

# 2025

## Environmental, Social and Governance (ESG) Report

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Dazhong Mining Co., Ltd.



# CONTENTS

About this Report	01
Message from the Chairman	03
Sustainable Development Highlights in 2025	05
About Dazhong Mining	07
Sustainability Management	13

Special Feature: "Lithium" Vision for a New Era — Dazhong Mining's Path to Break-through in the Lithium Industry	21
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## 01 Compliant Operations: Strengthening Governance Foundations

Deepening of Party Building Leadership	27
Improvement of Corporate Governance	29
Protection of Investors' Rights and Interests	33
Enhancement of Risk Management	34
Adherence to Business Ethics	37

## 02 Green Mines: Fostering Ecological Integration

Response to Climate Change	43
Enhancement of Environmental Management	49
Improvement of Resource Efficiency	58
Practice of Green Operations	66
Construction of Green Mines	67

## 03 Intelligent Mines: Innovating for Win-Win Cooperation

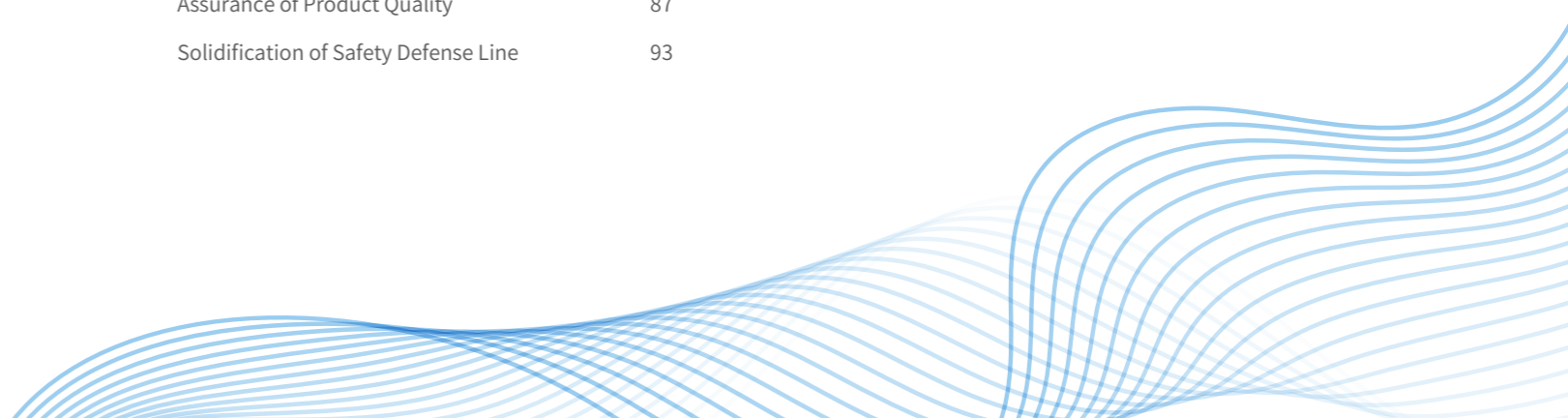
Promotion of Smart Operations	71
Protection of Data Security	79
Responsible Supply Chain	81

## 04 Safe Mines: Benchmarking for Quality Improvement

Assurance of Product Quality	87
Solidification of Safety Defense Line	93

## 05 People-Oriented Mines: Deepening Responsibility Fulfillment

Promotion of Talent Development	103
Co-building of a Harmonious Society	112
Future Prospects	117
Appendix	119
Indexes	119
Feedback Form	121



# About this Report

## Report Overview

This is the third Environmental, Social and Governance (ESG) report publicly released by Dazhong Mining Co., Ltd. In the principles of objectivity, standardization, transparency, and comprehensiveness, the Report details the continuous efforts and achievements of Dazhong Mining Co., Ltd. and its branches and subsidiaries in 2025 in response to opportunities and challenges related to sustainable development. This is done to integrate ESG principles into operations and management, respond to stakeholders' concerns, and promote shared development with stakeholders.

## Reporting Scope

This report covers Dazhong Mining Co., Ltd. as the main entity, with relevant sections covering its subsidiaries and branches. Unless otherwise stated, the scope of this report is consistent with the scope of the Company's Annual Report.

## Reporting Period

This report covers the period from January 1, 2025 to December 31, 2025 (the "Reporting Period"). To improve the comparability and perspectiveness of this report, some statements and data may appropriately refer back to previous years and extend beyond the Reporting Period.

## Preparation Basis

*Self-Regulatory Guideline NO. 17 for Companies Listed on Shenzhen Stock Exchange - Sustainability Report (Trial)*

*Shenzhen Stock Exchange Self-Regulatory Guidelines for Listed Companies No. 3 - Preparation of Sustainability Report*

*Corporate Sustainability Disclosure Standards—Basic Standards (for Trial Implementation)* released by the Ministry of Finance and other authorities

China Enterprise Reform and Development Society Guide to Corporate Sustainability Reporting in China (CASS ESG 6.0)

Global Reporting Initiative *Sustainability Reporting Standards (GRI Standards 2021)*

United Nations Sustainable Development Goals (SDGs)

## Data Source

Data sources used in the Report include public data from government agencies, the actual operational data, annual financial data, internal statistical reports of the Company, third-party questionnaire surveys, third-party evaluations or interviews, etc. The financial data in the Report is expressed in RMB. For any discrepancy between this report and the financial statements, the financial statements shall prevail.

## Appellation Description

In the Report, for the sake of clarity and readability, Dazhong Mining Co., Ltd. is referred to as "Dazhong Mining", "the Company", or "we" depending on the context. For further details, please refer to the 2025 Annual Report of Dazhong Mining Co., Ltd.

## Confirmation and Approval

The Report was approved by the Board of Directors of the Company on April 23, 2026 and was released in conjunction with the Annual Report. The Board of Directors has committed to monitoring the contents of the Report to ensure it contains no false records or misleading statements, and is accountable for the truthfulness, accuracy, and completeness of the Report.

## Access to this Report

This report is released in both Chinese and English electronic versions. For any discrepancy between the Chinese and English versions, the Chinese version shall prevail. You may download the electronic version of the Report from the websites of the Shenzhen Stock Exchange (<http://www.szse.cn>), the Company (<http://www.dzky.cn>), and cninfo (<http://www.cninfo.com.cn>) to obtain more information about the Company.

## Feedback

If you have any questions about the Report or wish to provide valuable suggestions, please feel free to contact us through the following channels.

Contact Person: Lin Puzheng (Board Secretary)  
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## Message from the Chairman



Dazhong Mining Co., Ltd. Chairman **牛国锋**

Dear shareholders, partners, employees, and friends: ”

2025 marks a pivotal year for Dazhong Mining to stay anchored to strategic priorities and forge ahead with determination amid challenges, and also a milestone year in our development history. Facing a complex and ever-changing macro environment, Dazhong Mining has stayed true to the mission of "developing mining and benefiting society". With the core business of iron ore as our "anchor" and lithium resources as our "new engine", we deliver substantial and inspiring sustainable development performance in the construction of green mines, scenic mines, intelligent mines, safe mines, and people-oriented mines. Particularly encouraging, we have achieved historic breakthroughs in our strategic layout in the lithium resources sector, injecting strong momentum into our high-quality development.

### Fulfilling governance responsibilities, we strengthen the foundation for standardized operations.

In 2025, we continuously improved the governance structure centered on the General Meeting of Shareholders, the Board of Directors, and the Management, to ensure the steady implementation of our strategy through standardized and efficient decision-making. We consistently fulfill our governance responsibilities, strengthen communications with investors, enhance the transparency in information disclosure, adhere to the bottom line of business ethics, and earn market trust through integrity-based and transparent governance practices, thus laying a solid foundation for sustainable development. In particular, in advancing lithium mining projects, we leveraged our professional capabilities and standardized operations, and successfully obtained a lithium mining license on October 28, 2025, which was the first lithium mining license issued by the Ministry of Natural Resources following the implementation of the new *Mineral Resources Law of the People's Republic of China*. This marks a substantive breakthrough in our "iron + lithium" dual-engine strategy and becomes an important turning point for the revaluation of the Company's value.

### Deepening our commitment to green development, we build harmonious and eco-friendly mines.

In the face of challenges arising from climate change, we integrate the fulfillment of our carbon reduction responsibilities into strategic decision-making and daily operations. Through measures such as adopting advanced energy-saving technologies, continuously advancing photovoltaic project construction, and strengthening resource recycling, we effectively reduce carbon emissions from our own operations. During the Reporting Period, our cumulative photovoltaic power generation reached 31.2534 million kWh, leading to a reduction of 20,302.32 tCO<sub>2e</sub> in the GHG emission; and both the wastewater recycling rate and the compliant disposal rate of solid waste and hazardous waste reached 100%, contributing actively to the national "carbon peaking and carbon neutrality" goals. In the construction of green mines, the Zhouyoufang Iron Mine maintained its leading position as a green mine, the Chongxinji Iron Mine was recognized as a provincial green mine in Anhui and included in the list of recommended national mines, and the Pelletizing Branch was designated as a Green Factory of the Inner Mongolia Autonomous Region. During the development of lithium mining projects, we innovatively adopted the shield tunneling technology to construct the mining, beneficiation and transportation tunnels, replacing traditional road transport with fully enclosed underground transport corridors to minimize surface disturbance and ecological damage and practice the concept of green development through technological innovation. In addition, the Jinrisheng Iron Mine Cultural Expo Park and the Dazhong Mining Industrial Tourism Scenic Area, both designated as national AAA-level tourist attractions, continuously explored a new green development model integrating "industry + cultural tourism". Currently, the two scenic areas are actively applying for national AAAA-level scenic area designation to further enhance the integration of industrial culture and tourism. Meanwhile, the Hunan Jijiaoshan Lithium Mine and the Sichuan Jiada Lithium Mine have, since their construction phases, set the goal of becoming AAAA-level industrial tourist attractions, integrating green development and eco-tourism concepts into their planning and design. They strive to achieve high-standard eco-cultural tourism functions upon completion, opening up new pathways for the sustainable development of the mining industry.

### Accelerating construction of lithium mines, we are driving the dual-base strategy to successfully tackle production challenges.

In 2025, we transitioned our lithium mine strategy from resource reserve to engineering construction, and our two major production bases in Hunan and Sichuan made synergistic efforts to lay a solid development foundation with efficient execution.

As the largest single lithium mica mine with the largest reserves in China, the Hunan Jijiaoshan Lithium Mine is advancing its integrated mining, dressing and tailing projects at full speed. "Longyuan", the world's first lithium mine tunneling shield machine, successfully completed a 7.3 km transport tunnel in 10 months, pioneering a new "tunnel transport" model for lithium mining. The main plant of the ore dressing system has quickly taken shape, where core equipment such as the world's largest high-pressure roller mill will be gradually installed.

The Sichuan Jiada Lithium Mine has also achieved breakthrough progress. Following the completion of resource reserve filing, the *Development and Utilization Plan* and the *Mining Area Ecological Restoration Plan* have successively passed expert reviews, and the mining and processing project has been included in the list of key projects in Sichuan Province. Construction activities are advancing in an orderly manner, with all mine roads fully opened and excavation of isolated tunnels setting new records for complex geological conditions, laying a solid foundation for subsequent mine development.

The rapid advancement of the two bases injects strong momentum into our future profit growth and showcases the execution capability and competitiveness of our employees in the new energy sector.

### Sharing the value of development, we ensure the protection of shareholder returns.

We always prioritize investor interests, and take tangible financial measures to build confidence in growth. During the Reporting Period, we completed the 2024 annual equity distribution on schedule, implemented the second share repurchase and repurchased 20.3244 million shares with an amount of RMB 202 million. Additionally, we revised its Shareholders' Dividend Payment and Return Plan for the Next Three Years, raising the lower limit of cash dividends for 2025 and 2026 from 20% to 40% and establishing a rigid system to ensure shareholder returns. Looking ahead, we will adhere to the "Industry + Capital" dual-driver strategy. While ensuring that all projects are put into high-quality operation, we will provide investors with stable dividend policies and sustained profitability, allowing every investor to share in the growth of Dazhong Mining.

### Upholding the safety baseline, we fulfill the solemn commitment of putting life first.

We have always deeply instilled the philosophy of "cherishing life and prioritizing safety" in our hearts and taken the construction of a "safe mine" as one of our core objectives, placing work safety as the top priority. In 2025, we continued to improve our safety management system, integrated safety principles into corporate culture and daily operations, ensured product quality through professional capabilities, safeguarded employee health through proactive prevention, and promoted the integration of safety responsibilities into the actions of all employees.

### Fostering a people-centered culture, we write a new chapter of harmonious development.

The value of an enterprise lies not only in its economic benefits, but also in its contributions to employees and society. Regarding our employees as our most valuable asset, we are committed to creating a fair, inclusive, and caring working environment, safeguarding employees' legal rights and interests, and supporting their professional development and physical and mental well-being. We also integrate our development with local communities. Through various initiatives such as industrial assistance, infrastructure support, and charitable donations, we invested a total of RMB 6.5689 million in social welfare throughout the year. We actively support rural revitalization, give back to society in tangible ways, build harmonious and mutually beneficial community relationships, and explore sustainable paths for joint enterprise-community development and shared success.

### Advancing to shared progress, we embark on a new journey with stakeholders.

The year 2026 will mark a new starting point for Dazhong Mining to embark on a new round of leapfrog development. We will continue to deepen our focus on the iron ore business, using technological innovation and intelligent upgrades as engines to drive the industry toward higher efficiency and a greener, low-carbon future. We will fully advance the industrialization of strategic iron and lithium resources, accelerate project construction at our two major lithium mining bases in Hunan and Sichuan, and strive to achieve breakthroughs in resource conversion and market share. Furthermore, we will unwaveringly implement the philosophy of "Safety, Green, and Harmony", place safety first, integrate environmental protection into our corporate DNA, actively fulfill our social responsibilities, and pursue shared growth with employees, the environment and all stakeholders.

Standing at a new historical starting point, we firmly believe that, supported by the stable foundation of the iron ore core business, the high-growth engine of the lithium resource strategy and the core driving force of technological innovation, Dazhong Mining will move toward a brighter future with steadier steps.

# Sustainable Development Highlights in 2025

## Economic Performance

Operating Revenue	Net Profit Attributable to the Parent Company
<b>RMB 4,089.7322 million</b>	<b>RMB 736.0348 million</b>
Total Assets	Total Taxes
<b>RMB 17,037.3533 million</b>	<b>RMB 579.9004 million</b>

## Governance

General Meetings of Shareholders Convened	Meetings of the Board of Directors Convened	Public Disclosure Announcements and Related Documents
<b>4</b> Times	<b>12</b> Times	<b>206</b> Copies
Penalties for Violations in Information Disclosure	Signing Rate of Integrity Agreement	
<b>0</b> Times	<b>100%</b>	
No Litigation Cases Arising from Corruption or Embezzlement		
No Incidents of Penalties due to Unfair Competition or Monopolistic Conduct have occurred		

## Environmental Protection

Investment in Environmental Protection	Environmental Inspection	Total Energy Consumption
<b>RMB 25.4545 million</b>	<b>66</b> Times	<b>80,086.32</b> tce
Energy Consumption Intensity	Photovoltaic Power Generation	
<b>0.1958</b> tce/RMB 10,000	<b>31.2534</b> million kWh	
Carbon emission reduction from Photovoltaic Power Generation	National Green Mines	Provincial Green Mines
<b>20,302.32</b> tCO <sub>2</sub> e	<b>1</b> Mine	<b>1</b> Mine
GHG Emission	Greenhouse Gas Emission Intensity	
<b>285,090.01</b> tCO <sub>2</sub> e	<b>0.697</b> tCO <sub>2</sub> e/RMB 10,000	

## R&D and innovation

Number of R&D Personnel	Percentage of R&D Personnel	Investment in R&D
<b>480</b> Persons	<b>11.36%</b>	<b>RMB 152.8648 million</b>
Percentage of R&D Investment In Operating Revenue	Cumulative Number of Authorized Patents	Year-over-Year Increase in the Number of Authorized Patents
<b>3.74%</b>	<b>518</b> Items	<b>143</b> Items
National High-Tech Enterprises	National CNAS-certified Laboratories	Provincial Enterprise Technology Centers
<b>4</b> Mines	<b>2</b> Mines	<b>2</b> Mines

## Work safety

Investment in Work Safety	Total Safety Education and Training Sessions	Participants in Safety Education
<b>RMB 199.9540 million</b>	<b>1,109</b> Times	<b>33,325</b> Person-times
Average Safety Training Hours Per Capita	Rectification Pass Rate of Potential Safety Hazards	Incidence Rate of Occupational Diseases
<b>20.32</b> Hours	<b>100%</b>	<b>0%</b>

## Employee Care

Total Number of Employees	Signing Rate of Employment Contract	Coverage Rate of Social Insurance	New employees	Total Number of Employee Training Sessions
<b>4,225</b> Persons	<b>100%</b>	<b>100%</b>	<b>1,520</b> Persons	<b>1,285</b> Sessions
Total Duration of Employee Training	Total Number of Persons Trained (Person-time)	Average Training Hours per Employee	Expenditure on Basic Employee Benefits	Employee Satisfaction
<b>94,167.97</b> Hours	<b>33,100</b> Person-times	<b>22.29</b> Hours	<b>RMB 16.9484 million</b>	<b>100%</b>

## Contribution to Society

Total Investment in Social Welfare	Participations in Public Welfare Activities	Number of Volunteer Activities	Total Duration of Volunteer Service
<b>RMB 6.5689 million</b>	<b>12</b> Times	<b>609</b> Person-times	<b>1,650</b> Hours
Total Investment in Rural Revitalization	People Benefiting from Rural Revitalization	Social Contribution per Share	
<b>RMB 3.4106 million</b>	<b>169</b> Persons	<b>1.38</b> Yuan	

# About Dazhong Mining

## Company Profile

Dazhong Mining Co., Ltd. ("Dazhong Mining" or the "Company", under the stock code of 001203), was formerly known as Inner Mongolia Dazhong Mining Co., Ltd. The Company was established on October 29, 1999, reorganized into a joint-stock company from a limited liability company on May 29, 2009, and officially listed on the Main Board of the Shenzhen Stock Exchange on May 10, 2021. The Company is headquartered at No. 55 Huanghe Avenue, Baotou City, Inner Mongolia Autonomous Region, China.

Dazhong Mining operates in the solid mineral resources mining and dressing industry. Our main businesses include the mining and dressing of iron ores, the production and sales of iron ore concentrates and pellets, and the processing and sales of by-products such as manufactured sand and sulfuric acid. Our principal products are iron ore concentrates and pellets. We operate two major iron ore production bases in Inner Mongolia and Anhui. Leveraging abundant mineral resource advantages and years of accumulated mining and beneficiation technological expertise, we are a large-scale and cost-competitive enterprise specialized in the mining and dressing of iron ores in China.

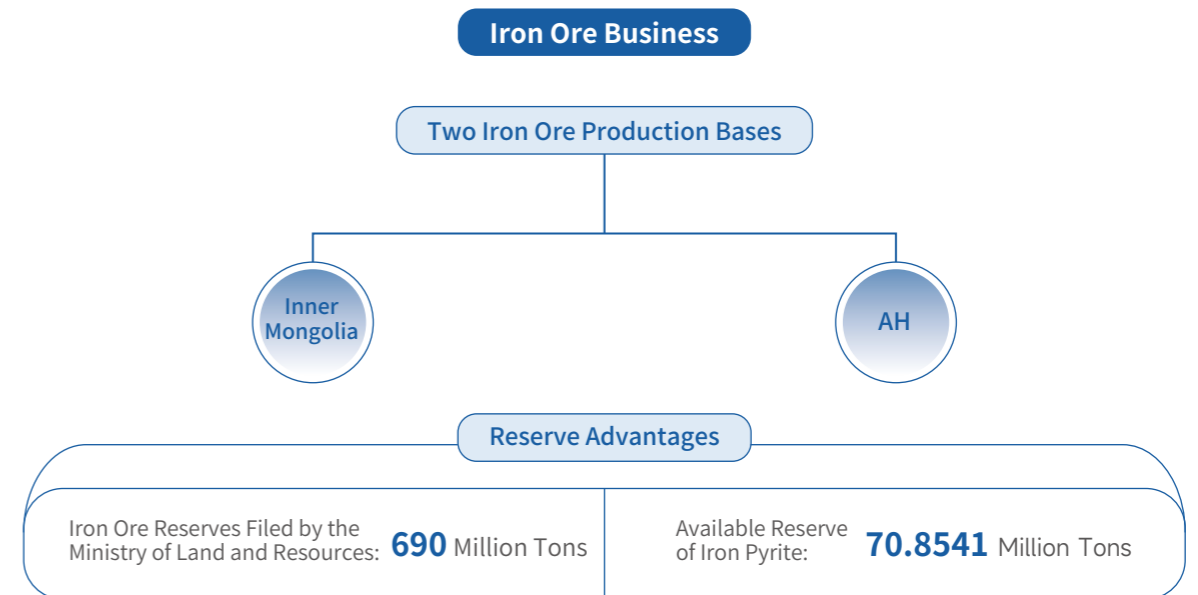
To align with the development trend of the new energy industry, Dazhong Mining, grounded in the national "carbon peaking and carbon neutrality" strategic goals, has successfully established an "iron ore + lithium ore" dual-engine development model through proactive planning and precise strategic positioning, while steadfastly advancing core businesses of iron ores. We have two major lithium mines in Hunan and Sichuan, with the combined lithium carbonate equivalent (LCE) reserves exceeding **4.72** million tons. Among them, the Jijiaoshan Lithium Mine in Linwu County of Hunan Province, with an ore reserve of **490** million tons, is the largest single lepidolite-type lithium mine registered with the Ministry of Natural Resources in China, and also a major achievement of the Ministry of Natural Resources under the Prospecting Breakthrough Strategic Action for the 14th Five-Year Plan Period, with a planned raw ore mining and dressing capacity of **20** million tons/year, corresponding to an annual production capacity of **80,000** tons of lithium carbonate. The first mining area of the Sichuan Jiada Lithium Mine has lithium carbonate equivalent resources of approximately **1.4842** million tons, with a planned annual mining capacity of **2.6** million tons, corresponding to an annual production capacity of approximately **50,000** tons of lithium carbonate equivalent.

