (million kWh)	1,910.18	2,099.01	2,171.33
Energy consumption intensity (MWh/RMB million)	32.23	25.44	20.82
Of which: Gasoline consumption (tons)	619.08	707.28	551.22
Diesel consumption (tons)	26,273.62	26,994.15	28,637.09
Coal consumption (tons)	12,326.54	23,374.14	22,535.54
Natural gas consumption (10,000 cubic meters)	167.52	76.65	1,025.87
Electricity consumption (MWh)	1,491,057.21	1,555,170.00	1,829,289.43
Of which: Green electricity purchase (MWh)	-	129,054.95	346,032.26
Photovoltaic power generation (MWh)	-	22,207.48	337,269.92
Wind power generation (MWh)	-	22,901.40	119,039.51
Other renewable energy consumption (MWh)	-	10,502.19	0

## Greenhouse Gases

Indicators <sup>Note1, 2</sup>	2023	2024 <sup>Note3</sup>	2025
Total greenhouse gas emissions (10,000 tons of CO <sub>2</sub> equivalent)	132.97	127.69	134.65
Greenhouse gas emission intensity (tons of CO <sub>2</sub> equivalent/RMB million)	22.43	15.47	12.93
Scope 1: Direct greenhouse gas emissions (10,000 tons of CO <sub>2</sub> equivalent)	11.95	30.87	33.56
Scope 2: Indirect greenhouse gas emissions (10,000 tons of CO <sub>2</sub> equivalent)	121.02	96.82	101.09

Note 1: The calculation method for greenhouse gas emissions refers to the "Guidelines for the Accounting and Reporting of Greenhouse Gas Emissions from Chinese Mining Enterprises (Trial)" and the "General Principles for the Accounting and Reporting of Greenhouse Gas Emissions from Industrial Enterprises (GB/T32150-2017)", among others. The relevant coefficients used in the calculations are taken from the "Guidelines for the Accounting and Reporting of Greenhouse Gas Emissions from Chinese Mining Enterprises (Trial)", the "General Energy Consumption Calculation Principles (GB/T2589-2020)", and the Ministry of Ecology and Environment's the "Announcement on the Release of Carbon Emission Factors for Electricity in 2023". The calculation factor of greenhouse gas emission of oversea subsidiaries refers to the "IEA, Emissions Factors 2025".

Note 2: For the carbon emissions from purchased electricity at domestic mining sites, the 2023 data were calculated using the 2012 China regional grid average CO<sub>2</sub> emission factor, the 2024 data using the 2022 national average CO<sub>2</sub> emission factor for electricity, and the 2025 data using the 2023 national average CO<sub>2</sub> emission factor for electricity.

Note 3: Starting from 2024, the scope of greenhouse gas emissions statistics has been expanded to include 100% of Shanjin International's greenhouse gas emissions, as well as the joint venture Veladero Gold Mine and the controlled company Cardinal Resources Company. Due to the update of the purchased electricity carbon emission factor to the latest data, the factor coefficient used in 2024 decreased significantly compared with that used in 2023, resulting in a reduction in total greenhouse gas emissions data.

## Emission Management

Indicators <sup>Note</sup>	2023	2024	2025
Nitrogen oxides (tons)	19.02	56.95	46.90
Sulfur dioxide (tons)	15.04	31.21	25.01
Smoke dust (boiler emissions only) (tons)	3.95	12.87	8.75
Particulate matter (production process emissions) (tons)	53.78	77.61	83.90
Wastewater discharge (10,000 tons)	2,558.61	2,106.06	1,931.24
Total chemical oxygen demand (COD) emission (tons)	222.08	160.07	129.31
Total ammonia nitrogen emissions (tons)	10.50	8.06	8.43

Note: Starting from 2024, we have consolidated the data of Shanjin International. Its mines are located in remote, high-cold areas, resulting in significant boiler usage. Therefore, emissions of nitrogen oxides, sulfur dioxide, and smoke dust in 2024 have increased compared to 2023.