In the future, as iron ore raw ore mining capacity gradually reaches full production and lithium mine projects are completed and put into operation, the industry position of Dazhong Mining will be further enhanced and the momentum for high-quality development will become stronger.

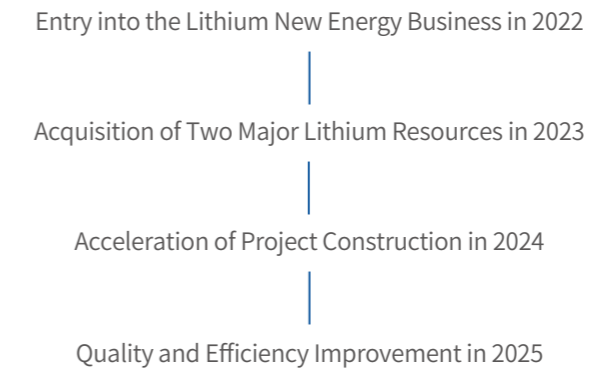


## Industrial Layout

### Main Business: Iron Ore Mining and Processing



### Layout of New Energy Mineral Resources and Expansion of New Energy Business in Lithium Mining



The registered resources in the Hunan Jijiaoshan Lithium Mine and the first mining area of the Sichuan Jiada Lithium Mine have exceeded **4.72** million tons of lithium carbonate equivalent, demonstrating a clear scale advantage within the industry.

<p><b>Hunan Jijiaoshan Lithium Mine</b></p> <p>The Hunan Jijiaoshan Lithium Mine is designed with a mining and dressing capacity of <b>20</b> million tons/year, corresponding to an annual production capacity of approximately <b>80,000</b> tons of lithium carbonate.</p>	<p><b>Sichuan Jiada Lithium Mine</b></p> <p>The Phase I Project of the Sichuan Jiada Lithium Mine is designed with a mining and dressing capacity of <b>2.6</b> million tons/year, corresponding to an annual production capacity of approximately <b>50,000</b> tons of lithium carbonate.</p>
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## Enterprise Culture

### Development Vision

To be a mining group recognized by employees, well-known in the industry, and respected by the society

### Enterprise Spirit

Conquer difficulties and operate with innovation

### Enterprise Culture

Team First, Talent Second



### Enterprise Mission

Unswervingly support the leadership of the Communist Party of China, and actively respond to General Secretary Xi's call for the realization of the great rejuvenation of the "Chinese Dream", and work hard for it.

Nature first, environmental protection first

Life first, safety first

Ensure that Common wealth is the original aspiration of Dazhong Mining

Buoyed by the rise of the "Belt and Road" Initiative to build a century-long greater China mining company

### Enterprise Objectives

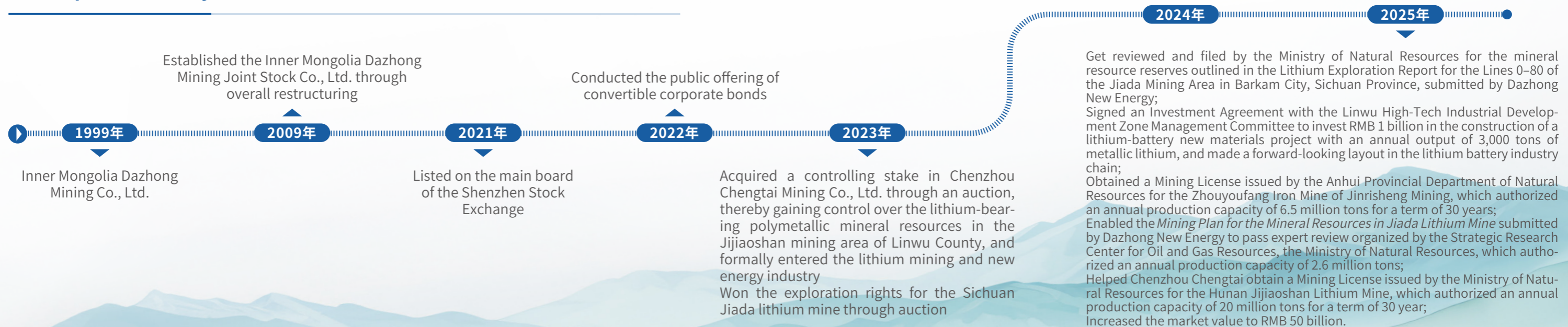
Persist in industry and stay true to the original aspiration

Adhering to the innovation drive, innovating management and business models, and leading the digitalization and upgrading of industries

Adhering to process reengineering with an internet-driven mindset to continuously improve corporate management models

Adhering to asset securitization, leveraging capital and feeding industry

## Development History



## Strategic Positioning

### Endogenous Growth Strategy

With iron as our foundation and lithium as our lifeline, we leverage existing iron ore resources to "improve quality, increase output, reduce costs and enhance efficiency". By integrating resources and deepening our operations, we aim to build a high-value hub across the entire iron ore lifecycle, and achieve stable growth in net operating cash flow and key financial performance. In addition, focusing on our two major lithium mining bases, we strive to promote the implementation and efficiency of core projects, increase profit margin, and evolve Dazhong Mining into a benchmark for operational excellence in the private mining sector.

### External Expansion Strategy

We invest in and acquire high-quality domestic and international resources to expand iron ore reserves, and continuously deepen our involvement in the lithium mining and new energy industries to unlock a second growth curve. Through the dual-engine approach, we solidify our leading position in the private iron ore industry and build a highly competitive new energy lithium mining enterprise.

We strategically position high-value core minerals such as lithium ore, continuously expand our resource footprint, achieve a strategic upgrade from "single-point breakthrough" to "dual-engine drive", and ultimately establish a multidimensional development pattern featuring "multi-pole synergy".

## Honors and Qualifications

### ESG Performance and Honors



Wind ESG Rating



2025 Best ESG Practice Award for Listed Companies



Sino-Securities Index (SSI) ESG Rating



E-Board ESG Rating

### Honors



Dazhong Mining won the "2025 Golden Dawn Growth Potential Award"



Dazhong Mining was again listed on and ranked 15th among the 2024 Top 50 Metallurgical Mining Enterprises in China;



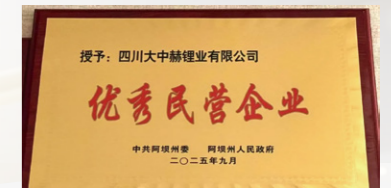
The Inner Mongolia Dazhong Mining Industrial Tourism Zone was honored with the title of "Civilized Tourism Demonstration Unit of the Inner Mongolia Autonomous Region"



Dazhong Mining was again included in the List of "2025 Top 100 Private Enterprises in Inner Mongolia"



Dazhong Mining was honored as the "Advanced Primary Working Committee on Caring for the Next Generation"



Sichuan Dazhonghe was awarded the title of "Outstanding Private Enterprise"

### Honors of Individuals



Lin Puzheng received the "4A Rating in the 2025 Performance Evaluation by the Board Secretary of the Listed Companies"



Dazhong Mining and Hunan Dazhonghewon the Excellence Award in the Chenzhou Preliminary Round of the Hunan Division of the 2025 "Data Elements X" Competition and the Chenzhou Data Technology and Application Vocational Skills Competition



The Shanpiangou Pyrite Mine of Jinhui Rare Mineral was awarded the title of the "Work Safety Model Enterprise in the Urad Front Banner"

### Association Membership

Member of the Metallurgical Mines' Association of China  
 Member of the China Aggregates Association  
 Member of the Trade Unions of Urad Front Banner  
 Member of the China Mining Association

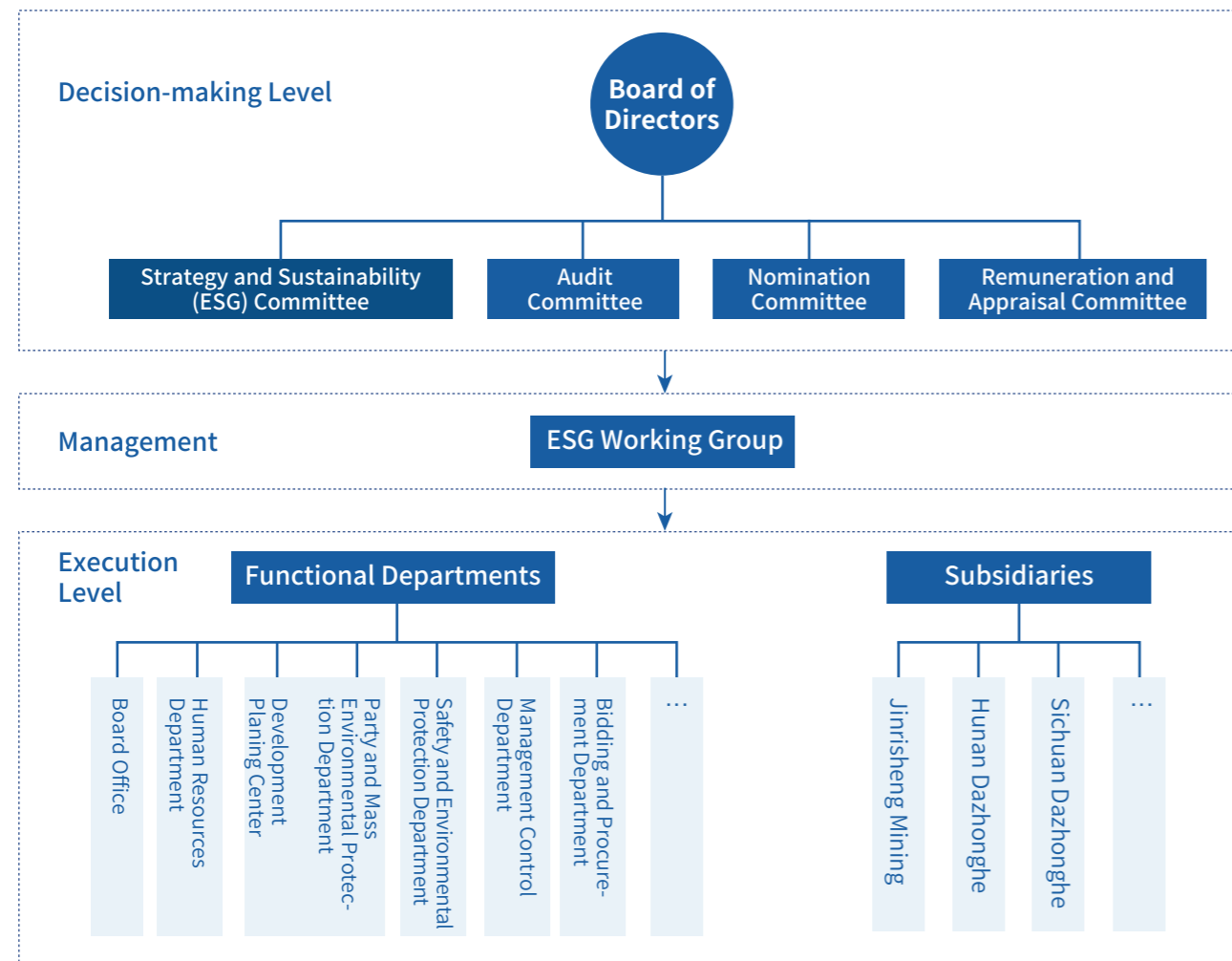
Member Unit of China Nonferrous Metals Industry Association  
 Member of the All-China Federation of Trade Unions  
 Vice President Unit of the Entrepreneurs Association of Urad Front Banner

# Sustainability Management

Dazhong Mining deeply integrates the philosophy of sustainable development into corporate governance and strategy priorities. By establishing an ESG governance system to guide business operations and decision-making, and upholding the corporate mission to "follow nature and prioritize environmental protection", the Company actively explores new pathways for green mining development, and strives to build a "Five-Dimensional Mine" development model that integrates "green mines, scenic mines, intelligent mines, safe mines, and people-oriented mines". This strategy not only demonstrates the Company's strong commitment to environmental and social responsibilities, but also delivers positive impact through sound governance, driving the creation of sustainable long-term value.

## ESG Governance Mechanism




Dazhong Mining has established an ESG governance structure led by the Board of Directors, and set up a Strategy and Sustainability (ESG) Committee under the Board of Directors. To support the structure, the Company has formulated the Rules of Procedure for the Strategy and Sustainability (ESG) Committee, which is responsible for studying the Company's medium- and long-term development strategies, major investment decisions, and related ESG matters, ensuring that ESG performance targets are deeply integrated into the Company's strategy and daily operations to continuously drive comprehensive value enhancement.



## ESG Strategy and Target Progress

Dazhong Mining deeply integrates core ESG principles into the strategic blueprint, establishes an ESG strategic framework that is oriented toward sustainable development and centered on the construction of the "Five-Dimensional Mine" model, actively responds to the United Nations Sustainable Development Goals, and implements key actions and performance indicators in annual business plans to continuously drive long-term value enhancement.

Strategic positioning	Goals and Directions	Our Actions in 2025	UN SDGs Responded
<b>Governance</b>	<b>Fulfilling governance responsibilities:</b> We will continuously improve the corporate governance system, uphold the leadership of the Party, focus on core business development, protect investors' rights and interests, strengthen investor communication and engagement, enhance the transparency of information disclosure, and strictly adhere to the bottom line of business ethics.	<ul style="list-style-type: none"> <li>Deepen the integration of Party building leadership with corporate governance, promote the construction of "Top Ten Mines" under the strategic guideline of "Party Leadership, Green Development";</li> <li>Continuously optimize the governance structure, improve risk management and internal control mechanisms, strengthen communication with investors through diversified channels, enhance the quality and transparency of information disclosure, and effectively safeguard investors' legitimate rights and interests;</li> <li>Adhere to the bottom line of business ethics, require all employees to sign integrity agreements, and offer special training on anti-commercial bribery and anti-corruption.</li> </ul>	
<b>Green Mines Scenic Mine</b>	<b>Striving to be a pioneer in environmental protection:</b> We respect, follow and protect nature, comprehensively implement the green mine development strategy, actively build tourism-oriented mines, and integrate ecological responsibility and environmental protection awareness into the Company's production structure and methods.	<ul style="list-style-type: none"> <li>Respond to the national "carbon peaking and carbon neutrality" goals, comprehensively advance energy-saving and consumption-reduction technological upgrades and green transformation, implement energy-saving retrofits (such as frequency conversion, "oil-to-electricity" conversion for LHDs, and permanent magnet motor upgrades), and orderly promote photovoltaic projects in mining areas, deploy clean energy, and reduce operating costs, energy consumption, and carbon emissions;</li> <li>Continuously improve the environmental management system, reduce pollutant emissions, and achieve 100% recycling of production wastewater and 100% compliant disposal of solid waste;</li> <li>Strengthen resource recycling to form an integrated circular economy pattern of "Pyrite Mining and Beneficiation → Sulfur Concentrate Acid Production → Reuse of Roasted Iron Powder → Waste Heat Power Generation → Environmental Governance";</li> <li>Through measures such as afforestation and backfilling of abandoned mines, steadily implement mine ecological restoration, continuously promote green mine certification, with Zhouyoufang Iron Mine recognized as a national green mine and Chongxinji Iron Mine recognized as provincial a green mine, and initiate green certification for Shujigou and Dongwufenzi mines. To date, Shujigou has passed the expert review for green mines in the Inner Mongolia Autonomous Region and is pending public announcement;</li> <li>Jinrisheng Iron Mine Cultural Expo Park and the Dazhong Mining Industrial Tourism Scenic Area, as national AAA-level scenic spots, continuously explore a new "industry + cultural tourism" green development model.</li> </ul>	

Strategic positioning	Goals and Directions	Our Actions in 2025	UN SDGs Responded
<b>Intelligent Mine</b>	<b>Achieving win-win outcomes through innovative development:</b> We closely focus on the development goals of mechanization, automation, informatization, and intelligentization, and introduce new technologies and models through integrated development. While embedding the concept of "digital-intelligent" mining philosophy throughout the entire process of mineral resource development and utilization, we strive to build intelligent mines with distinctive Dazhong characteristics that feature mechanization, automation, informatization, and intelligentization, and create a new model of safe, efficient, green, and sustainable mining development to lead the Company toward high-quality development.	<ul style="list-style-type: none"> <li>Deepen the application of intelligent dispatching platforms based on the introduction of full-process mechanized equipment, to realize automated control of key processes such as one-click remote start-stop of ore dressing plants, automatic ball addition for ball mills, and automatic chemical dosing for flotation;</li> <li>Introduce rail-mounted automatic inspection robots, deploy robot dogs for intelligent inspection and apply AI video algorithms for intelligent identification and early warning of unsafe behaviors, explore remote operation of LHDs, and promote simultaneous improvement in safety management and production efficiency through "intelligent" technologies;</li> <li>Improve innovation incentive mechanisms such as the "Five Small Innovations and One Method", and encourage frontline employees to pursue micro-innovations in safety, environmental protection, and efficiency to form endogenous momentum for innovation-driven development.</li> </ul>	
<b>Safe Mine</b>	<b>Setting a safety benchmark:</b> we adhere to the safety philosophy of "cherishing life and prioritizing safety", uphold work safety as a core business principle, embed safety concepts, safety awareness, safety mindset, safety knowledge, and safety skills into corporate culture and operations; increase safety investment to realize mechanization-based personnel substitution and informatization-based personnel reduction, and enhance intrinsic safety levels; build a safety management system and improve safety through intelligent tools and systematic management.	<ul style="list-style-type: none"> <li>Improve and strictly implement the full-staff work safety accountability system, offer safety education and training, and deepen the promotion of the safety culture among employees through the intelligent distribution of safety learning tasks and active learning by employees;</li> <li>Strengthen dual prevention of risks and potential hazards, utilize digital safety management systems to realize the classification and control of risks, the real-time reporting of potential hazards and closed-loop management, as well as potential hazards identification and rectification; identify and rectify over 17,000 potential hazards throughout the year, with a 100% rectification rate for major potential hazards;</li> <li>Continuously increase safety investments, enhance safety levels in key processes through measures such as "replacing manual labor with mechanization and reducing personnel through automation", and safeguard the health and safety of employees.</li> </ul>	
<b>People-Oriented Mine</b>	<b>Becoming a responsible employer:</b> we adhere to a people-oriented philosophy, develop together with employees, focus on employee training and growth, stimulate employee motivation, co-create and share value with employees, create favorable working conditions and atmosphere, care for employees' lives, help solve their difficulties, and foster the working environment of a happy mine. <b>Fulfilling social responsibility:</b> we adhere to the principle of common prosperity, continuously explore and innovate development models for common prosperity, promote coordinated development between the Company and communities and shared prosperity with regions, serve national strategies such as the Belt and Road Initiative, actively respond to public welfare responsibilities, and fulfill corporate social responsibility.	<ul style="list-style-type: none"> <li>Strictly comply with the principles of equal employment, achieve a 100% signing rate of employment contracts, establish diversified training mechanisms such as the "Mentor-Apprentice" program and organize induction training for new employees to support their career development;</li> <li>Continuously carry out activities such as assistance for employees in need and health care initiatives to create the working and living atmosphere of a "Happy Mine";</li> <li>Actively respond to the national rural revitalization strategy, and empower sustainable development of rural areas through multiple dimensions such as livelihood infrastructure, cultural heritage, and industrial collaboration;</li> <li>Make cumulative charitable donations of RMB 6.5689 million to support education assistance, ecological governance, and emergency disaster relief, and convey the Company's warmth through responsible actions.</li> </ul>	

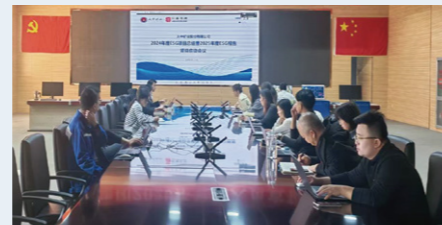
## ESG Risk Management

Dazhong Mining continuously explores the integration of ESG principles into the risk management and decision-making processes of the Company. With reference to international standards and best practices of the industry, the Strategy and Sustainability (ESG) Committee leads the implementation of ESG risk assessments. The Company continuously improves the environmental management system, the safety management system, the talent management system, the supplier management system, and the corporate governance system to strengthen non-financial risk management capabilities. In addition, the Company comprehensively identifies, evaluates, and analyzes internal and external risks related to climate change, environmental management, product quality control, and the protection of employees' rights and interests, thereby ensuring that the Company maintains strategic resolve in a complex internal and external environment and lays a solid foundation for long-term sustainable development.



## ESG Training and Promotion

Dazhong Mining attaches great importance to translating the ESG management system into practical actions. Through ESG-related training, the Company deepens employees' understanding of sustainable development strategies and related policies, enhances their professional capabilities and execution effectiveness, and provides a solid talent pool and organizational support for the achievement of ESG targets. During the Reporting Period, the Company organized and offered ESG-themed training for heads of functional departments at headquarters and key management personnel from subsidiaries and branches, with a total of 65 participants. The training provided solid talent support and organizational backing for achieving our ESG targets, and effectively promoted the implementation of our sustainable development strategy.



Training on ESG Report Preparation

## Communications with Stakeholders

Dazhong Mining consistently upholds the concept of establishing long-term mutual trust with stakeholders, and attaches great importance to continuously understanding and responding to their expectations and demands. In the principles of integrity, interaction, equality, and transparency, the Company has established a normalized communication mechanism covering multiple levels and forms. Through systematic collection, in-depth analysis, and effective response to the opinions and suggestions of key stakeholders such as shareholders, customers, employees, communities, and regulatory authorities, the Company ensures that the reasonable demands of stakeholders are effectively incorporated into strategic decision-making and operational improvements.

Stakeholders	Demands and Expectations	Main Communication Channels
<p><b>Shareholders and Investors</b></p>	Protection of Shareholders' Rights and Interests Healthy and Steady Operation Accurate Information Disclosure Returns to Shareholders Risk Resilience	Investor Service Hotline & Email General Meeting of Shareholders irm.cninfo.com.cn Investors' On-site Survey Performance Briefings

Stakeholders	Demands and Expectations	Main Communication Channels
<p><b>Customers</b></p>	Ore Quality Maintenance of Good Cooperation Supply of High-Quality Products and Services	After-sales Service Company Website and Email Customer Roundtables Satisfaction Survey
<p><b>Employees</b></p>	Protection of Employees' Rights and Interests Compensation and Benefits Occupational Health and Safety Sound Career Development Channel Comprehensive and Complete Communication Channels	Employees' Congress Symposiums Visits and Outreaches Employee Satisfaction Survey
<p><b>Governments and Regulators</b></p>	Legal and Compliant Operations Promotion of Economic Development Lawful Tax Payment Fulfillment of Social Responsibility	Information Disclosure Platforms Site Visits and Reporting Government Research
<p><b>Partners</b></p>	Business Ethics Integrity and Mutual Benefit Accurate Information Disclosure	Daily Communication Offer Training for Suppliers Supplier Conference Industry Association Activities
<p><b>Community and Public Welfare/Social Organizations</b></p>	Support for Community Development Regional Economic Development Focus on Disadvantaged Groups	Public Welfare and Charitable Activities Volunteer Services Cultural Exchange Publicity Visits
<p><b>Natural Environment</b></p>	Climate Change Water Resource Management Biodiversity Emission Management	Mining Area Construction Cooperation in Environmental Protection Promotion of Environment
<p><b>Media</b></p>	ESG Initiatives Brand Reputation	Public Media Platforms Press Conference

## Management of Material Topics

### Assessment Process and Methods

In strict accordance with domestic and international standards, including the *Self-Regulatory Guidelines No. 17 for Companies Listed on Shenzhen Stock Exchange—Sustainability Report (For Trial Implementation)* and *GRI 3: Material Topics*, the Company adopts the assessment framework based on the double materiality (namely, financial materiality and impact materiality). Based on the characteristics of the Company's core business, industry trends, regulatory requirements, and opinions from external experts, and after prudent evaluation and reassessment, "Social Contribution, Rural Revitalization, and Communication with Stakeholders" have been designated as material topics. The specific implementation steps are as follows:

#### Step 1: Establish a pool of material topics

- Based on analysis of macro policies and industry trends, research on domestic and international ESG rating standards, review of the Company's business model and strategic objectives, and combined with stakeholder identification and assessment of related impacts, risks, and opportunities, a preliminary topic pool has been established.



#### Step 2: Review and update the pool of topics

- Review and update the list of topics related to sustainable development by reference to standards of authorities, such as GRI (Global Reporting Initiative), UN Sustainable Development Goals (SDGs), SASB and MSCI, as well as relevant industry-related topics of domestic and international peers.



#### Step 3: Assess the materiality of topics

- Impact Materiality Assessment:** sort out the potential or actual positive or negative impacts of each topic on the external environment, society and economy, and identify topics with impact materiality based on industry disclosures and expert judgments.
- Financial materiality assessment:** Identify topics with financial materiality through the assessment of impact, dependency, likelihood, and potential financial impacts, in combination with departmental research and expert judgment.

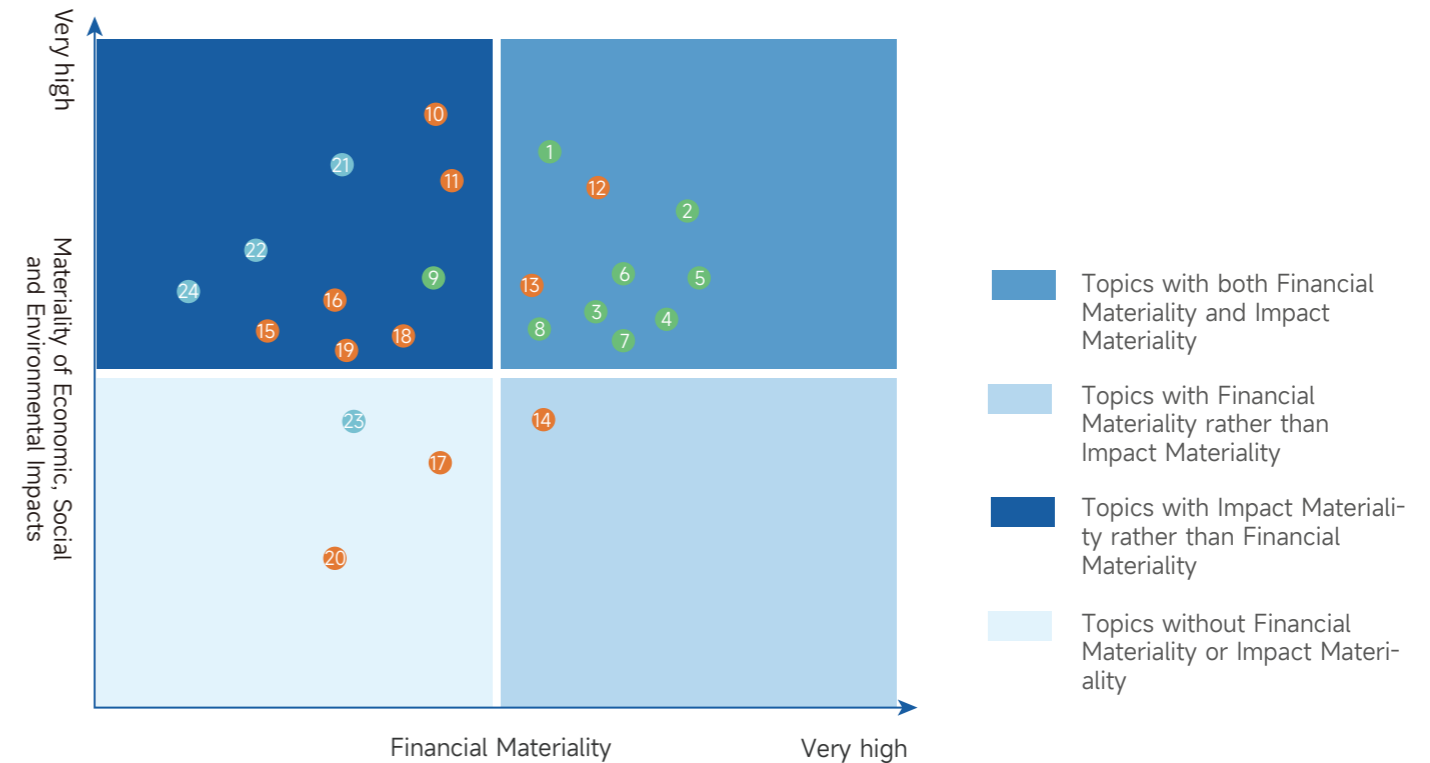


#### Step 4: Prioritize and confirm material topics

- Prioritize material topics based on the Company's strategy and assessment results, form a list of topics with impact materiality and financial materiality, and ensure transparent, balanced, and complete disclosure in the Report.

### Materiality Issue Evaluation Results

Based on development strategy and expert judgment, Dazhong Mining conducted a systematic analysis from the two dimensions of "impact materiality" and "financial materiality", ultimately forming a materiality matrix.



The list of material topics of Dazhong Mining is as follows:

Dimension	Topic	Statement of Materiality
E	① Environmental Compliance Management	① Double Materiality
	② Energy Utilization	② Double Materiality
	③ Response to Climate Change	③ Double Materiality
	④ Circular Economy	④ Double Materiality
	⑤ Water Resource Utilization	⑤ Double Materiality
	⑥ Pollutant Emissions	⑥ Double Materiality
	⑦ Waste Disposal	⑦ Double Materiality
	⑧ Tailings Management	⑧ Double Materiality
	⑨ Protection of Ecosystem and Biodiversity	⑨ Impact Materiality
S	⑩ Protection of Employees' Legal Rights and Interests	⑩ Impact Materiality
	⑪ Employee Training and Development	⑪ Impact Materiality
	⑫ Occupational Health and Safety	⑫ Double Materiality
	⑬ Innovation-driven Development	⑬ Double Materiality
	⑭ Safety and Quality of Products and Services	⑭ Financial Materiality
	⑮ Data Security and Privacy Protection	⑮ Impact Materiality
	⑯ Supply Chain Safety	⑯ Impact Materiality
	⑰ Equal Treatment of Small and Medium-Sized Enterprises	⑰ Relevance
⑱ Contribution to Society	⑱ Impact Materiality	
G	⑲ Rural Revitalization	⑲ Impact Materiality
	⑳ Science and Technology Ethics	⑳ Relevance
	㉑ Anti-Commercial Bribery and Anti-Corruption	㉑ Impact Materiality
	㉒ Anti-Unfair Competition	㉒ Impact Materiality
	㉓ Due Diligence	㉓ Relevance
	㉔ Communications with Stakeholders	㉔ Impact Materiality

Note: "Double materiality" refers to topics that are both financially material and impact material; and "relevant" refers to topics that are neither financially material nor impact material.

2025 marks a critical year for Dazhong Mining's lithium mining business to transition from resource reserves to large-scale development. The Company has seized development opportunities arising from the global energy transition and the national strategy for independent and controllable supply of strategic mineral resources. Relying on two major lithium mining bases in Sichuan and Hunan, driven by technological innovation, underpinned by green development, and guided by a full-industry-chain integration approach, the Company is building core competitiveness from resource control to value transformation, making Dazhong's contributions to safeguarding national lithium resource security and supporting the development of the new energy industry.

**Resource Reserves: Giving Full Play to the Dual-Core Drive Mode, Ranking Among the Leading Lithium Resource Holders in China**

Through strategic planning, Dazhong Mining has established two major lithium mining bases in Sichuan and Hunan, with a combined reserve exceeding 4.72 million LCE tons, corresponding to an annual production capacity of 130,000 tons, ranking among the leading lithium resource reserves in China.

**Hunan Jijiaoshan Lithium Mine**

· Key Performance 2025 ·

The mine contains **490** million tons of ore, with **1.3135** million tons of lithium oxide (approximately **3.2443** million tons LCE), at an average grade of **0.268%**, and is associated with strategic minerals such as potassium, rubidium, tantalum, niobium, tin, and strontium.

**Progress and Recognition**

In October 2025, the project obtained a mining license issued by the Ministry of Natural Resources authorizing an annual mining scale of 20 million tons, which is the first lithium mining license issued nationwide following the implementation of the new *Mineral Resources Law of the People's Republic of China*. As a major achievement of the Ministry of Natural Resources under the Prospecting Breakthrough Strategic Action for the 14th Five-Year Plan Period, it is currently the lithium mine with the largest registered resource volume filed with the Ministry of Natural Resources and has been widely reported by hundreds of domestic and international media, including Xinhua News Agency and CCTV.



Hunan Jijiaoshan Lithium Mine

**Sichuan Jiada Lithium Mine**

· Key Performance 2025 ·

Within the first mining area of **2.056** square kilometers, **43.436** million tons of ore have been identified, containing **0.601** million tons of lithium oxide (approximately 1.4842 million tons LCE), with an average grade of **1.38%**.

**Progress and Recognition**

The first mining area has completed the resource filing, the mining plan has successfully passed the review, and the mining scale for Phase I has been designed at 2.6 million ton/year, with an annual lithium carbonate production capacity of approximately 50,000 tons. The *Ecological Restoration Plan* passed expert review by the Ministry of Natural Resources in January 2026, and the mining license is to be issued. The project has been successfully included in the list of key projects of Sichuan Province and the provincial priority sequence for high-quality development.



Sichuan Jiada Lithium Mine

**Technological Innovation: Solving Industry Challenges to Build a Cost Moat**

Dazhong Mining has innovatively applied the technical expertise accumulated in the iron ore sector to lithium mining, achieving breakthroughs across the entire chain of mining, dressing, and extraction of lithium.

**Pioneering Application of Shield Tunneling Machines in Mining to Address High-Altitude Development Challenges**

**Hunan Jijiaoshan Lithium Mine Project:** "Longyuan" shield tunneling machine, the world's first shield tunneling machine used for lithium mining, took 10 months to complete the 7.3-kilometer mining-dressing connection tunnel ahead of schedule after breaking multiple world records, filling the gap in the application of shield tunneling machines in China's lithium mining sector. Currently, the upgraded "Tuozhan" shield tunneling machine has resumed operations, continuing to expand the underground transportation network while putting into practice the philosophy of high-end equipment recycling and green construction.

**Sichuan Jiada Lithium Mine Project:** The Company also introduced a tunnel boring machine (TBM) shield construction solution and adopted an intelligent mining plan featuring "fully underground development and fully belt-conveyor transportation" for harsh high-altitude environment. The "Dazhong" and "Jiada" shield tunneling machines operate collaboratively, respectively responsible for excavation of the mining-dressing connection tunnel and adit excavation, enabling all-weather continuous operation. Upon the completion of the tunnel, traditional winding mountain roads are replaced with "straight-line uphill", completely resolving winter transportation challenges in high-altitude mining areas and increasing the annual effective production time to nearly 330 days. In 2025, the annual completion rate of the exploratory tunneling project of the Jiada Lithium Mine reached 135.9%, with a monthly advance of 132 meters in single-head tunnels, setting a new record for excavation in complex geological conditions. In addition, the tunnels excavated by the shield tunneling machines serve a dual purpose as both "exploration corridors" and "permanent infrastructure", providing efficient exploration pathways and immediately usable infrastructure support for subsequent resource development.



"Dazhong" Shield Tunneling Machine at Sichuan Dazhonghe



Launch Ceremony of the "Tuozhan" Shield Tunneling Machine of Hunan Dazhonghe



"Jiada" Shield Tunneling Machine at Sichuan Dazhonghe



Breakthrough Ceremony of the "Longyuan" Shield Tunneling Machine at Hunan Dazhonghe

### Breakthrough in the Comprehensive Lithium Extraction Technology for the Safe Treatment of Lithium Slag

In June 2025, Hunan Dazhonghe, a wholly owned subsidiary of Dazhong Mining, released pilot-scale results of its comprehensive technology for lithium extraction from lithium slags. This industry-first technology was successfully developed after hundreds of experimental iterations. Core breakthroughs include:

- ▶ **Lithium recovery rate:** The comprehensive lithium recovery rate increased to over 90%. Compared with traditional processes, approximately 2.5 tons of 2.3% lithium mica concentrate may be saved for producing 1 ton of lithium carbonate, cutting down raw material costs of about RMB 3,000 per ton;
- ▶ **Lithium slag reduction:** The amount of lithium slag generation decreased from 400,000–500,000 tons per 10,000 tons of lithium carbonate under traditional processes to 200,000 tons, representing a reduction of more than 50%;
- ▶ **Harmless treatment:** All toxicity indicators of lithium slag after relevant treatment meet the standards for Class I industrial solid waste, successfully transforming "hazardous waste" into resources;
- ▶ **Co-recovery of multiple metals:** The simultaneous recovery of associated valuable elements such as rubidium, potassium and cesium has been achieved, establishing a circular economy model of "multiple outputs from one mine" and significantly reducing overall production costs.

In terms of R&D system development, the Company has successfully been approved as the first lithium mica R&D center of Chenzhou City. The major science and technology project applied under the "Open Competition" mechanism of Hunan Province has been successfully included in the project pool and signed, becoming one of only four selected projects in the city, with its technological influence receiving authoritative provincial recognition. Backed by achievements including 3 invention patents and 11 utility model patents, the Company was successfully designated as a National High-Tech Enterprise amidst fierce competition where the 2025 Hunan Provincial High-Tech Enterprise certification pass rate stood at a mere 51%.



Commencement Ceremony of the Lithium Carbonate Project with New Processes at Hunan Dazhonghe



Release of Technological Achievements in Harmless Lithium Extraction from Lithium Slags

### Innovation in Ore Dressing Processes to Improve Efficiency

**Hunan Jijiaoshan Lithium Mine:** Drawing on mature experience from the iron ore sector, the Company innovatively applied a strong magnetic pre-concentration technology to remove 85% of waste rock through pretreatment, with only the remaining 15% of concentrated materials requiring subsequent flotation, thereby significantly reducing the ore dressing costs. The monomer liberation degree of zinnwaldite reached over 86%, the lithium oxide grade increased to 2.3%, and the ore-dressing recovery rate reached an industry-leading level.

**Sichuan Jiada Lithium Mine:** For the objective conditions in western Sichuan where effective operating periods are affected by the climate, the Company has made a breakthrough via technological innovations, and proposed an intelligent mining solution that "all ores are mined underground and transported with belt conveyors". With large-scale application of TBM technology, the annual effective production time is increased to nearly 330 days. In terms of ore dressing process, based on traditional flotation and drawing on mature experience, we have determined a high-efficiency process route to realize the early removal of waste rock and the early output of standard concentrates, which effectively reduces the subsequent processing capacity and energy consumption.

### Green Development: Setting a New Ecological Benchmark for the Industry

Dazhong Mining has deeply integrated ESG principles throughout the entire development process of lithium mines, using technological innovation to address development challenges in ecologically sensitive areas. The two major lithium mining projects have established a demonstration effect in green exploration, ecological restoration, and the circular economy.

Item	Green Innovation Measures
Hunan Jijiaoshan Lithium Mine	<ul style="list-style-type: none"> <li>• Innovatively adopt a green exploration approach combining drone-assisted hoisting with cableway transportation, reduce vegetation damage by more than 60%, and achieve "zero road construction" exploration</li> <li>• Adhere to the model of "mining while restoring and reclaiming", and break down reclamation tasks into phased stages</li> <li>• Systematically establish a full-process compliance system, and complete dozens of special reviews related to environmental protection, land use, forestry and grassland management, and safety</li> </ul>
Sichuan Jiada Lithium Mine	<ul style="list-style-type: none"> <li>• Conduct fully underground development using TBM shield tunneling machines, and minimize surface ecological disturbance</li> <li>• Innovatively establish a green closed-loop process integrating "mining, dressing and backfilling", use solid waste from ore dressing for underground backfilling, and establish a wastewater recycling system</li> <li>• Formulate an ecological restoration plan for a 25-year service cycle, set strict technical indicators for all stages from geological disaster prevention and control to soil and water conservation and vegetation restoration, and use native local species to rebuild the ecosystem</li> </ul>

Looking ahead, with the full completion of licensing procedures for the two lithium mines in Hunan and Sichuan and the gradual release of production capacity, Dazhong Mining's "iron ore + lithium ore" dual-engine growth model will become increasingly robust. This not only represents the Company's ambitious leap toward becoming a core supplier of strategic mineral resources, but also enables the Company to make "Dazhong's contributions" to the balanced development of resource security and ecological civilization in China's new energy industry through vivid practice based on "resource acquisition as the foundation, technological innovation as the soul, and green development as the cornerstone".