## Land Reclamation

Indicators	2023	2024	2025
Annual land reclamation area (hectares)	-	53.06	220.63
Total investment in land reclamation and geological environment management (RMB 10 thousand)	-	4,950.12	3,497.22

## Social Performance

### Employee Diversity

Indicators	2023	2024	2025
Total number of all employees	17,602	17,439	29,282
Of which: Number of male employees	14,599	14,552	25,671
Number of female employees	3,003	2,887	3,611
Of which: Number of full-time employees	17,602	17,439	29,229
Number of part-time employees	0	0	53
Of which: Number of employees (age ≤ 30)	3,013	3,451	6,652
Number of employees (31 ≤ age ≤ 40)	4,758	4,805	8,800
Number of employees (41 ≤ age ≤ 50)	5,504	4,885	7,911
Number of employees (age ≥ 51)	4,327	4,298	5,919

Indicators	2023	2024	2025
Of which: Number of senior management employees	221	212	271
Number of middle management employees	766	756	1,170
Number of primary employees	16,615	16,471	27,841
Of which: Number of domestic employees	-	17,413	27,488
Number of overseas employees	-	26	1,794
Of which: Number of local employees <sup>Note</sup>	-	15,120	23,826
Labor contract coverage rate (%)	100	100	100
Social insurance coverage rate (%)	100	100	100

Note: For domestic employees, local hiring refers to those whose registered domicile and employing enterprise are located in the same province.

### Newly Added Employees

Indicators	2023	2024	2025
Number of newly added employees	-	893	7,722
Of which: Number of newly added male employees	-	640	7,349
Number of newly added female employees	-	253	373
Of which: Number of newly added employees(age ≤ 30)	-	829	2,910
Number of newly added employees(31 ≤ age ≤ 40)	-	58	2,290
Number of newly added employees(41 ≤ age ≤ 50)	-	5	1,822
Number of newly added employees(age ≥ 51)	-	1	700

### Employee Turnover Rate

Indicators	2023	2024	2025
Number of turnover employees	-	1,056	1,040
Turnover rate of employee (%)	5.61	5.71	3.46
Of which: Turnover rate of male employee (%)	4.09	4.03	2.87
Turnover rate of female employee (%)	1.52	1.68	0.59
Of which: Turnover rate of employee (age ≤ 30)(%)	0.62	0.69	0.52
Turnover rate of employee (31 ≤ age ≤ 40)(%)	0.44	0.55	0.74

Indicators	2023	2024	2025
Turnover rate of employee (41 ≤ age ≤ 50)(%)	1.02	1.12	0.74
Turnover rate of employee (age ≥ 51)(%)	3.53	3.35	1.46
Of which: Turnover rate of domestic employees (%)	-	-	3.34
Turnover rate of overseas employees (%)	-	-	4.98

### Employee Training

Indicators	2023	2024	2025
Occupational training investment (RMB 10 thousand)	4,320.58	4,699.74	5,550.26
Number of employee training sessions held (session)	169	232	267
Number of employees participating in training	29,878	35,971	37,554
Average training duration per employee (hours)	-	19.95	20.59
Of which: Average training duration for male employees (hours)	18.55	20.28	20.86
Average training duration for female employees (hours)	16.83	18.36	19.24
Of which: Average training duration for senior management (hours)	24.57	25.34	26.17
Average training duration for middle management (hours)	19.43	22.99	23.77
Average training duration for primary employees (hours)	16.34	17.64	17.93
Employee training coverage (%)	-	86.22	88.72
Of which: Male employee training coverage (%)	-	85.49	89.71
Female employee training coverage (%)	-	89.79	91.56
Of which: Senior management training coverage (%)	-	88.17	90.88
Middle management training coverage (%)	-	89.34	91.14
Primary employees training coverage (%)	-	81.16	84.14

### Employee Care

Indicators	2023	2024	2025
Number of employee assistance	1,031	910	843
Amount of employee assistance (RMB 10 thousand)	493.43	431.99	433.68

### Investment in Safety Production

Indicators	2023	2024	2025
Investment in production safety (RMB 100 million)	8.91	12.56	12.18
Of which: Investment in safety facilities and equipment (RMB 100 million)	-	3.06	3.03
Investment in safety protective equipment (RMB 100 million)	-	0.62	0.77
Investment in safety equipment testing (RMB 100 million)	-	0.55	0.42
Investment in major hazard source remediation (RMB 100 million)	-	1.32	1.12
Investment in safety production training (RMB 100 million)	-	0.51	0.51
Others (RMB 100 million)	-	6.50	6.33
Investment in production safety liability insurance (RMB 10 thousand)	-	1,382.42	1,383.69
Employee coverage rate of production safety liability insurance (%)	-	100	100
Number of special governance activities related to safety	62	176	257