# Compliant Operations: Strengthening Governance Foundations

Dazhong Mining has deeply integrated the philosophy of compliant operations into daily management and decision-making processes, continuously optimized governance structure, and improved risk control and internal control mechanisms, with a focus on enhancing operational efficiency and management transparency. The Company adheres to the bottom line of business ethics, actively safeguards the legitimate rights and interests of investors, and is committed to creating sustainable long-term value for shareholders and society.

## Our Actions

- Deepening Party-Building Leadership
- Improving Corporate Governance
- Protecting Investors' Rights and Interests
- Strengthening Risk Management
- Upholding Business Ethics

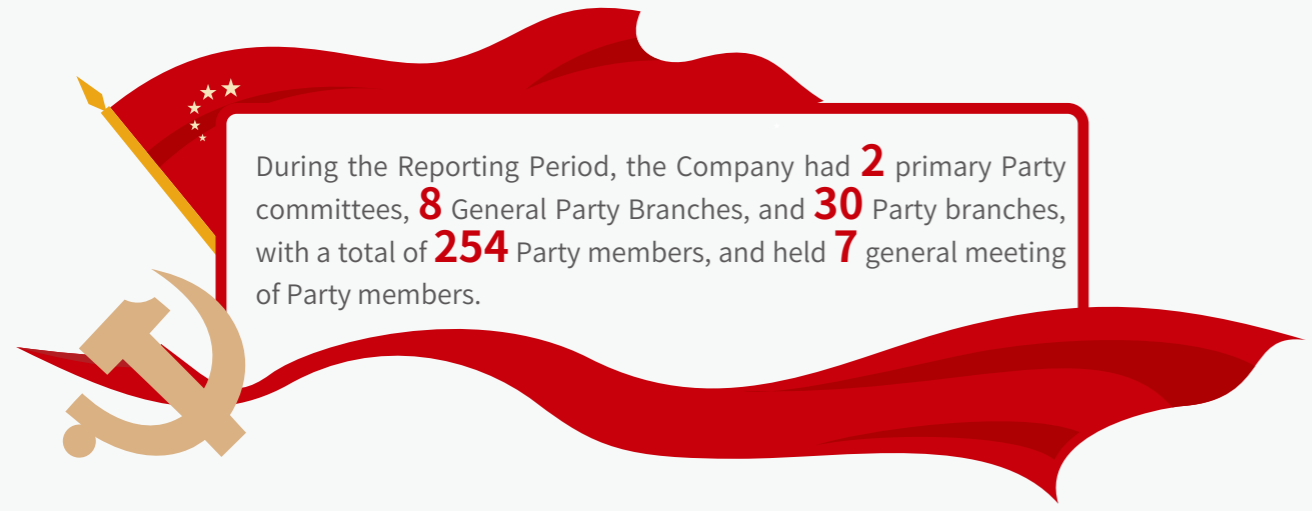
## SDGs Responded in this Chapter



# Deepening of Party Building Leadership

## Party Building System

Consistently adhering to Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era, Dazhong Mining thoroughly studies and implements the guiding principles of the 20th National Congress of the Communist Party of China and the Second and Third Plenary Sessions of the 20th Central Committee, and effectively practices the Party's requirements for political development. The deep integration of Party building and corporate development leads the Company toward high-quality development.



During the Reporting Period, the Company had **2** primary Party committees, **8** General Party Branches, and **30** Party branches, with a total of **254** Party members, and held **7** general meeting of Party members.

## Party Building Work

In active response to the Party's call and as guided by the firm strategic guideline of "Party Leadership, Green Development", the CPC Committee of Dazhong Mining strengthens ideological leadership and organizational development through various forms of Party-building activities, including regular theoretical study sessions, Party Day events, and visits to revolutionary education bases. It is committed to building a new landscape of "Top Ten Mines" integrating party leadership, safety, technology, intelligence, green development, scenic attractions, talent, culture, well-being, and health. Harnessing the robust power of Party building, the Company promotes comprehensive transformation and upgrading and explores a distinctive path of deep integration between Party building and corporate development with Dazhong's characteristics.



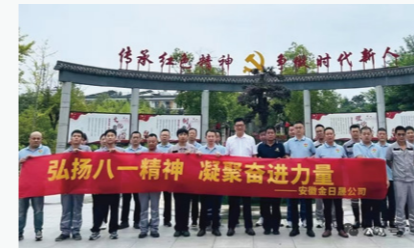
General Meeting of Party Members



Visit to a Base of Education on the History of Revolution



Joint Symposium of Party Building Alliance



Themed Party Day Activities

## Honors in Party Building

On July 10, 2025, the Party Working Committee of the Huoqiu Economic Development Zone in Lu'an City of Anhui Province organized a commendation conference on Party-building work in non-public enterprises within the park. The CPC Committee of Jinrisheng Mining was awarded the honorary title of "Outstanding Party Organization for Excellent Party-Building in Non-Public Enterprise". In addition, two Party members were awarded the honorary title of "Outstanding Party Member", and one Party member was awarded the honorary title of "Outstanding Party Affairs Worker".



Jinrisheng Mining Awarded "Outstanding Party Organization for Excellent Party-Building in Non-Public Enterprises"

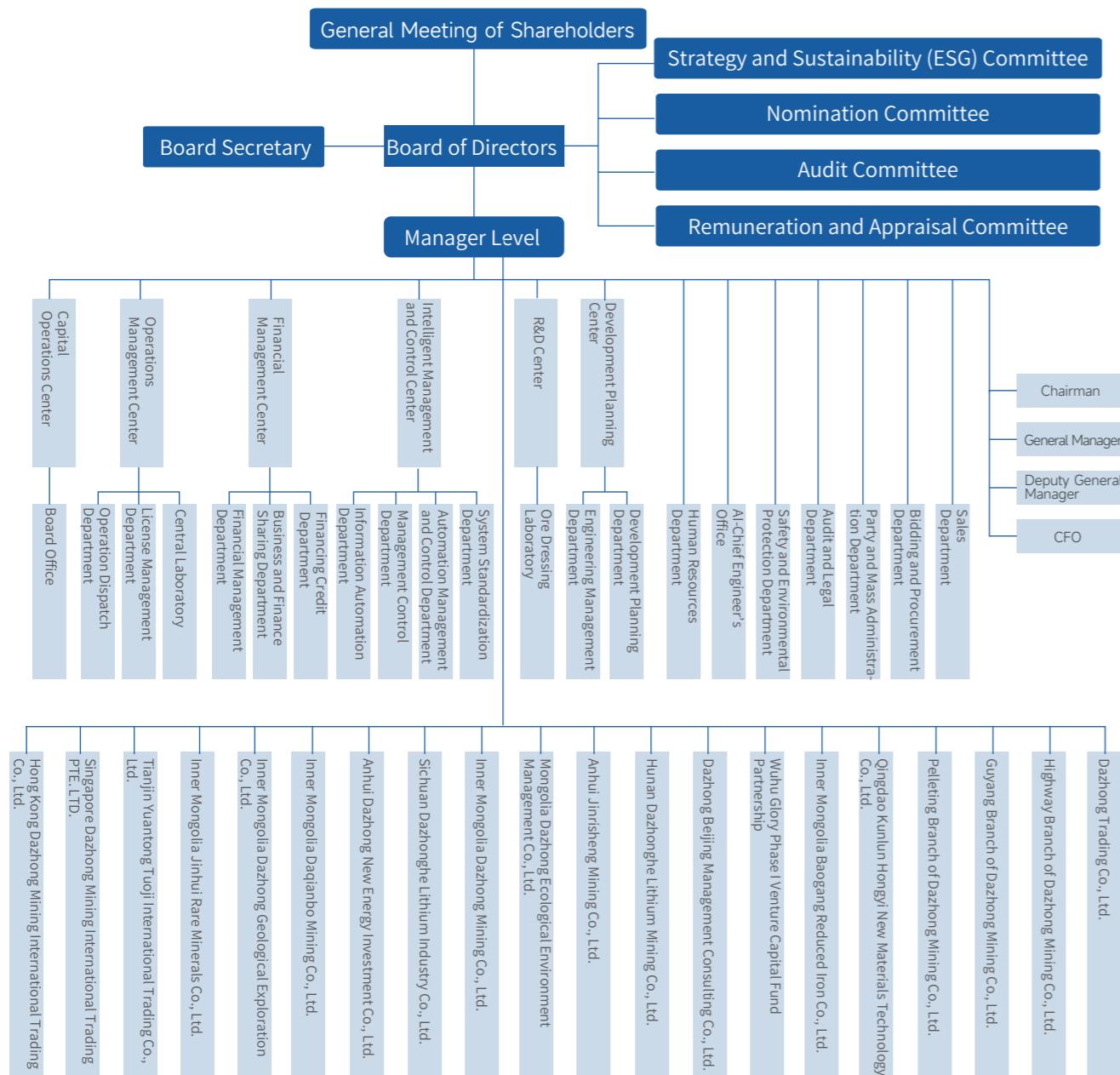


Non-public Party Construction Work Recognition Conference

# Improvement of Corporate Governance

## Governance Framework

In accordance with the *Company Law of the People's Republic of China*, the *Securities Law of the People's Republic of China* (the "Company Law" and the "Securities Law"), the *Code of Corporate Governance for Listed Companies*, and other applicable laws and regulations, Dazhong Mining has formulated internal management systems such as the *Articles of Association of Dazhong Mining Co., Ltd.* (the "Articles of Association"). The Company continuously improves operational decision-making and management structure centered on the General Meeting of Shareholders, the Board of Directors, and the Management, clarifies the powers, obligations, and responsibilities of each governance body, strengthens the internal control system, standardizes operating mechanisms, and ensures clear division of authority, effective checks and balances, and coordinated operation among the authority, decision-making, supervision, and execution levels.



Organizational Structure of Dazhong Mining

## General Meeting of Shareholders

The General Meeting of Shareholders, the authority body of the Company, serves as the primary channel through which shareholders exercise their rights. In strict compliance with applicable laws and regulations, such as the *Company Law of the People's Republic of China*, the *Securities Law of the People's Republic of China*, the *Rules for General Meetings of Shareholders of Listed Companies* and the *Articles of Association*, the Company formulates and implements the *Rules of Procedure for General Meeting of Shareholders* to standardize the convention and voting procedures of the General Meeting of Shareholders. To ensure that all shareholders, including minority shareholders, can exercise their voting rights equally and conveniently, the Company adopts a combination of on-site voting and online voting, and engages lawyers to witness the entire process of the General Meeting of Shareholders to ensure the compliance of the meeting and the validity of its resolutions.

• Key Performance 2025 •

During the Reporting Period, the Company held a total of **4** General Meetings of Shareholders, including **1** Annual General Meetings of Shareholders and **3** Extraordinary General Meetings of Shareholders, at which **22** proposals were reviewed.

## Board of Directors

The Board of Directors is the decision-making body of the Company and answers to the General Meeting of Shareholders. In accordance with applicable laws, regulations and normative documents, such as the *Company Law*, the *Securities Law*, the *Rules Governing the Listing of Stocks on the Shenzhen Stock Exchange*, the *Articles of Association*, and normative documents, the Company has formulated the *Rules of Procedure for the Board of Directors* to standardize the meeting procedures and decision-making processes of the Board of Directors and improve the standardized operation and scientific decision-making level of the Board of Directors. All directors strictly fulfill their obligations of honesty, integrity, diligence, and due care, make scientific and reasonable decisions on major matters of the Company, and continuously enhance their performance capabilities.

• Key Performance 2025 •

During the Reporting Period, **12** meetings of the Board of Directors were held, at which **100%** of Board members were present and **73** proposals were reviewed.

## Specialized Committees under the Board of Directors

The Board of Directors has established four special committees: the Strategy and Sustainability (ESG) Committee, the Nomination Committee, the Audit Committee, and the Remuneration and Appraisal Committee. In accordance with the *Articles of Association* and its own authorization, the Board of Directors has formulated the *Rules of Procedure for the Strategy and Sustainability (ESG) Committee*, the *Rules of Procedure for the Nomination Committee*, the *Rules of Procedure for the Audit Committee*, and the *Rules of Procedure for the Remuneration and Appraisal Committee*, to clarify the scope of responsibilities and performance procedures for each specialized committee. Each specialized committee strictly performs its duties in accordance with its respective rules of procedure, assisting the Board of Directors in executing its decision-making and supervisory functions. The convener of the Audit Committee is an independent director with accounting expertise, and all members are directors who do not hold senior management positions in the Company.

Specialized Committees	Independent Directors (Persons)	Non-Independent Directors (Persons)	Whether the independent director(s) serves as chairman of the committee
Strategy and Sustainability (ESG) Committee	1	2	No
Nomination Committee	2	1	Yes
Audit Committee	2	1	Yes
Remuneration and Appraisal Committee	2	1	Yes

· Key Performance 2025 ·

Meetings of the Audit Committee: **4** Times      Meetings of the Nomination Committee: **1** Time  
 Meetings of the Remuneration and Appraisal Committee: **1** Time  
 Meetings of the Strategy and Sustainability Committee: **3** Times

**Board Diversity**

Dazhong Mining actively advocates for and promotes the diversification of the Board of Directors. In the selection and composition of directors, the Company comprehensively considers and balances multiple factors, including gender, professional fields, educational background, knowledge structure, and practical skills. Through the complementary integration of diverse backgrounds, the Board of Directors is able to examine the opportunities and challenges facing the Company in a more comprehensive and forward-looking manner, thereby enhancing the scientific nature of strategic decision-making and the effectiveness of the Company's long-term governance.

· Key Performance 2025 ·

During the Reporting Period, the Board of Directors consists of **7** directors, including **1** female director, accounting for **14.29%** of the total directors.

Name	Type	Gender	Age (Years)	Education Background	Title	Professional Fields
Niu Guofeng	Non-Independent Director	Male	49	Master's Degree	-	Finance, economics, management, capital operations
Lin Lairong	Non-Independent Director	Male	57	Secondary Vocational Degree	Senior economist	Economics, mining, management, investment
Wang Ximing	Worker Director	Male	44	Bachelor's Degree	-	Surveying and mapping
Lin Pusheng	Non-Independent Director	Male	35	Bachelor's Degree	-	Mining, safety, management
Wei Yuan	Independent Director	Male	70	Master's Degree	-	Electric power
Wang Lixiang	Independent Director	Female	43	Bachelor's Degree	Certified public accountant, senior accountant, certified tax agent	Accounting, taxation
Chen Xiu	Independent Director	Male	53	Bachelor's Degree	-	Finance, investment

**Independence of Board of Directors**

In accordance with the *Company Law*, the *Securities Law*, the *Measures for the Administration of Independent Directors of Listed Companies*, and other applicable laws and regulations, as well as the *Articles of Association*, Dazhong Mining has formulated the *Detailed Rules for the Work of Independent Directors*, which clarifies the qualifications, election procedures, and terms of office and removal of independent directors, defines their duties, authorities, special powers, and methods of performing their duties; and standardizes requirements for special meetings, work records, and performance reports. This ensures that independent directors perform their duties independently and impartially, thereby safeguarding the standardized operations and healthy development of the Company. The Board of Directors consists of 3 independent directors, accounting for 42.86% of total directors.

**Assessment of Board Effectiveness**

Dazhong Mining places great importance on the effectiveness and continuous improvement of the operations of the Board of Directors. Through regular reviews of documents such as the *Annual Work Report of the Board of Directors* and the *Annual Work Report of Independent Director*, the Company systematically reviews and evaluates the overall operations and performance of the Board of Directors each year. Additionally, the Company holds regular General Meetings of Shareholders and the meetings of the Board of Directors to dynamically assess the decision-making process and the professional judgement quality of the *Board of Directors* and its committees, as well as their synergy efficiency with the Management. This effort help to continuously improve corporate governance and effectively safeguard the interests of the Company and all its shareholders.

**Remuneration of Senior Management**

In accordance with systems such as the *Detailed Rules for the Work of the Remuneration and Appraisal Committee under the Board of Directors*, the *Measures for Remuneration Management*, and the *Measures for the Management of KPI Performance Appraisal and Incremental Work Quantitative Assessment*, Dazhong Mining has established a performance-linked incentive and accountability mechanism for directors and senior management. Based on industry benchmarks, the Company's operating conditions, and third-party professional opinions, the Remuneration and Appraisal Committee formulates compensation plans according to performance evaluation standards and procedures. Compensation distribution is determined after the careful consideration of duty performance, annual performance, and the achievement of ESG indicators such as safety and environmental protection, thereby incentivizing management to actively promote the Company's sustainable development practices.

In the *2025 Announcement on the Compensation Plan for Directors, Supervisors, and Senior Management*, Dazhong Mining specifies that: independent directors adopt an allowance-based compensation system; non-independent directors receive remuneration in accordance with their labor contracts with the Company and relevant compensation and performance management systems; and senior management receive compensation based on their specific positions within the Company and in accordance with the Company's relevant compensation and performance evaluation management systems.

· Key Performance 2025 ·

During the Reporting Period, Total Remuneration Paid to Directors, Supervisors, and Senior Management: RMB **20.0518** million.

# Protection of Investors' Rights and Interests

## Returns to Shareholders

Dazhong Mining consistently attaches importance to the protection of shareholders' rights and interests and strictly complies with the *No.3 Guideline for the Supervision of Listed Companies - Cash Dividend Distribution of Listed Companies and the Articles of Association*. Based on the Company's profit conditions and operational development needs, and taking into account reasonable shareholder returns, shareholder intentions, social capital costs, and the external financing environment, the Company has formulated the *Profit Distribution Management System* and the *Shareholder Dividend Return Plan for the Next Three Years (2024-2026)*. By establishing scientific, continuous, and stable dividend decision-making and supervision mechanisms, the Company continuously improves the transparency and operability of the profit distribution policy and actively returns value to investors. We are committed to building a sustainable, stable, and scientific shareholder return planning mechanism to effectively ensure the continuity and stability of profit distribution policies.

Cash Dividends in the Past 3 Years

Key Performance	Unit	2025	2024	2023
Cash Dividend per Share	Yuan/Share	0.20	0.30	0
Total Cash Dividend(Including Tax)	RMB 10,000	30,417.32	44,605.54	0
Net Profit Attributable to Shareholders of Listed Company	RMB 10,000	73,603.48	75,126.20	114,126.48

## Protection of Creditors' Rights and Interests

Dazhong Mining has always attached great importance to and earnestly safeguarded the legitimate rights and interests of creditors. The Company strictly implements the *Detailed Rules for Credit Rating Management (Trial)* and the *Measures for Debt Repayment Management (Trial)*, adheres to all contractual agreements reached with creditors, and actively fulfills all obligations regarding debt repayment and interest payments. By ensuring that all debts are settled in a timely and proper manner, the Company has consolidated the foundation of trust and cooperation with creditors. During the Reporting Period, the Company obtained an AA credit rating and had no incidents of debt default.

## Information Disclosure

In strict accordance with the *Information Disclosure Management System*, the *Regulations on the Suspension and Exemption of Information Disclosure*, and the *Internal Reporting System for Material Information*, Dazhong Mining clearly defines the principles, content, procedures, and primary responsibilities regarding information disclosure, and publicly discloses matters such as performance, profits, mergers and acquisitions, asset restructuring, and related-party transactions through periodic and interim reports. The Company fulfills all obligations on information disclosure and ensures the authenticity, accuracy, completeness, timeliness, and fairness of disclosed information, thereby effectively safeguarding investors' right to know. Additionally, the Company has established sound internal review and accountability mechanisms to ensure effective management, timely transmission, and fair disclosure of all material information that may affect investors' decisions.

Furthermore, to effectively address the potential impact of public opinions on the Company's stock price, derivatives trading, commercial reputation, and normal operations, Dazhong Mining has formulated the *Public Opinion Management System* and established a Leading Group for Public Opinion Management and Crisis Response, with the Chairman serving as the Group Leader and the Board Secretary as the Deputy Group Leader. In the principles of unified leadership, unified organization, rapid response, and coordinated action, the group is responsible for implementing rapid response and emergency handling mechanisms to ensure timely and effective management and guidance of internal and external public opinion, safeguarding stable operations and market reputation.

· Key Performance 2025 ·

During the Reporting Period, the Company released **206** disclosures, announcements and relevant documents, and did not face any penalties due to violations of information disclosure regulations.

## Investor Relations Management

In accordance with the *Guidelines for Investor Relations Management of Listed Companies* and the *Articles of Association*, Dazhong Mining has formulated the *Investor Relations Management System* and established an investor relations management structure with the Chairman as the primary responsible person, the Board Secretary as the coordinator, and the Board Office as the designated department, thereby ensuring that information disclosure remains true, accurate, complete, timely, and fair. The Company conducts routine communication through designated media and online platforms, telephone, email, performance briefings, and roadshows, responds promptly to investor inquiries, safeguards shareholders' rights to know and participate, builds a close and efficient communication bridge with investors, and enhances investor trust and recognition.

Communication with Investors in 2025

· Key Performance 2025 ·

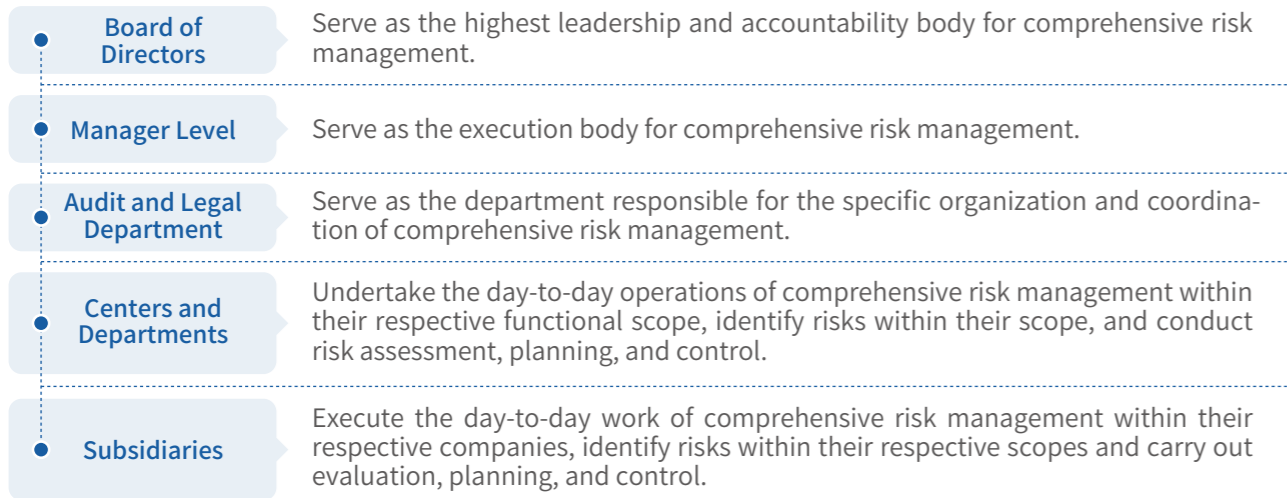
During the Reporting Period, Number of Investor Receptions: **6** Times; Number of On-Site Investor Surveys Received : **2** Times; Number of Received Investors Attending On-Site Surveys : **230** Persons; Investor Open Forums : **2** Times; Number of Investor Calls Answered : **330** Times; Number of Investor Questions Answered on the Cninfo Platform : **259** Times; Reply Rate to Investors' Questions : **98.48** %

# Enhancement of Risk Management

## Risk Management

In accordance with national laws, regulations, and relevant policies, Dazhong Mining has formulated the *Measures for Comprehensive Risk Management*, established a comprehensive risk management framework, and specified corresponding risk control standards under different applicable scopes, providing guidance for the Company's risk management efforts. Risk management follows the principle of comprehensiveness, covering all businesses, departments, and personnel of the Company and penetrating all stages of decision-making, execution, supervision, and feedback. The Company regularly assesses changes in the internal and external environment and dynamically adjusts risk management policies and systems to ensure the integration of pre-event, during-event, and post-event controls, effectively mitigating operational risks and safeguarding the achievement of the Company's strategic objectives and its sustained, steady development.

### Risk Management Framework



### Risk Management Process



· Key Performance2025 ·

During the Reporting Period, Number of Internal Risk Training Sessions : **1** Time  
 Total Attendances of Training on Internal Risk Control : **155** Person-times  
 Total Hours of Employee Training on Internal Risk Control: **310** Hours

## Internal Control

In strict accordance with the *Guidelines for Internal Control of Listed Companies of the Shenzhen Stock Exchange*, the *Basic Norms for Enterprise Internal Control*, and the *Guidelines for the Evaluation of Enterprise Internal Control*, Dazhong Mining continuously optimizes and improves internal management systems around key elements such as the internal environment, risk assessment, control activities, information and communication, and internal supervision. The Company has established comprehensive business processes and systems in key areas such as procurement, sales, engineering, asset management, capital management, and investment management, and strictly defines approval authorities to effectively mitigate operational risks, thereby ensuring lawful and compliant business management, asset security, and the accuracy and completeness of financial information. In addition, the Company regularly conducts evaluations of the effectiveness of internal controls, comprehensively reviews the design and operation of these controls, and promotes the dynamic improvement of the internal control system, thereby providing a solid foundation for sustained and stable operations.

## Internal Audit

In strict accordance with the *Audit Law of the People's Republic of China*, the *Provisions of the National Audit Office on Internal Audit Work*, the *Rules Governing the Listing of Stocks on the Shenzhen Stock Exchange*, and other applicable laws and regulations, Dazhong Mining continuously improves audit systems and processes, such as the Internal Audit Management System. Under the guidance of the Audit Committee of the Board of Directors, the Audit and Legal Department independently exercises internal audit supervision authority. The Company strengthens the audit function's full-process coverage of key aspects of operations and internal controls—including pre-event, during-event, and post-event stages—to broaden and deepen the scope and depth of audits, ensuring the professionalism and comprehensiveness of oversight and effectively preventing and controlling operational risks.

In 2025, to ensure operational compliance and financial transparency, Dazhong Mining engaged third-party institutions to conduct internal audits and issue reports on key areas such as the use of raised funds, related-party transactions, and securities and derivatives trading, thereby providing strong support for the Company's standardized operations and risk management.

## Tax Management

In strict accordance with the *Law of the People's Republic of China on the Administration of Tax Collection*, the *Value-Added Tax Law of the People's Republic of China*, the *Individual Income Tax Law of the People's Republic of China*, and other applicable laws and regulations, Dazhong Mining has formulated and implemented the Measures for Tax Administration to standardize full-process management of all tax-related business activities, including tax registration, accounting, declaration, planning, and risk response. The Company adheres to the principles of lawful tax payment, full payment of all due taxes, and full enjoyment of all tax benefits. We implement a centralized management and consolidated tax filing mechanism with the corporate legal entity as the primary entity, and require subsidiaries to report major tax-related matters and tax planning on a tiered basis to ensure that all tax activities fully comply with national laws and regulations.

· Key Performance2025 ·

During the Reporting Period, the total taxes paid by the Company was RMB **579.9004** million

### Tax Risk Prevention and Control System

- **Establishment of Sound Tax Management Systems and Processes**  
 Establish internal tax control mechanisms covering the entire process, clarify responsibilities and authorities at all levels, and regularly conduct tax risk assessments and self-inspections to promptly identify and correct potential issues.
- **Dynamic Control**  
 Rely on information systems to monitor tax data in operational and investment/financing activities in real time, identify risk points in accordance with laws and regulations such as the *Enterprise Income Tax Law of the People's Republic of China*, compare industry and historical data, and continuously optimize process deficiencies.
- **Enhanced Compliance**  
 With respect to related-party transactions and tax information disclosure, introduce professional institutions to conduct audit evaluations and improve transparency through investor communication; maintain sound communication with tax authorities, promptly track policy changes, actively cooperate with tax inspections, and avoid tax risks caused by non-compliant operations.
- **Precise Response**  
 Formulate graded response plans for policy changes or tax-related dispute matters, with a focus on the control of high-risk areas such as fund transactions to ensure compliance with bottom lines. Incorporate tax risk control measures into the performance evaluation system to promote the long-term effectiveness of tax management and the front-end prevention of risks.

## Related Transactions

In strict accordance with the *Rules Governing the Listing of Stocks on the Shenzhen Stock Exchange* and the *Self-Regulatory Guidelines No. 7 for Listed Companies of the Shenzhen Stock Exchange — Transactions and Related-Party Transactions*, Dazhong Mining has formulated the *Related-Party Transaction Management System* to regulate legal acts involving the transfer of resources or obligations between the Company and related parties. The system clearly requires all related-party transactions to follow the principles of fairness, impartiality, and openness. Through strict implementation of decision-making procedures, recusal mechanisms, and information disclosure measures, the Company ensures reasonable pricing and compliant procedures, prevents improper benefit transfer, and safeguards the legitimate rights and interests of the Company and all shareholders.

# Adherence to Business Ethics

## Anti-Commercial Bribery and Anti-Corruption

In strict accordance with the *Amendment (XII) to the Criminal Law of the People's Republic of China* and other laws and regulations, as well as policy documents such as *the Opinions of the CPC Central Committee and the State Council on Promoting the Development and Growth of the Private Economy*, Dazhong Mining has formulated the *Measures for the Management of Employee Integrity and Compliance*, and established an anti-corruption management system covering the Audit and Legal Department, the Intelligent Control Center, and all business units. Among them, the Audit and Legal Department, as the primary responsible department, is responsible for system updates, integrity education, and the investigation and transfer of illegal cases, and resolutely cracks down on fraudulent behaviors such as embezzlement, occupational appropriation, and bribery of non-state personnel.

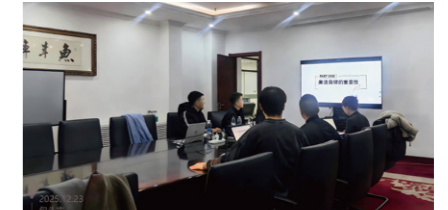
Dazhong Mining upholds a firm "zero tolerance" stance toward internal fraud and corruption. Through measures such as improving internal control systems, strengthening audit supervision, and conducting integrity education for all employees, the Company actively builds a long-term mechanism in which employees "dare not be corrupt, cannot be corrupt, and do not want to be corrupt", and extends anti-corruption management requirements to suppliers to promote the joint construction of an integrity-based compliance ecosystem. In the principle of "prevention first, punishment second", the Company focuses on investigating and addressing behaviors that harm the Company's interests, such as accepting kickbacks, false reimbursement through invoice substitution, misappropriation of benefits, and fund misappropriation. We resolutely combat all forms of commercial bribery and corruption to maintain a clean and upright corporate environment. During the reporting period, the signing rate of the Employee Integrity Agreement was 100%.

### Anti-Commercial Bribery and Anti-Corruption Control Measures

- ▶ By requiring employees to sign the commitment to integrity upon onboarding and cases of illegal corruption through corporate information platforms, the Company clearly requires employees to commit to integrity and self-discipline, thereby fostering an internal anti-corruption culture.
- ▶ Upon receiving leads regarding illegal or corrupt activities, the Audit and Legal Department ensures timely investigations, decisive handling, and transparent resolution, and refers cases to judicial authorities for processing in accordance with the law.
- ▶ The Company has established a reward-based whistleblowing mechanism and an external supervision mechanism, ensuring smooth internal and external reporting channels. Verified reports are rewarded, and a results feedback system for investigation and handling has been implemented to encourage all employees and partners to jointly participate in anti-corruption supervision.
- ▶ The Company implements the "Three Principles of Anti-Corruption": adhere equally to "referring illegal cases to authorities" and "strengthening internal oversight"; advance "criminal prosecution" and "civil compensation" in tandem; and organically integrate "punishing crimes" with "internal standardization."

### Case Anti-corruption Training and Communication

During the Reporting Period, Dazhong Mining organized a special communication session on the *Measures for the Management of Employee Integrity and Compliance*. The session explained the legal basis of the Measures, defined key illegal acts, and outlined case filing standards for employees. It also used real-life cases for educational warnings, further fortifying employees' ideological defenses against corruption and strengthening their compliance awareness.



### Training on Anti-Commercial Bribery and Anti-Corruption

Number of Directors Participating in the Training on Anti-commercial Bribery and Anti-Corruption	7 Persons
Percentage of Directors Participating in Training on Anti-commercial Bribery and Anti-Corruption	100%
Total Duration of Training on Anti-commercial Bribery and Anti-Corruption for Directors	14Hours
Average Duration of Training on Anti-commercial Bribery and Anti-Corruption for Directors	2Hours/Person
Number of the Management Participating in Training on Anti-commercial Bribery and Anti-Corruption	191Persons
Percentage of the Management Participating in Training on Anti-commercial Bribery and Anti-Corruption	100%
Total Duration of Training on Anti-commercial Bribery and Anti-Corruption for the Management	382Hours
Average Duration of Training on Anti-commercial Bribery and Anti-Corruption for Management	2Hour/Person
Number of Frontline Employees Participating in Training on Anti-commercial Bribery and Anti-Corruption	4,034Persons
Percentage of Frontline Employees Participating in Training on Anti-commercial Bribery and Anti-Corruption	100%
Total Duration of Training on Anti-commercial Bribery and Anti-Corruption for Frontline Employees	8,068Hours
Average Duration of Frontline Employee Training on Anti-Commercial Bribery and Anti-Corruption	2Hour/Person

### Unobstructed Whistleblowing Channels

Dazhong Mining attaches great importance to the development of a culture of integrity and compliance, and has established convenient multi-channel reporting platforms, including WeChat, telephone, email, and letters, encouraging employees and external stakeholders to report suspected illegal or non-compliant behaviors under real names. For whistleblowing that is verified as true and meets the criteria for case filing, the Company will provide corresponding rewards to whistleblowers in accordance with applicable regulations, thereby mobilizing all employees to participate in oversight and maintain a clean and healthy business environment.

While encouraging whistleblowing, Dazhong Mining places a high priority on protecting the rights of whistleblowers. We pledge to strictly keep whistleblower information confidential, strictly prohibit any disclosure of a whistleblower's identity, and resolutely prevent any form of retaliation, discrimination, or unfair treatment against whistleblowers or their close relatives due to their reporting. This ensures the credibility and effectiveness of the whistleblowing system.



**Whistleblowing Channels**

- ◎ Whistleblowing Email: 493233450@qq.com
- ◎ Whistleblowing Hotline: 0472-5216686
- ◎ Address: Audit and Legal Department, Dazhong Mining Co., Ltd., No. 55 Huanghe Avenue, Baotou City, Inner Mongolia Autonomous Region, China

## Anti-Unfair Competition

Dazhong Mining strictly adheres to applicable laws and regulations, including the *Anti-Unfair Competition Law of the People's Republic of China* and the *Anti-Monopoly Law of the People's Republic of China*. We uphold the fundamental principles of business ethics, resolutely eliminate unfair competition and monopolistic practices, and maintain a fair and orderly market competition environment.

Dazhong Mining has established a comprehensive risk prevention and compliance management system for anti-monopoly and fair competition. The Board of Directors is responsible for approving anti-monopoly compliance systems and authorizing major dispute resolution plans; the Audit and Legal Department, as the lead department, is responsible for risk identification, compliance training, daily monitoring, and suspension of high-risk business activities, as well as agreement review, merger filing, legal response, and issuance of compliance opinions; and all business departments are responsible for implementing compliance requirements, providing supporting data, and carrying out rectification. Through a clearly defined, hierarchical management mechanism with well-defined responsibilities and authorities, the Company continuously strengthens its compliance operation capabilities. During the reporting period, no cases of penalties for unfair competition or monopolistic conduct occurred in the Company.



## Anti-Monopoly and Fair Competition Control Measures

### Business Compliance Review

- ▶ **Market conduct boundaries:** all pricing agreements and regional sales policies must be reviewed by the Legal Department; the signing of exclusive clauses or the establishment of geographic restrictions is strictly prohibited;
- ▶ **Pre-Merger assessment:** a *Report on the Risks Related to the Concentration of Business Operators* must be submitted for investment and merger projects, which is jointly evaluated by the Legal Department and external law firms to determine whether filing thresholds are triggered (e.g., market share exceeding 15%);
- ▶ **Industrial chain coordination control:** the exchange of sensitive information (such as production volumes and prices) with upstream and downstream enterprises is prohibited; and "commitment clauses on anti-monopoly compliance" must be embedded in business contracts.

### Dynamic Risk Monitoring

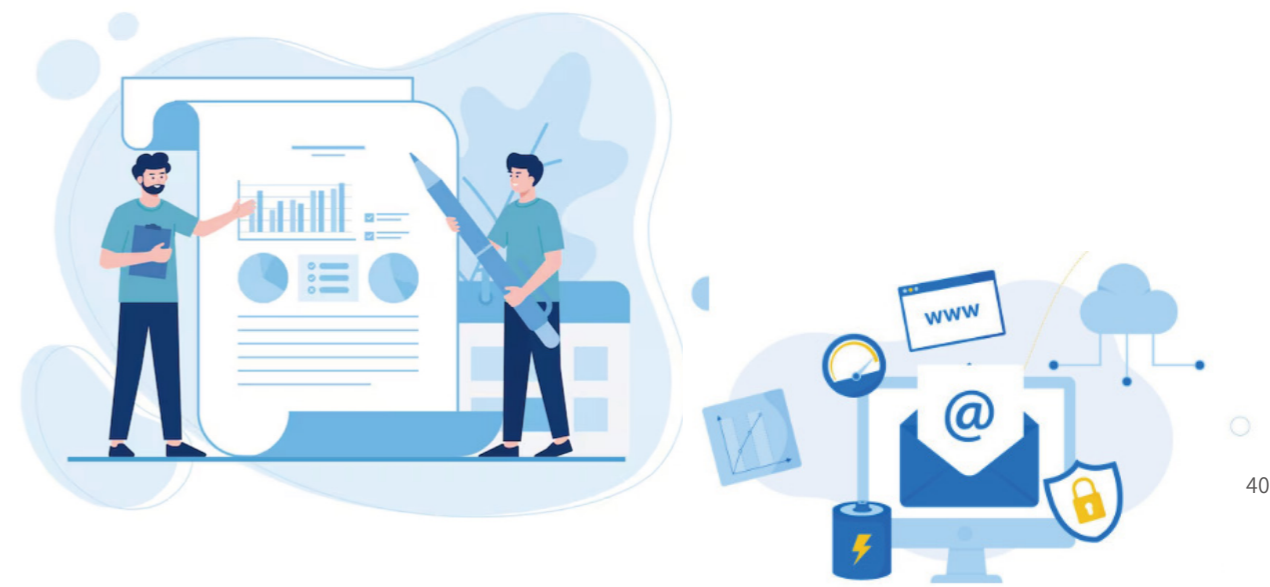
- ▶ **Data monitoring:** the Sales Department collects monthly industry market share and regional price fluctuation data and identifies potential monopoly behaviors through comparative analysis;
- ▶ **Whistleblowing mechanism:** an antitrust reporting channel has been established, and the Audit and Legal Department verifies reported leads on a quarterly basis.

### Training and Assessment

All personnel in the Sales and Procurement Departments are required to complete 8 hours of anti-monopoly training annually, focusing on policies such as the *Provisions on Prohibiting Monopoly Agreements*; and anti-monopoly compliance is incorporated into departmental KPI assessments, with violations directly linked to performance deductions.

### Controls of Compliant Sales

Through the strict implementation of the *Measures for Product Sales Management* and the *Detailed Rules for Quality Dispute Management*, the Company embeds anti-unfair competition requirements into key business processes such as sales pricing, customer management, and quality dispute resolution, establishing an internal control mechanism centered on procedural fairness, data authenticity, and contractual performance.





# Green Mines: Fostering Eco- logical Inte- gration

Adhering to the philosophy of "prioritizing environmental protection and green development", Dazhong Mining integrates green and sustainable development throughout the entire lifecycle of mine exploration, construction, production, and closure. We actively respond to the national "carbon peaking and carbon neutrality" goals and vigorously promote green mine construction. Through the adoption of advanced energy-saving technologies, strengthening resource recycling, carrying out ecological restoration and environmental monitoring in mining areas, the Company continuously reduces energy and water consumption, reduces pollutant emissions, protects regional biodiversity, and strives to build a modern mining development model featuring resource conservation, environmental friendliness, and ecological harmony, achieving coordinated development of economic, social, and ecological benefits.