### Work Injury Management

Indicators	2023	2024	2025
Number of work-related deaths	0	3	0
Of which: Number of employee fatalities	0	0	0
Number of contractor fatalities	0	3	0
Number of major safety production accidents (cases)	0	0	0
Number of lost time injury incidents (LTI) (cases)	-	9	10
Lost time injury rate per million man-hours (LTIR)	-	0.23	0.17
Number of recordable injury incidents (TRI) (cases)	-	32	28
Recordable injury rate per million man-hours (TRIR)	-	0.82	0.48
Number of workdays lost due to occupational injuries (days)	0	886	739
Number of working hours lost due to occupational injuries (hours)	-	7,088	5,912

### Safety Training

Indicators	2023	2024	2025
Investment in safety training (RMB 10 thousand)	-	5,062	5,075
Number of safety training sessions (sessions)	-	4,405	4,494
Total number of participants in safety training	-	373,574	389,386
Average safety training duration (hours)	-	56.84	58.78
Safety training coverage rate (%)	100	100	100

### Supplier Management

Indicators	2023	2024	2025
Number of suppliers	1,408	1,493	2,044
Number of overseas suppliers	0	0	0
Number of domestic suppliers	1,408	1,493	2,044
Percentage of suppliers certified by ISO 14000 (%)	64.91	65.63	65.66
Percentage of suppliers certified by OHSAS 18000 (%)	64.91	65.57	65.07
Number of suppliers evaluated annually	-	-	2,044
Supplier evaluation coverage rate (%)	-	-	100

### Rural Revitalization and Social Welfare

Indicators	2023	2024	2025
Total amount of social contribution (RMB 10 thousand)	-	622.82	510.27
Amount invested in rural revitalization (RMB 10 thousand)	-	469.65	218.07
Number of people benefited from rural revitalization work	-	2,832	2,106
Investment amount in public welfare and charity (RMB 10 thousand)	-	153.17	292.20
Number of employee volunteer services (participants)	-	2,492	5,809
Total hours of employee volunteer services (hours)	-	1,013	1,241

## Outlook

Looking ahead to the "15th Five-Year Plan", Shandong Gold will shoulder the important task of safeguarding the security of national strategic resources, continuing to build its image and strengthen its protection through deep-level sustainability and ESG practices. We are also keenly aware that there is still room for improvement in areas such as global resource integration, systematic technological innovation, and the extension of the multi-metal industry—this is both a challenge and a driving force toward becoming world-class. We will take this as an opportunity to integrate the Company's development into the broader context of national and social progress, gather strength by realizing employee value, earn respect by assuming social responsibilities, protect lush mountains and clear waters through green mining, serve people's livelihoods with a deep sense of patriotism, and steadily move toward becoming a "Pioneer in the Digital Transformation of the Global Gold Mining Industry" and a "Respected World First-Class Enterprise".

## Abbreviation

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

# Index

## HKEX "Environmental, Social and Governance Reporting Code" Content Index

### Part C: "Comply or Explain" Provisions

Subject Areas	Aspects	General Disclosures and KPIs	Pages
<b>A. Environmental</b>			
A1 Emissions	General Disclosure	(a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.	34-47, 50
		A1.1 The types of emissions and respective emissions data.	40, 90-93
		A1.3 Total hazardous waste produced (in tons) and, where appropriate, intensity (e.g., per unit of production volume, per facility).	90
	KPIs	A1.4 Total non-hazardous waste produced (in tons) and, where appropriate, intensity (e.g., per unit of production volume, per facility).	91
		A1.5 Description of emissions target(s) set and steps taken to achieve them.	40-41, 44-47
		A1.6 Description of how hazardous and non-hazardous wastes are handled, and a description of reduction target(s) set and steps taken to achieve them.	42-43
A2 Use of Resources	General Disclosure	Policies on the efficient use of resources, including energy, water and other raw materials.	38-39
		A2.1 Direct and/or indirect energy consumption by type (e.g., electricity, gas or oil) in total (kWh in '000s) and intensity (e.g., per unit of production volume, per facility).	92
		A2.2 Water consumption in total and intensity (e.g., per unit of production volume, per facility).	38, 91
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		A2.4 Description of whether there is any issue with sourcing water that is fit for purpose, water efficiency target(s) set and steps taken to achieve them.	38-39
		A2.5 Total packaging material used for finished products (in tons) and, if applicable, with reference to per unit produced.	Not applicable