## Our Actions

Addressing Climate Change, Strengthening Environmental Management, Improving Resource Efficiency, Practicing Green Operations, and Building Green Mines

## SDGs Responded in this Chapter

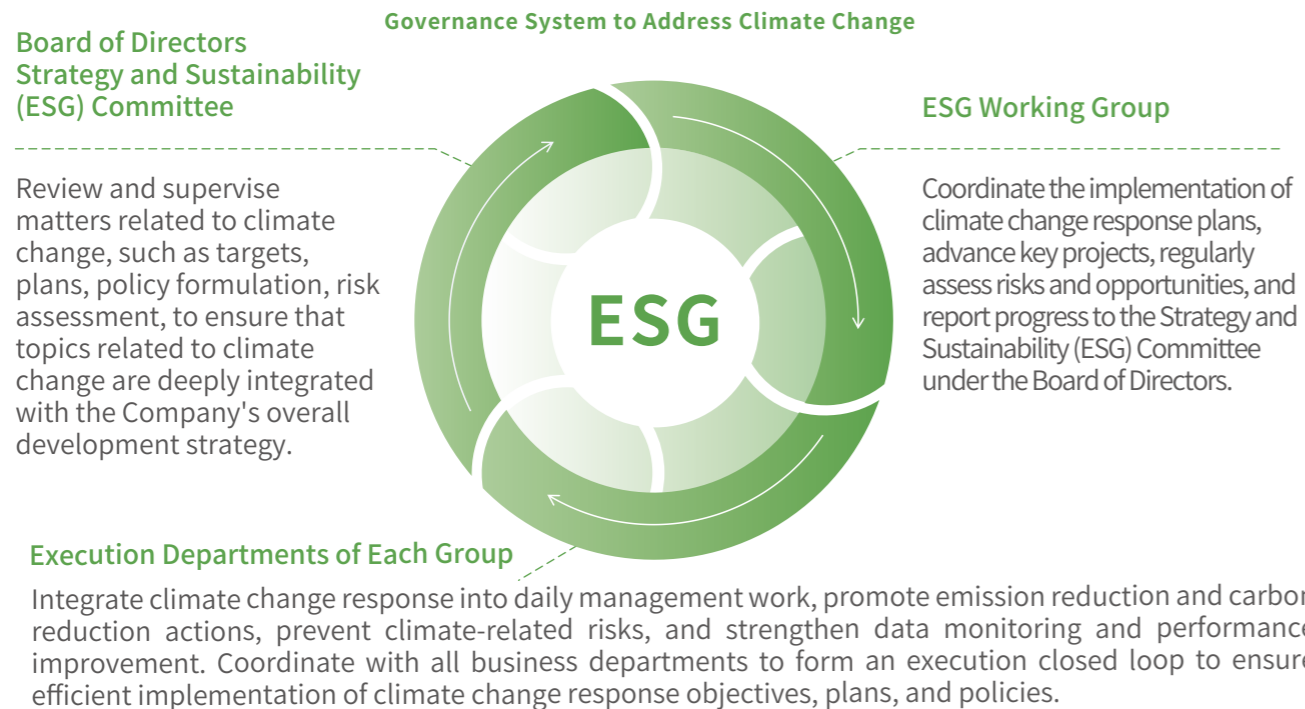


# Response to Climate Change

Against the backdrop of intensifying global climate change and the deepening advancement of the national "carbon peaking and carbon neutrality" goals, Dazhong Mining strictly adheres to relevant policies, regulations, and regulatory requirements. We integrate climate change compliance into every stage of our operations. Through diverse initiatives such as improving governance structures and optimizing energy structures, we actively implement greenhouse gas emission reduction requirements, continuously enhance our capacity to address climate change, and promote the harmonious coexistence of mining development and the ecological environment.

## Governance

Addressing climate change is a core issue for enterprises seeking green and sustainable development, and it serves as a vital strategic pillar for practicing green mining and acting as a responsible mining enterprise. Dazhong Mining fully integrates climate change governance into management systems, formulates the *Climate Change Response Management System*, and establishes a top-down governance structure with clear responsibilities and closed-loop processes to ensure systematic identification, assessment, and management of climate-related risks and opportunities, providing strong institutional support for achieving low-carbon transformation goals.



## Strategy

As a mineral resource development enterprise, the Company's strategic core closely aligns with industry characteristics. Based on ensuring the supply of key minerals for the energy transition, it fully integrates climate factors into business layout and financial planning, balancing emission reduction targets with sustainable development resilience.

Scenario Category	Low-Emissions Scenario	High-Emissions Scenario
Temperature Rise Magnitude	Global temperature rise is controlled within 1.5°C	Global temperature rise exceeds 2°C
Scenario Description	Assuming global net-zero emissions are achieved by 2050, with the average temperature stabilized within 1.5°C above pre-industrial levels	Assumes that greenhouse gas emissions continue to increase throughout the 21st century, resulting in a global average temperature increase of 3.2–4.5°C by 2100
Physical Risk Scenarios Used for the Assessment	/	Under this scenario, the probability of acute physical risks such as extreme weather increases, and the impact severity of physical risks such as rising global temperatures and sea levels are significant
Transition Risks Scenarios Used for the Assessment	Under this scenario, policy and regulatory requirements become stricter, and the impact severity of transition risks are significant	/

Risk Type	Description of Risk	Likelihood of Occurrence	Extent of Impact	Duration of Impact	Value Chain Links Impacted	Priority Ranking	Potential Financial Impact	Countermeasures
Acute Risk	The Company's production bases are primarily located in Inner Mongolia, Anhui, Hunan, and Sichuan. Extreme weather events, such as heavy rainfall, droughts, and landslides, may cause damage to the Company's facilities, employee safety, operations, and production, leading to business interruptions or increased costs.	High	High	Short term Medium term	Operations Downstream	Medium	Decline in operating revenue; impairment of fixed assets; increase in operating costs	Establish a meteorological monitoring and early warning mechanism, and formulate production suspension risk-avoidance plans; Strengthen routine environmental, weather, and engineering inspections; in the event of extreme weather conditions, promptly report and activate emergency response plans, rapidly take effective measures, organize rescue efforts, prevent escalation of incidents, and conduct comprehensive inspections and cleanup afterward.
Physical Risk	All operating locations are experiencing a long-term trend of rising temperatures, with extended periods of high summer heat, increased water evaporation, and increased risk of soil erosion due to vegetation degradation in mining areas; underground operations face persistent cooling challenges.	Medium	Medium	Medium term Long term	Operations Downstream	Medium	Increase in operating costs	Optimize long-term production plans and establish water-saving policies and measures.

Risk Type	Description of Risk	Likelihood of Occurrence	Extent of Impact	Duration of Impact	Value Chain Links Impacted	Priority Ranking	Potential Financial Impact	Countermeasures
Transition Risks	Policy and Legal Risks	Medium	High	Short term Medium term Long term	Operations	High	Increase in operating costs	Closely monitor policy developments of governments and relevant regulatory authorities; promptly understand the impact of policy changes on Company operations; accelerate clean energy substitution and reduce carbon dependence.
	Technology Risks	High	Medium	Medium term Long term	Operations	High	Increase in operating costs	Increase R&D investment in low-carbon and energy-saving technologies; optimize low-carbon technology pathways based on R&D outcomes; and enhance the application of new energy technologies.
	Market Risk	Medium	High	Short term Medium term Long term	Downstream	Medium	Reduction in operating revenues	Adjust product portfolios and service models in accordance with market demand and policy orientation and actively expand the Company's lithium mining business.
	Reputation Risks	Low	Medium	Short term Medium term	Operations	Low	Reduction in operating revenues, and depreciation of goodwill	Strengthen internal environmental management through strict environmental protection systems regulating production and operations; strengthen communication with external stakeholders and demonstrate the Company's environmental actions.

Opportunities Type	Description of Opportunity	Likelihood of Occurrence	Extent of Impact	Duration of Impact	Value Chain Links Impacted	Priority Ranking	Potential Financial Impact	Countermeasures
Energy Substitution	The Company can replace traditional thermal power generation by building its own distributed photovoltaic power stations and purchasing green electricity, thereby reducing energy costs and carbon emission intensity, in line with the national "carbon peaking and carbon neutrality" policy.	High	High	Short term Medium term	Operations	High	Reduction in operating costs; increase in revenue sources	Select idle land and subsidence areas in mining sites to build distributed photovoltaic power stations, optimize energy structure, and increase the proportion of clean energy use.

Opportunities Type	Description of Opportunity	Likelihood of Occurrence	Extent of Impact	Duration of Impact	Value Chain Links Impacted	Priority Ranking	Potential Financial Impact	Countermeasures
Technology	Climate change brings both demand and opportunities for technological innovation, promoting the continuous emergence of low-carbon and energy-saving technologies.	High	High	Medium term Long term	Operations	High	Increase in operating revenue; reduction in operating costs	Increase R&D investment, strengthen R&D team capabilities, and enhance technological innovation and R&D capacity.
Market	The "carbon peaking and carbon neutrality" goals are accelerating energy transition. The rapid growth of low-carbon industries such as new energy vehicles and energy storage has significantly increased demand for lithium resources. With high-quality lithium ore resources, the Company can meet downstream customers' demand for low-carbon lithium products and expand market share.	High	High	Short term Medium term Long term	Operations Downstream	High	Increase in operating income	Accelerate the development of the two major lithium mining bases in Sichuan and Hunan, continuously promote the application of low-carbon smelting technologies, and deepen strategic cooperation with high-quality downstream customers.
Resilience	As environmental protection and carbon reduction policies continue to tighten, establishing a comprehensive ESG management system and a compliance monitoring and early warning mechanism will enable the Company to proactively respond to policy changes, avoid compliance risks, and enhance its long-term sustainable operational capabilities.	High	High	Short term Medium term Long term	Operations Downstream	High	Reduction in operating costs	Establish an ESG management framework, implement a system for tracking policy dynamics and monitoring compliance, conduct regular compliance self-inspections and corrective actions, and strengthen information disclosure and communication with stakeholders.

Notes:

- Likelihood of occurrence refers to the frequency or probability of a risk/opportunity occurring, primarily based on historical occurrence probability, external scenarios, progress in policy implementation, and expert predictions. The likelihood of occurrence ranges from "low" to "high".
- Extent of impact: refers to the extent of impact determined based on impact level and the occurrence likelihood of risk/opportunity, comprehensively considering factors such as business model, value chain, and financial impact. The extent of impact ranges from "low" to "high".
- Affected Value Chain Segments: refer to the parts of the value chain that may be impacted, including upstream (such as suppliers, procurement and logistics), operations (such as production, manufacturing and internal processes) and downstream (such as distribution, sales and customer service).
- Priority: comprehensively considering factors such as likelihood of occurrence, extent of impact, and duration of impact, and in combination with the Company's actual conditions, priorities are ranked as "Low", "Medium" or "High".  
(Note: The definitions of likelihood of occurrence, extent of impact, duration of impact, value chain links impacted, and priority in other sections of the Report are consistent with those above and will not be repeated.)

## Impact, Risk, and Opportunity Management

Based on the *Measures for Comprehensive Risk Management*, Dazhong Mining conducts the identification, assessment, response, monitoring, and improvement of climate change-related impacts, risks, and opportunities to drive the Company's low-carbon transition and achieve the synergistic enhancement of economic, environmental, and social benefits.



## Metrics and Targets

Dazhong Mining adheres to the philosophy of "green, low-carbon, and sustainable development". Anchored in compliance requirements and sustainable development objectives, the Company responds to the national "carbon peaking and carbon neutrality" goals and regulatory guidelines, and drives the orderly implementation of key initiatives such as green mine construction and clean energy substitution, thereby supporting the enterprise's long-term, high-quality development.

Indicator	Unit	2025
GHG Emissions Intensity	tCO <sub>2</sub> e /RMB 10,000	0.697
Total GHG Emissions(Scope 1 and Scope 2)	tCO <sub>2</sub> e	285,090.01
Direct GHG Emissions (Scope 1)	tCO <sub>2</sub> e	26,732.07
Indirect GHG Emissions (Scope 2)	tCO <sub>2</sub> e	258,357.94

Note: Greenhouse gas (GHG) emissions are calculated in accordance with *Appendix II of the Guidelines for Accounting and Reporting of Greenhouse Gas Emissions of Mining Enterprises (Trial)*, the *2023 Power Grid Carbon Dioxide Emission Factors*, and the *General Rules for Calculation of the Comprehensive Energy Consumption (GB/T 2589-2020)*.

## Measures for Reduction of GHG Emissions

Dazhong Mining strictly monitors GHG emission management in its production and operations. The main types of GHG emissions include carbon dioxide (CO<sub>2</sub>), methane (CH<sub>4</sub>), nitrous oxide (N<sub>2</sub>O), and small amounts of fluorinated gases (e.g., PFCs). Among these, CO<sub>2</sub> mainly originates from fossil fuel combustion (mining equipment, boilers), production processes (ore sintering and smelting), and consumption of purchased electricity and heat; CH<sub>4</sub> arises from mine gas emissions and anaerobic decomposition in tailings storage facilities; N<sub>2</sub>O originates from fuel combustion and ecological restoration planting activities; and small amounts of PFCs are generated from specific auxiliary smelting processes. For the above emission sources, the Company has systematically advanced measures such as clean energy substitution, energy-saving facility upgrades, and green mine construction to continuously reduce carbon emission intensity and total emissions, ensuring compliant operations while enhancing green competitiveness.

### Key measures taken by the Company to address climate change:

#### Technological and Process Innovation



- ▶ Ore is transported underground via belt conveyors, enabling unpowered ore unloading.
- ▶ PLC control is implemented in hoisting, drainage, ventilation, and compressed air systems to reduce electricity consumption.
- ▶ Production water supply pumps are equipped with variable-frequency speed control devices to achieve effective energy savings.
- ▶ Fans adopt variable-frequency speed control to adjust power output according to underground working conditions and improve energy efficiency utilization.
- ▶ Tower mill technical upgrades have been implemented, replacing traditional ball mills with a single tower mill to simplify processes while reducing energy consumption.
- ▶ The concentrator conveying system has been optimized by replacing bucket elevators with belt conveyors and plough unloaders for coordinated ore feeding, reducing total power consumption.

- ▶ Priority is given to adopting new energy-efficient equipment during equipment selection or replacement; both main ventilation fans and auxiliary fans adopt energy-saving models.
- ▶ Surface air compressors have been upgraded to dual-stage permanent magnet variable-frequency screw compressors to replace outdated power-frequency equipment and reduce operating energy consumption.
- ▶ Transformer capacity reduction adjustments have been implemented to reduce reactive power consumption and basic electricity charges.
- ▶ Solar lamps are used to replace traditional lighting equipment, optimizing the energy consumption structure of mine-area lighting.
- ▶ In daily operations, the use of new energy vehicles is promoted actively to reduce GHG emissions.

#### Energy-saving Equipment Application



#### Photovoltaic Power Generation



- ▶ Distributed photovoltaic power generation projects have been deployed to build photovoltaic application bases in mining areas and continuously increase the proportion of clean energy supply in production and operations.

**Case Photovoltaic Power Generation Empowering Low-Carbon Transformation**

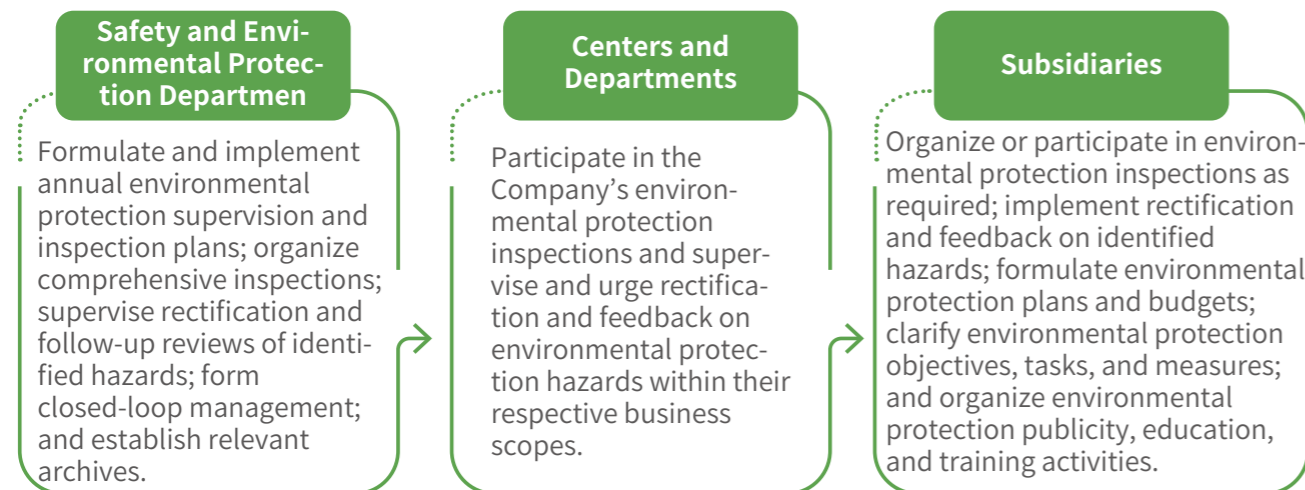
Dazhong Mining's photovoltaic projects in the Inner Mongolia region (covering key mining areas such as Shujigou and Dongwufenzi) have cumulatively generated 22.3309 million kWh of electricity, reducing carbon dioxide emissions by approximately 14,468.19 tCO<sub>2</sub>e. Meanwhile, Jinrisheng Mining has simultaneously advanced photovoltaic deployment, cumulatively generating 8.8752 million kWh of electricity, corresponding to a reduction of approximately 5,815.92 tCO<sub>2</sub>e; Sichuan Dazhonghe has cumulatively generated 15,600 kWh of photovoltaic electricity, reducing carbon dioxide emissions by approximately 2.44 tCO<sub>2</sub>e. Hunan Dazhonghe has cumulatively generated 31.7 thousand kWh of photovoltaic electricity, reducing carbon dioxide emissions by approximately 15.77 tCO<sub>2</sub>e.

## Enhancement of Environmental Management

For many years, Dazhong Mining has upheld a corporate culture of "prioritizing environmental protection and green development", integrating ecological responsibility and environmental protection awareness into the Company's production structure and methods. The Company continuously improves its environmental management system, focuses on enhancing its comprehensive management capabilities for pollutants and waste, strictly enforces various emission standards, and, through environmental protection practices, earnestly fulfills its corporate responsibility for green development, making a solid contribution to achieving sustainable development.

### Governance

In strict accordance with the *Environmental Protection Law of the People's Republic of China*, the *Environmental Management Systems - Requirements with Guidance for Use*, and other laws and regulations, Dazhong Mining has formulated internal systems such as the *Measures for the Management of Environmental Protection Supervision and Inspection* and the *Measures for Management of Environmental Protection Accountability System*. The Company has established an environmental management framework with clearly defined responsibilities and authorities, delineating the duties of each department to prevent environmental pollution and ecological damage. Each subsidiary conducts environmental protection inspections and supervision in accordance with the *Environmental Protection Supervision and Inspection System*, and evaluates environmental protection performance in the production and operation processes of each unit through quantitative assessment forms.



During the Reporting Period, environmental protection equipment and facilities operated normally, environmental protection work progressed in an orderly manner, and no environmental protection issues with a significant impact on production and operations occurred in the Company.

### System Certifications

Dazhong Mining attaches great importance to reducing the direct environmental impacts of its operations. The Company has completed a third-party evaluation for green factory certification. The Zhouyoufang Iron Mine of Jinrisheng Mining was rated as a national green mine, and the Chongxinji Iron Mine was honored as the Green Mine of Anhui Province. During the Reporting Period, the Company, Jinrisheng Mining and Jinhui Rare Mineral passed the certification of the ISO 14001 Environmental Management System.



ISO 14001 Environmental Management System Certification Certificate of Dazhong Mining



ISO 14001 Environmental Management System Certification Certificate of Jinrisheng Mining



ISO 14001 Environmental Management System Certification Certificate of Jinhui Rare Mineral

### Training on Environmental Protection

During the Reporting Period, Dazhong Mining offered multi-level special training on environmental protection. The training comprehensively covered laws and regulations concerning environmental protection, mine environmental governance, waste management, and other fields, effectively enhancing employees' environmental awareness and professional skills.



Training on Standardized Management of Solid Waste



Participation in the Solid Waste Management System Training Organized by the Municipal Ecology and Environment Bureau

· Key Performance 2025 ·

During the Reporting Period, the Company offered **31** training sessions on environmental protection for **1,509** (person-times) participants, with a total training duration of **2,088** hours.

## Strategy

Dazhong Mining places great importance on environmental protection and the control of pollutant emissions. The Company conducts in-depth analyses to identify and address potential risks and opportunities in environmental protection efforts, thereby continuously improving management standards. The Company strives to achieve efficient resource utilization while minimizing adverse environmental impacts to the greatest extent possible.

Risk Type	Description of Risk	Likelihood of Occurrence	Extent of Impact	Duration of Impact	Value Chain Links Impacted	Priority Ranking	Potential Financial Impact	Countermeasures
Compliance and Supervision Risk	<p>1. Failure to comprehensively and promptly identify and update environmental protection laws, regulations, and other applicable requirements related to the Company's operations may lead to management blind spots and result in compliance risks.</p> <p>2. Improper treatment of exhaust gas, wastewater, or noise generated during production processes that lead to emissions exceeding standards may trigger complaints from surrounding communities or regulatory intervention by environmental protection authorities, affecting the Company's social image and normal production order.</p> <p>3. Failure to strictly comply with national hazardous waste management regulations during the storage, labeling, transfer, or disposal of hazardous waste (such as waste lubricating oil and oil-contaminated rags) will expose the Company to serious legal and financial risks.</p>	Medium	High	Short term Medium term	Operations	High	Potential fines and reputational impairment	<p>1. Establish and dynamically update the <i>List of Applicable Laws, Regulations and Other Requirements</i>; incorporate regulatory training into annual training plans; regularly organize publicity and assessment activities to enhance compliance awareness among all employees.</p> <p>2. Strictly enforce operating procedures for environmental protection facilities; strengthen maintenance of online monitoring equipment and data monitoring to ensure stable compliance with pollutant emission standards; develop community communication and emergency response plans to proactively address public concerns.</p> <p>3. Establish standardized temporary storage facilities for hazardous waste; store waste by category and zone with clear labeling; strictly select and entrust qualified entities for compliant transfer and disposal; and improve ledger records and management processes.</p>

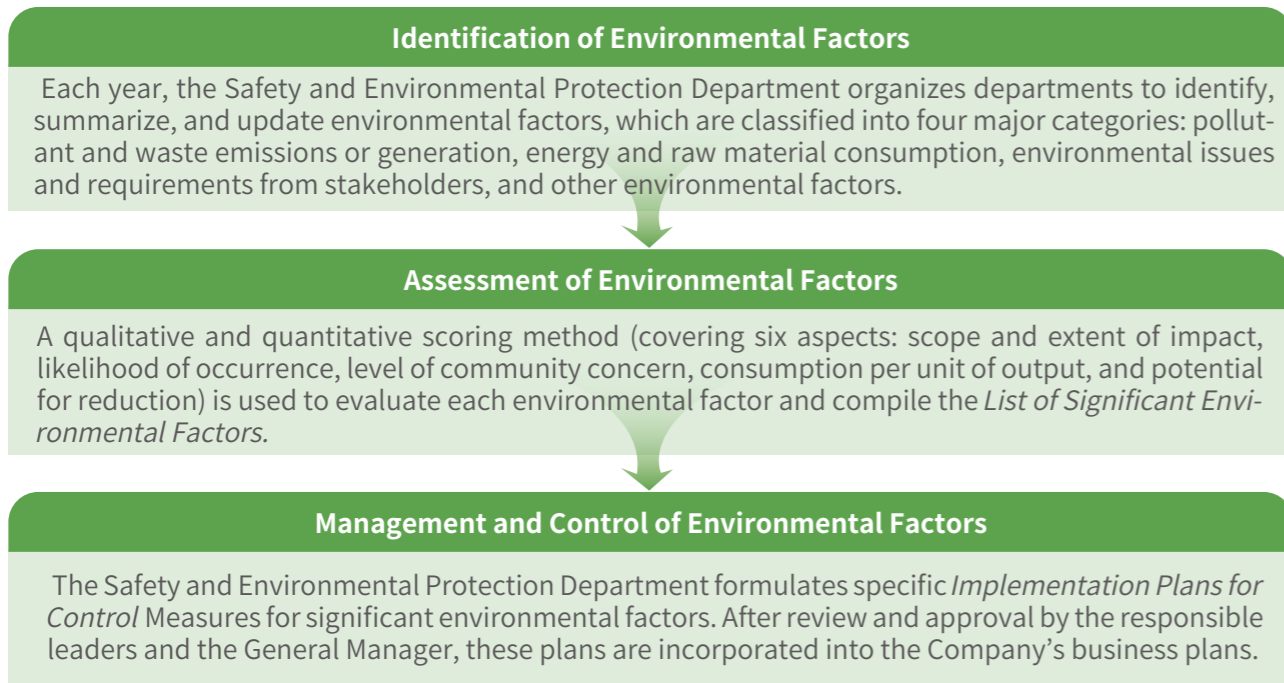
Risk Type	Description of Risk	Likelihood of Occurrence	Extent of Impact	Duration of Impact	Value Chain Links Impacted	Priority Ranking	Potential Financial Impact	Countermeasures
Operational Risk	<p>1. Failure to ensure that environmental factor identification comprehensively covers all operational activities, products, and services may lead to omission of significant environmental risks and a lack of effective control.</p> <p>2. Improper maintenance, equipment aging, or operational errors in environmental protection facilities, such as dust removal and wastewater treatment, may reduce treatment efficiency or even lead to failure, posing risks of excessive pollutant emissions.</p>	Medium	High	Short term	Operations	Medium	Increase in operating costs	<p>1. Organize periodic (e.g., annual) environmental factor identification and assessment covering the entire process and all areas, inviting cross-departmental personnel to participate to ensure the comprehensiveness of the scope.</p> <p>2. Develop and implement preventive maintenance plans for environmental protection facilities, conduct regular patrols and spot inspections, and maintain a stock of critical spare parts; provide specialized training for operators and ensure they are certified before taking up their posts.</p>

Opportunity Type	Description of Opportunity	Likelihood of Occurrence	Extent of Impact	Duration of Impact	Value Chain Links Impacted	Priority Ranking	Potential Financial Impact	Countermeasures
Operational Opportunities	The stable regional economic environment and well-developed supporting environmental infrastructure provide favorable external conditions for the effective operation of the Company's environmental management system.	Medium	High	Short term	Operations	Medium	Reduction in operating costs	Communicate regularly with stakeholders to fully utilize external supporting facilities and services, ensuring that the external resources required by the environmental management system are met in a timely manner.

## Impact, Risk, and Opportunity Management

### Management Mechanism

Dazhong Mining and its subsidiaries have formulated and implemented the *Management Measures for Identification and Evaluation of Environmental Factors*, establishing a comprehensive mechanism for identifying, evaluating, updating, and managing environmental risks throughout the lifecycle of the Company's product production, activities, and services.



### Emergency Management System

In accordance with national laws and regulations such as the *Measures for Information Report of Environmental Emergencies* and the *Measures for the Investigation and Handling of Sudden Environmental Emergencies*, Dazhong Mining has established an environmental emergency response system and formulated the Emergency Response Plan for Environmental Emergencies and the Administrative Measures for Reporting, Investigation, Handling and Accountability for Safety and Environmental Protection Accidents to prevent and reduce environmental emergencies and clarify internal reporting and accountability procedures. The Company and its subsidiaries conduct emergency drills annually. The process includes training, tabletop exercises, and on-site practical drills.



Emergency Drill for Radioactive Source Leakage at Charging Stations of Dazhong Mining

### Environmental Impact Assessment

During the Reporting Period, subsidiaries Jinrisheng Mining, Jinhui Rare Earth Mining, the Pelletizing Branch, and Hunan Dazhonghe strictly complied with applicable laws and regulations to fulfill the environmental impact assessment procedures for construction projects. They have completed environmental impact reports for certain renovation and expansion projects and obtained environmental impact assessment approvals in accordance with the law.

### Environmental Inspection

During the Reporting Period, Dazhong Mining continuously strengthened environmental management and carried out comprehensive environmental inspections and corrective actions. Among them, Sichuan Dazhonghe responded to the requirements of the local Bureau of Ecology and Environment by conducting environmental self-inspection and formulating rectification plans for the Jiada Lithium Mine; and Jinhui Rare Minerals established a *Special Environmental Protection Hazard Investigation Ledger* to promote closed-loop management of hazards. During the Reporting Period, the Company conducted 66 environmental inspections.

## Metrics and Targets

Dazhong Mining strictly manages environmental protection-related work. We formulate environmental protection metrics and targets based on actual production and operational conditions to ensure that the Company's environmental infrastructure and emission control standards reach a leading domestic level. Through technological innovation and the improvement of environmental protection facilities, the Company has achieved zero discharge or resource utilization of wastewater, exhaust gases, and solid waste.

Indicator	Targets	2025
Investment in Environmental Protection	Increasing investment in environmental protection	Total Investment in Environmental Protection: RMB 25.4545 million
Solid Waste Recycling Rate	100% compliance rate for the disposal of garbage, manure sludge from fertilizer ponds, waste oil, and other solid waste	100%
Wastewater Discharge	Zero emissions	Emission: 0

## Pollutant Emissions

Dazhong Mining and its subsidiaries conduct quarterly environmental monitoring. By entrusting qualified professional monitoring institutions, the Company regularly tests environmental indicators such as exhaust gas, wastewater, noise, groundwater, and surface water. All monitoring results are documented in formal reports to fully ensure compliance in environmental management.

### Management of Waste Gases

The Safety and Environmental Protection Department of Dazhong Mining is responsible for formulating air pollution prevention and control plans and assisting relevant units in completing feasibility studies, plan demonstrations, and implementation of major treatment projects. The Company's primary sources of air emissions are underground drilling and blasting operations; ore stockpiles, waste rock dumps, and tailings ponds may generate a certain amount of airborne dust; ore crushing and screening processes produce dust; and heating boilers emit sulfur dioxide-containing fumes.

#### Waste Gas Control at the Source

- ▶ Prohibit secondary shallow-hole blasting, and adopt medium- and deep-hole blasting and millisecond micro-delay detonation technology
- ▶ Replace fuel-powered vehicles (such as commuting vehicles and loaders) with new energy electric vehicles.
- ▶ Complete "fuel-to-electric" conversion for outsourced fleet loaders

#### Dust Control

- ▶ Modify the layout of dust collection ducts in the crushing workshop and enclose material discharge points
- ▶ Replace cartridge-type dust collectors in the screening workshop
- ▶ Install new dust collectors in the high-pressure roller mill workshop
- ▶ Conduct regular water sprinkling on plant premises to suppress dust

#### Exhaust Gas Treatment

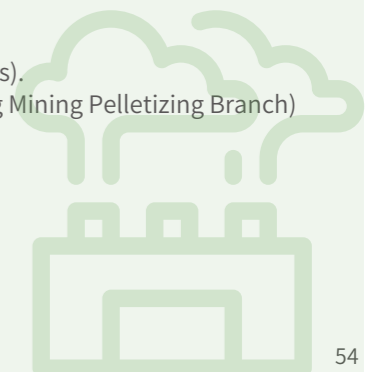
- ▶ Adopt electrostatic precipitators + alkaline desulfurization (Jinhui Rare Minerals).
- ▶ Adopt electrostatic precipitators + limestone-gypsum desulfurization (Dazhong Mining Pelletizing Branch)

#### Dust Suppression at Tailings Storage Facilities

- ▶ Realize dust suppression through multi-point ore discharge
- ▶ Cover slope with fiber mats and vegetation planting

#### Greening of Mining Areas

- ▶ Plant saplings, sand juniper, privet hedges, Japanese stonecrop/daylily, saplings, and grass seeding



### Waste Gas Pollutant Emission

Indicator Name	Unit	2023	2024	2025
Nitrogen Oxide (NOx)	Ton	106.10	284	222.52
Sulfur Oxides (SOx)	Ton	136.80	289.20	414.92
Particulate Matter (PM)	Ton	19.70	12.10	12.74

Note: Jinhui Rare Minerals suspended Phase I sulfuric acid production for seven months in 2024; therefore, sulfur oxide emissions in 2024 were lower than those in 2025.

### Wastewater Management

During daily production and operations, Dazhong Mining mainly generates three types of wastewater: mining wastewater, dressing wastewater, and domestic sewage, including underground inflow water, equipment cooling water, overflow water from concentrator thickeners, backfill station wastewater, dust removal wastewater, floor washing water, boiler blowdown water, and overflow water from tailings storage facilities. The Company has established a strict wastewater treatment mechanism to ensure proper treatment of all types of wastewater.

#### Wastewater Treatment Mechanism

- ▶ Underground inflow is used as a source of water for production and is not discharged.
- ▶ Production wastewater is collected in the recirculating water reservoir of the ore dressing plant and reused in mineral processing operations without external discharge.
- ▶ Overflow water from the tailings pond is clarified and returned to the return water tank via a return water chute, then pumped back to the ore dressing plant for reuse by the return water pump station, without external discharge.
- ▶ Domestic sewage, after preliminary treatment through grease traps and septic tanks, together with boiler drainage, is sent to domestic sewage treatment equipment and discharged to the 10,000-ton water tank for reuse in mineral processing without external discharge.
- ▶ Desalinated water from Jinhui Rare Minerals, after mixing with recirculated cooling water, is discharged to the park's sewage pipeline, where it is treated by the park's specialized wastewater treatment facility. After purification, the water is reused in the production process of the Company as needed. This forms a closed-loop water recycling system at the industrial park level.
- ▶ Cooling water at the Dazhong Pelletizing Branch is recycled and not discharged externally.

#### Key Performance 2025

Wastewater generated during the Company's production processes is treated by an external specialized contractor for reclaimed water reuse, ensuring that all production wastewater is fully recycled and not discharged, thereby achieving "zero wastewater discharge". During the Reporting Period, the wastewater recycling rate reached **100%**

### Noise Management

#### Noise Pollution Prevention and Control Measures

- ▶ When purchasing production and auxiliary equipment that generates environmental noise, design requirements must be considered, and equipment and machinery equipped with noise-canceling, sound-insulating, and vibration-damping measures must be adopted to ensure that environmental noise complies with standards.
- ▶ Where economic and technical conditions permit, noise reduction measures are implemented, new technologies are promoted, and process equipment causing severe environmental noise pollution is phased out to ensure environmental noise emissions meet standards.
- ▶ The Management and Control Department shall comprehensively manage traffic vehicle noise within the plant premises, install warning signs to restrict vehicle noise, inform vehicles entering the premises of relevant noise control regulations, and penalize vehicles in violation.
- ▶ Each production unit and department is responsible for the normal operation of its equipment and the daily maintenance and management of environmental noise pollution prevention facilities, ensuring equipment remains in good working order and reducing noise pollution. In the event of a malfunction in noise reduction equipment, the Mechanical and Power Department must be notified immediately, and repairs must be organized without delay.
- ▶ Engineering management departments are responsible for imposing requirements on relevant parties during construction to ensure that construction noise levels and emission times comply with boundary noise standards for construction sites.
- ▶ For high-noise workstations, personal protection must be strengthened, and noise protection equipment must be provided.

### Waste Disposal

Dazhong Mining strictly complies with the *Law of the People's Republic of China on the Prevention and Control of Environmental Pollution by Solid Waste* and other regulatory standards. The Safety and Environmental Protection Department coordinates classification, collection, and centralized disposal of solid waste. The Company and its subsidiaries have designated responsible personnel for waste management and incorporated classification, collection, and disposal of general industrial solid waste and hazardous waste into production processes, while establishing standardized ledgers to ensure consistency between records and actual conditions. Concurrently, in accordance with regulations such as the *National Catalogue of Hazardous Wastes*, the Company has formulated and implemented the *Hazardous Waste Management System* to standardize full-process management of hazardous waste collection, storage, transfer, and disposal.

Solid waste generated by Dazhong Mining mainly includes waste rock from mining and beneficiation, tailings sand, dust collected by dust removal systems, and boiler ash. Hazardous waste includes waste mineral oil and its packaging barrels, tar residue, acid sludge, spent catalysts, and waste acid solutions. Each production unit maintains a dedicated hazardous waste management ledger to ensure daily oversight and regularly conducts emergency drills for hazardous waste incidents to enhance risk response capabilities.



### Management of General Solid Wastes

- ▶ Actively implement national technical policies for preventing and controlling environmental pollution caused by industrial solid waste, adopt advanced production processes and equipment to prevent and control such pollution, and implement measures to prevent and control environmental pollution caused by industrial solid waste.
- ▶ Select and utilize raw materials, energy, and other resources rationally, and adopt advanced production processes and equipment to reduce the generation of industrial solid waste.
- ▶ Urge construction and contracting units to promptly remove and dispose of solid waste generated during construction to prevent environmental pollution.
- ▶ Urge equipment maintenance units to sort, collect and centrally dispose of solid waste generated during maintenance processes.

### Waste Recycling Measures

#### Collection and Sorting

- ▶ Install recycling facilities for metal, plastic, paper, hazardous waste, and general waste in plant areas and office areas.
- ▶ Enter into contracts with qualified recyclers/specialized treatment agencies to standardize the collection and transportation of sorted waste.

#### Internal Recycling and Reuse

- ▶ Process scrap materials such as metal shavings, plastic scraps, and fabric scraps, and reuse them in production lines.
- ▶ Use production waste such as aggregate as raw materials for the production of cement and building materials.
- ▶ Clean and disinfect pallets, returnable containers, and liquid containers for reuse.
- ▶ Sell desulfurization gypsum to Dazhong (Bentonite) as a raw material for cementing agents.
- ▶ Roasted iron powder is sold to Dazhong Pelletizing Branch as a raw material for production.

#### External Resource Utilization Channels

- ▶ Convert combustible waste (such as waste plastics and waste oil) into energy.
- ▶ Remanufacture and upgrade scrap electromechanical products (e.g., components and printer cartridges)
- ▶ Sell used batteries to external buyers.

· Key Performance 2025 ·

In 2025, the total generation of general solid waste was **561,092.32** tons, with a compliant disposal rate of **100%** and a general solid waste emission intensity of **1.37** ton/RMB 10,000.

In 2025, the total generation of hazardous waste was **117.303** tons, with a compliant disposal rate of **100%** and a hazardous waste emission intensity of **0.00029** ton/RMB 10,000.

## Tailings Management

Dazhong Mining attaches great importance to tailings management. In accordance with applicable laws and regulations such as the *Environmental Protection Law of the People's Republic of China*, the *Guidelines for Investigation and Management of Pollution Hazards in Tailings Ponds (Trial)*, and the *Regulations on the Safety Management of Tailings Ponds*, the Company has formulated the Environmental Risk Management System for Tailings Ponds and the *Management System for Investigation and Rectification of Environmental Risk Hazards in Tailings Ponds*, conducted risk impact assessments throughout the entire operation of the tailings pond, and implemented appropriate management measures.

To effectively prevent work safety accidents at tailings ponds, the Company requires all relevant subsidiaries to designate the primary responsible department and personnel for the safety management of tailing ponds.

· Key Performance 2025 ·

During the Reporting Period, the Company operated a total of **8** tailings ponds, of which **5** were in operation and **3** were suspended or closed.

## Tailings Risk and Emergency Management

Dazhong Mining conducted a comprehensive environmental and safety risk assessment of the tailings ponds at two major iron ore production bases in Inner Mongolia and Anhui. In response to the identified issues, the Safety and Environmental Protection Department issued rectification notices in strict accordance with the "three determinations" principle to eliminate risks in a timely manner. For major potential safety hazards, the Company has formulated special preventive measures, rectification plans, and emergency response plans, set up warning signs, established records, and organized regular drills to ensure that risks remain under control.



Emergency Drill for Environmental Incidents at the Tailings Pond of Jinrisheng Mining

## Improvement of Resource Efficiency

Dazhong Mining attaches great importance to the value of the circular economy in its business model. By replacing traditional linear models with circular development approaches, the Company strives to reduce natural resource extraction and consumption and lower the intensity of energy and water resource use, thereby supporting the achievement of sustainable development goals.

### Governance

In strict accordance with the *Energy Conservation Law of the People's Republic of China*, Dazhong Mining has formulated energy management systems such as the *Measures for Energy Management (Trial)* and the *Measures for Energy Conservation Management*. The Company has established a supervision, assessment, reward, and penalty mechanism covering all employees from senior management, and formulated the *Energy Consumption Quota Standards per Unit of Product* to institutionalize target-oriented energy management.

Department/Organization	Responsibility
Company Decision-making Committee	▶ A management team primarily composed of the company's executive management is responsible for reviewing the annual energy conservation plan
Development Planning Department, Development Planning Center	▶ Make medium- and long-term energy conservation planning for the Company ▶ Organize experts to conduct energy conservation reviews and feasibility studies for investment projects ▶ Conduct project initiation, budget review, and post-completion evaluation of new energy management projects and energy-saving retrofit projects
Business Dispatch Department under Operations Management Center	▶ Formulate the Group's annual energy conservation plan and energy consumption targets, and diagnose, supervise, and evaluate the energy utilization of subsidiaries

Key Performance 2025

During the Reporting Period, the Company and Jinhui Rare Mineral passed the certification of the ISO 50001 Energy Management System.