Subject Areas	Aspects	General Disclosures and KPIs	Pages
A3 Environment and Natural Resources	General Disclosure	Policies on minimizing the issuer's significant impacts on the environment and natural resources.	34, 48, 50
	KPIs	A3.1 Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	34-37, 48-51
<b>B. Social</b>			
<b>Employment and Labor Practices</b>			
B1 Employment	General Disclosure	(a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equity opportunity, diversity, anti-discrimination, and other benefits and welfare.	64-69
	KPIs	B1.1 Total workforce by gender, employment type (for example, full- or part-time), age group and geographical region.	65, 93-94
		B1.2 Employee turnover rate by gender, age group and geographical region.	94-95
B2 Health and Safety	General Disclosure	(a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards.	54-59
	KPIs	B2.1 Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	60, 96
		B2.2 Lost days due to work injury.	96
B3 Development and Training	General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	67-68
	KPIs	B3.1 The percentage of employees trained by gender and employee category (e.g., senior management, middle management).	95
		B3.2 The average training hours completed per employee by gender and employee category.	95

Subject Areas	Aspects	General Disclosures and KPIs	Pages
B4 Labor Standards	General Disclosure	(a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labor	64
	KPIs	B4.1 Description of measures to review employment practices to avoid child and forced labor.	64
		B4.2 Description of steps taken to eliminate such practices when discovered.	64
<b>Operating Practices</b>			
B5 Supply Chain Management	General Disclosure	Policies on managing environmental and social risks of the supply chain.	29-30
	KPIs	B5.1 Number of suppliers by geographical region.	97
		B5.2 Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, and how they are implemented and monitored.	29-31, 97
		B5.3 Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	29-31
		B5.4 Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	29-31
B6 Product Responsibility	General Disclosure	(a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress	84-85
	KPIs	B6.1 Percentage of total products sold or shipped subject to recalls for safety and health reasons.	84, 90
		B6.2 Number of products and service-related complaints received and how they are dealt with.	84, 90
		B6.3 Description of practices relating to observing and protecting intellectual property rights.	83
		B6.4 Description of quality assurance process and recall procedures.	84
		B6.5 Description of consumer data protection and privacy policies, and how they are implemented and monitored.	84-85

Subject Areas	Aspects	General Disclosures and KPIs	Pages
B7 Anti-Corruption	General Disclosure	(a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering.	27
	KPIs	B7.1 Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases.	27, 88
		B7.2 Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored.	27-28
		B7.3 Description of anti-corruption training provided to directors and staff.	27-28, 88
		<b>Community Investment</b>	
B8. Community Investment	General Disclosure	Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests.	74-79
	KPIs	B8.1 Focus areas of contribution (e.g., education, environmental concerns, labor needs, health, culture, sport).	74-79
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## Part D: Climate-related Disclosures

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	(b) management's role in the governance processes, controls and procedures used to monitor, manage and oversee climate-related risks and opportunities.	
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Aspects	Climate-related Disclosures	Pages
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	(b) the processes the issuer uses to identify, assess, prioritize and monitor climate-related opportunities (including information about whether and how the issuer uses climate-related scenario analysis to inform its identification of climate-related opportunities); and	
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	Applicability of cross-industry metrics and industry-based metrics	92

Statement on Non-disclosure of Certain Climate-related Information: The Company adheres to the Part D: Climate-related Disclosures of the Environmental, Social and Governance Reporting Code and is actively advancing relevant initiatives. Currently, we have conducted the identification and analysis of climate-related risks and opportunities, completed the qualitative assessment phase, identified the main types of climate-related risks and opportunities, and preliminarily established corresponding response measures and management mechanisms. Given the Company's current business development plans and resource allocation, certain climate-related disclosures are not yet ready for reporting within this reporting period. The specific explanations are as follows: (1) Quantitative analysis of climate-related risks and opportunities, as well as the quantification of their potential management and financial impacts, involve complex data collection, model building, and scenario analysis. The Company has not prioritized this work for the current financial year. In the future, the Company will gradually assess and advance the development of relevant quantitative analysis capabilities in conjunction with our business development plans. (2) The Company has not yet formally established a plan to link climate-related performance indicators with remuneration mechanisms. In the future, the Company will prudently study and, at the appropriate time, promote the establishment of such mechanisms in alignment with the deepening of our overall ESG strategy. (3) Scope 3 GHG Emissions: The accounting for Scope 3 GHG emissions involves extensive data from upstream and downstream value chains. The Company has not yet commenced this statistical work. In the future, the Company will gradually explore accounting pathways for Scope 3 GHG emissions in conjunction with supply chain management optimization and carbon footprint management planning.

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

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	3	Waste Management	Article 31	42-43, 90-91
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Social	12	Technological Ethics	Article 43	Not applicable. The Company has never engaged in scientific research, technological development, or other activities in life sciences or other technology ethics-sensitive fields; therefore, this subject is not applicable to the Company.
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**SD-GOLD**