ISO 50001 Energy Management System Certification Certificate of Dazhong Mining



ISO 50001 Energy Management System Certification Certificate of Jinhui Rare Mineral

Training on Energy Management

During the Reporting Period, Dazhong Mining organized energy conservation training to enhance employees' awareness of energy conservation and improve relevant management systems and operational skills.



Training on Energy Conservation and Consumption Reduction



Training on the Measures for the Management of Energy Operation and Control

Strategy

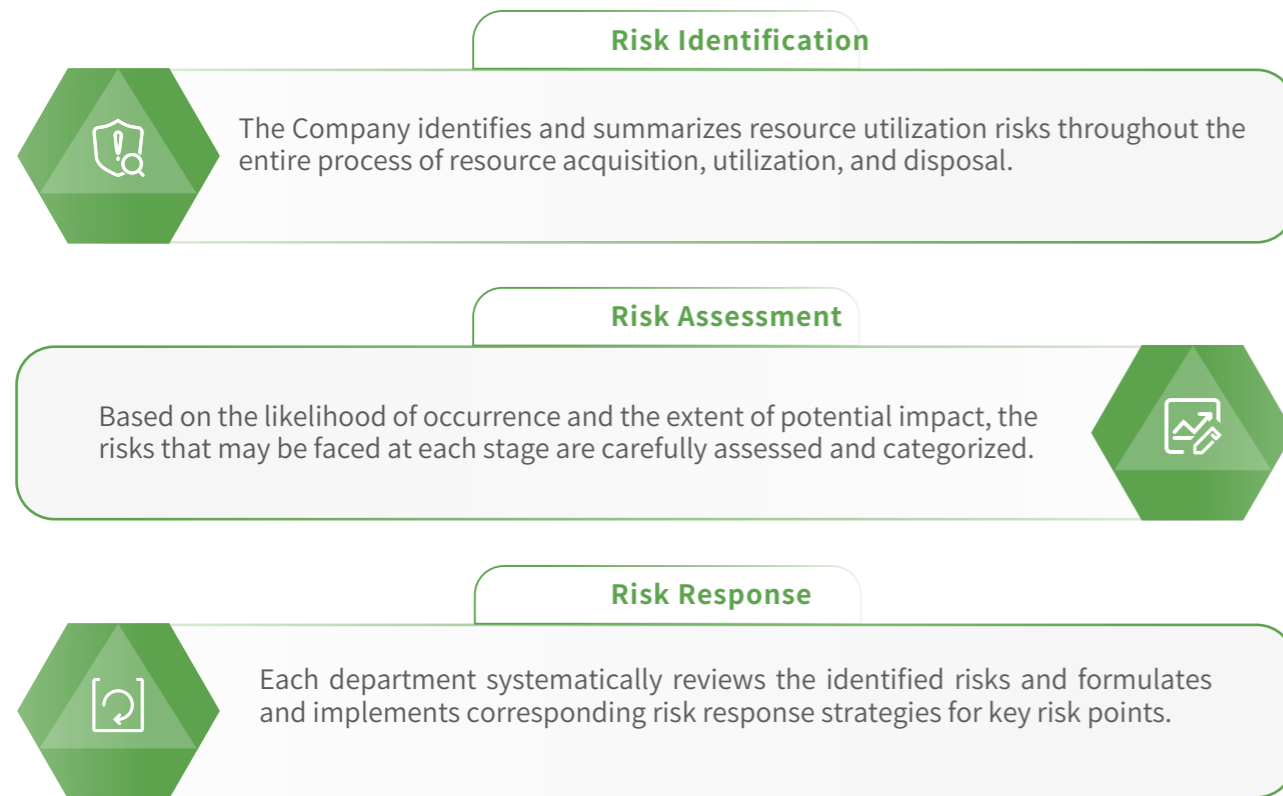
In actively promoting efficient resource utilization, Dazhong Mining has conducted in-depth identification and analysis of potential risks and opportunities that the Company may face. The Company not only focuses on current business, but also proactively adapts to the trend of the circular economy and explores new pathways for sustainable development.

Risk Type	Description of Risk	Likelihood of Occurrence	Extent of Impact	Duration of Impact	Value Chain Links Impacted	Priority Ranking	Potential Financial Impact	Countermeasures
Physical Risk	If prolonged drought occurs and causes a drop in the groundwater level, the Company's production and operations may be affected.	Low	High	Medium term Long term	Operations	Low	Increase in operating costs	Maximize internal wastewater recycling and reuse to reduce wastewater discharge.
Policy Risk	New policies may increase energy usage costs (such as carbon taxes) or energy compliance costs, thereby affecting the Company's cost structure and energy budget.	Medium	High	Short term Medium term Long term	Operations	High	Increase in operating costs	Adjust energy strategies, optimize energy consumption structures, and increase the proportion of clean energy usage.
Operational Risk	Improperly managed abandoned mining areas may cause long-term damage to surrounding lands and ecosystems.	Low	Medium	Medium term Long term	Downstream	Low	Increase in operating costs, and depreciation of goodwill	Establish tailings management systems, develop contingency plans, and regularly assess the environmental conditions of tailings.

Opportunities Type	Description of Opportunity	Likelihood of Occurrence	Extent of Impact	Duration of Impact	Value Chain Links Impacted	Priority Ranking	Potential Financial Impact	Countermeasures
Technological Opportunities	Investment in emerging energy technologies can bring innovative competitive advantages to the Company.	High	High	Long term	Downstream Operations	High	Increase in operating income	Enhance technological innovation capabilities and expand the R&D team.
Operational Opportunities	Promote cost reduction and efficiency improvement through resource recycling and utilization.	High	High	Short term Medium term	Operations	High	Decrease in operating costs	Strengthen the effectiveness of energy-saving measures, develop new process flows for resource recycling and utilization, and continuously reduce energy consumption cost.

## Impact, Risk, and Opportunity Management

To ensure effective implementation of resource recycling processes and control potential risks, Dazhong Mining has established a series of safeguard mechanisms to enhance the Company's ability to respond to risks and continuously improve resource utilization efficiency.



In accordance with the *Measures for Production Emergency Management*, Dazhong Mining has established an emergency response plan system covering key areas such as energy and material supply interruptions and organized employees to participate in specialized emergency training to ensure rapid and effective initiation of response and handling procedures in emergency situations.

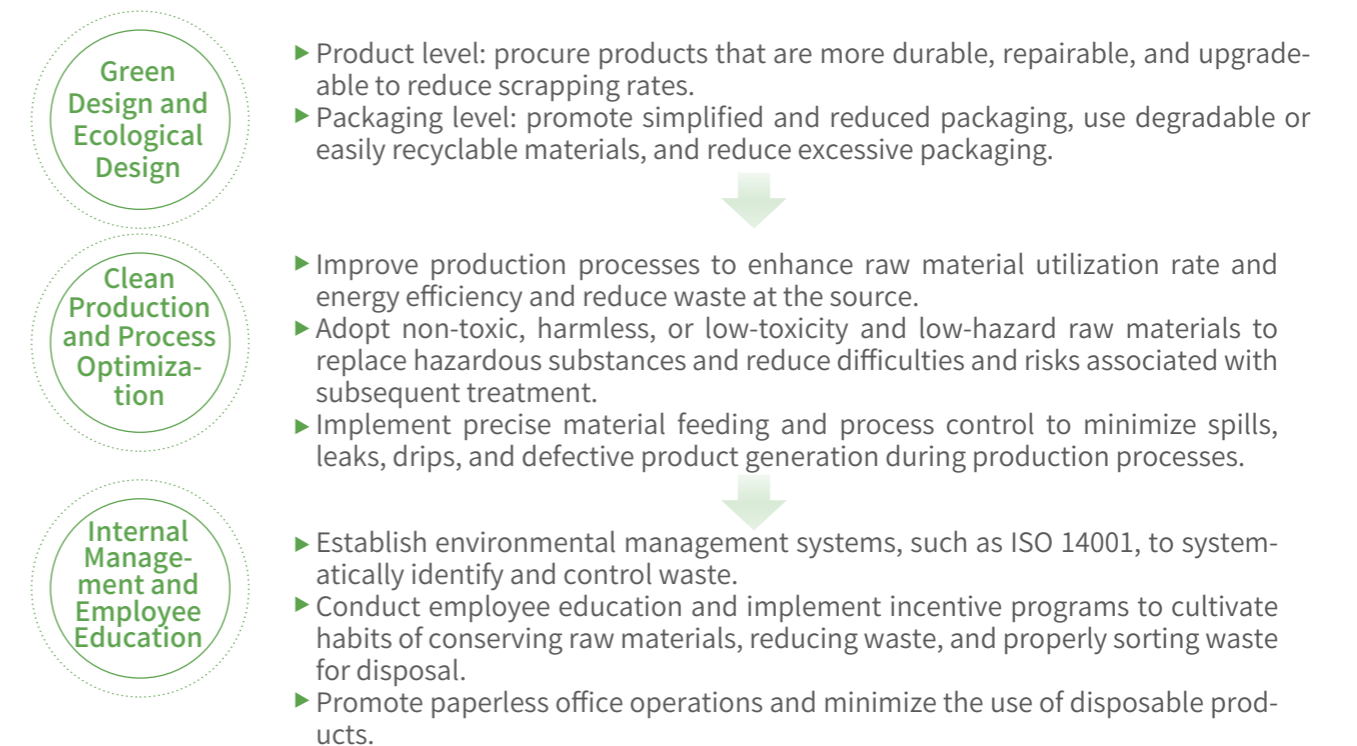
## Indicators and Goals

Dazhong Mining has set quantitative metrics and targets for various resources, ensuring that the Company's resource utilization efficiency reaches a leading domestic level through technological innovation and energy efficiency improvements. The Company and Jinrisheng Mining have formulated the *2026 Energy Conservation and Consumption Reduction Plan*, outlining energy conservation and consumption reduction targets and implementation pathways for the next three years to drive continuous improvements in energy and resource utilization efficiency and achieve green, low-carbon, and sustainable development.

Type	Targets	Achievements in 2025
Circular Economy	To improve the comprehensive recovery rates of iron concentrates, pellets, and other products	Production Bases in Inner Mongolia and Anhui: iron concentrates 3,599,078.15 tons and pellets 937,436.27 tons.
Energy Utilization	To optimize the energy structure, increase the use of clean energy, and improve energy efficiency	The Company has optimized its energy management and built distributed photovoltaic power stations, generating 31,253,400 kWh of solar power, a year-on-year increase of 17.20%, with clean energy accounting for 19.16% of its total energy consumption.
Water Resource	To improve water resource utilization efficiency and save water resource costs	The Company has improved its comprehensive water resource utilization efficiency through technological upgrades and wastewater recycling, achieving a water recycling and reuse rate of 95.20%.

## Total Recycled/Reused Waste

Dazhong Mining has formulated the *Detailed Rules for the Management of Returning Old Materials and Receiving New Materials (Trial)* and the *Measures for the Management of Scrap Materials (Trial)*. These regulations standardize the processes for the collection, management, and disposal of scrap materials. The Management and Control Department is responsible for coordinating the appraisal, transfer, classified storage, and sale or disposal of scrap materials, and for supervising and evaluating the implementation by all units. Additionally, the Company has established a mechanism for exchanging old materials for new ones to improve material utilization efficiency and provide incentives for the proactive recycling of scrap materials to promote resource circulation, reduce production costs, and promptly recover funds.



As for the solid waste generated by the Company, mining and ore-dressing waste rock is used for environmental remediation of surface subsidence areas. Approximately 98% of ore-dressing tailings are back-filled into underground goafs, while the remaining small portion is stored on a standardized anti-seepage lining.

Company	Waste	Recycling Mode
Jinrisheng Mining	Waste rock and tailings	Classified by particle size into different types of building materials and sold externally to generate economic benefits.
	Dust from ore dressing	Fully recycled back into the ore-dressing system.
	Boiler ash and slag	Used for paving factory roads or backfilling subsidence areas.
Dazhong Mining	Waste rock and tailings	All waste rock is sent to the stone production workshop, where it is processed into finished stone of various particle sizes for external sales. Stone powder that is not commercially saleable is utilized for the backfilling of mine collapse areas. Most tailings are used for backfilling underground mine goafs, while a small portion is stored in tailings ponds.
Pelletizing Branch / Zhongsheng Pelletizing	Dust and waste materials	Reused as raw materials.

### Improvement of Resource Efficiency

To promote green manufacturing and optimize the energy structure, Dazhong Mining has identified key energy-consuming links, including production workshops, offices, warehouses, and public auxiliary facilities. These links primarily rely on purchased electricity and diesel. In recent years, the Company has actively promoted clean energy by installing distributed photovoltaic power stations with a total capacity of 8.13 MW on the roofs of the main factory areas and workshops. Additionally, part of the electricity for the administrative building and the Party-Mass building is supplied by the photovoltaic system, further increasing the proportion of clean energy usage.

· Key Performance 2025 ·

In 2025, the Company purchased green power certificates for **9,021** MWh of renewable electricity, resulting in a total reduction of **4,786.54** tCO<sub>2</sub>e.



During the Reporting Period, the Company and its subsidiaries implemented over 50 energy-saving and consumption-reduction projects. A selection of these cases is introduced below.

Energy-saving Projects	Project Introduction	Estimated Annual Electricity Savings (2025)
Retrofitting of Air Compressor	Replaced a 14+ year-old power frequency air compressor with a Level 1 energy-efficient two-stage permanent magnet variable frequency screw air compressor as the main unit.	131,000 kWh
Replacement of Permanent Magnet Motors	Replaced 38 outdated Y-series motors (≥30 kW) in the ore-dressing plant with high-efficiency permanent magnet synchronous motors.	966,800 kWh
Solar Lamp Installation	Replaced part of the mining area lighting with solar lamps to reduce grid dependence and maintenance costs.	9,900 kWh
Frequency Converter Installation for Dust Removal Fans	Retrofitted raw material dust removal fans with idle frequency converters and old cables. By using variable frequency speed regulation, the fan operating frequency was reduced from 50 Hz (power frequency) to about 40 Hz, achieving on-demand air volume adjustment and eliminating power waste.	Approximately 48% power saving

#### Energy Usage

Indicator	Unit	2023	2024	2025
<b>Consumption of Renewable Energy (Photovoltaic Power, Biomass Fuel)</b>	tce	1,054.45	3,277.37	6,478.83
Photovoltaic Power Generation	kWh	8,579,700	26,667,000	31,253,400
Proportion of Renewable Energy Usage	%	1.61	5.14	8.09
<b>Total Direct Energy Consumption</b>	tce	9,212.08	9,478.00	16,190.19
Diesel	Ton	6,322.20	6,504.70	8,467.52
Liquefied Petroleum Gas	m <sup>3</sup>	/	/	301,440
Biomass fuel	Ton	/	/	4,831.70
<b>Total Indirect Energy Consumption</b>	tce	55,048.94	50,945.28	60,055.09
Purchased Electricity	kWh	447,916,553	414,526,269	481,805,630
Total Purchased Heat	GJ	/	/	24,653.38
<b>Total Energy Consumption</b>	tce	65,315.47	63,700.65	80,086.32
<b>Energy Consumption Intensity</b>	tce/RMB 10,000	0.1631	0.1658	0.1958
<b>Waste Heat and Pressure Power Generation</b>	kWh	/	/	72,146,400
<b>Total Consumption of Clean Energy (Waste Heat and Pressure Power Generation, Photovoltaic Power Generation, and Biomass Fuel)</b>	tce	1,054.45	3,277.37	15,345.62

Note: In 2025, the Hunan Jijiaoshan Lithium Mine and the Sichuan Jiada Lithium Mine in Sichuan successively entered the tunneling phase. The number of operating entities included in the Company's energy consumption statistics increased compared to previous years, leading to a year-over-year increase in relevant energy consumption data of the reporting year.

## Reduction in Water Resource Utilization

Dazhong Mining fully recognizes the urgency and critical importance of water resource management and has established and strictly implemented a water-saving management mechanism. The Company has formulated the *Measures for the Management of Water Usage* to regulate water licensing, planning, approval, and usage. To enhance the management of mine water hazards, the Company and its subsidiaries have developed the *Measures for the Management of Water Drainage, Prevention and Control in Mines*. These measures standardize work procedures, effectively prevent and mitigate water hazard incidents, and ensure personnel safety as well as stable production.



### Water Source Protection

The Company's water consumption covers production, domestic and auxiliary uses, which are mainly supplied by reservoirs and municipal water sources. All water withdrawals from surface and underground sources are conducted in accordance with the law, with the necessary water intake licenses obtained. Rainwater is collected and utilized to enhance the efficiency of overall water resource use.

Production water in the mining areas primarily depends on surface water sources. To effectively safeguard the ecological environment of water sources, we require that water sources are located in areas with reliable water quantity and quality, and where environmental protection measures can be readily implemented. Water intakes are established in river sections with relatively low turbidity or in areas suitable for flood peak regulation and storage facilities, in compliance with the national standard *Code for Design of Water Supply from High-Turbidity Water Sources*. There are no environmentally sensitive targets, such as nature reserves, scenic spots, or designated water source protection areas, within 5 km of the Company, and no perennial flowing surface water systems exist in the vicinity.

### Measures for Water Conservation

Dazhong Mining has submitted a Water-Saving Enterprise Report along with relevant documents to the local government, formulated a comprehensive water-saving action plan, and initiated the internal application process for water-saving projects. Through technological upgrades and the adoption of new equipment, we are committed to reducing water consumption.

### Wastewater Recycling

Dazhong Mining implements targeted treatment measures for different types of wastewater to achieve recycling and zero discharge.

Type	Source	Treatment Method
Mining wastewater	Underground water that emerges from fractured rock aquifers during mining	Pumped to a high-level storage tank outside the tunnel and utilized in ore-dressing production.
Ore-dressing wastewater	Industrial water used during ore grinding and processing	A circulating water supply system is in place for ore-dressing production; all concentrate wastewater is reused, while tailings water is discharged into a pond through chutes. After clarification, the tailings water is piped back to the ore-dressing plant for recycling.
Domestic sewage	Generated from employees' daily activities	Treated through septic tanks, sewage treatment stations, and other facilities before being repurposed for factory greening or production use.

· Key Performance 2025 ·

During the Reporting Period, the Company's total intake of fresh water was **4,802,623** tons, and the total volume of recycled water reached **95,201,543** tons.



## Practice of Green Operations

### Clean Production

Dazhong Mining actively advances technological transformation in cleaner production to conserve resources, reduce material and energy consumption, and minimize the use and discharge of toxic and hazardous substances, gradually establishing an efficient promotion model for cleaner production driven by technological progress. Meanwhile, the Company engages a third party to audit its cleaner production practices, including those of its subsidiaries, and to issue audit reports. These reports provide a scientific basis for the ongoing improvement of cleaner production processes.

· Key Performance 2025 ·

As of the end of the Reporting Period, Shujigou Iron Mine and Jinhui Rare Minerals have successfully passed cleaner production audits, achieving the advanced domestic level in cleaner production. The relevant reports for Jinrisheng Mining have been completed and are currently awaiting review by government authorities.

Dazhong Mining operates in the iron ore mining and dressing industry, positioned at the forefront of the industrial chain. Our main products include iron concentrate and pellets, with by-products such as manufactured sands, which generally do not require outer packaging materials. In our production and operations, we adopt environmentally friendly processes to minimize the use of toxic and hazardous substances. Our subsidiary, Jinrisheng Mining, extends the service life of oil products and recycles gear oil, thereby reducing the generation of hazardous materials such as waste mineral oil.

### Green Office

Dazhong Mining regards green office practices as an essential part of daily operations to uphold low-carbon principles and promote company-wide emission reduction. The Company integrates energy-saving and low-carbon measures across all office activities, transforming environmental awareness into routine practices and effectively contributing to the achievement of overall emission reduction targets.

#### Low-Carbon Commuting

Electric shuttles and official electric vehicles replace fuel-powered vehicles for daily commuting. For long-distance official travel, high-speed rail and other low-carbon transportation options are prioritized to reduce traffic-related carbon emissions.

### Energy Conservation of Office Equipment

Office computers are set to automatically power off after working hours. All office lighting has been upgraded to energy-efficient LED lamps, and air conditioning temperatures are appropriately regulated to optimize energy consumption.

### Resource Recycling and Paperless Office

We promote a fully electronic office environment. Internal documents and notices are circulated via the OA system, with paper versions used only for external materials. Conference rooms are equipped with paperless systems that support electronic document displays and online annotations, minimizing the need for printed conference materials. Double-sided printing and waste paper reuse are implemented to reduce paper consumption. Waste sorting is enforced, and a unified recycling mechanism for used batteries is in place.

### Energy Consumption Optimization

Smart sensor faucets have been installed in the canteen, and energy- and water-saving reminders are posted in office and factory lighting and water areas, reinforcing daily energy-saving practices.

### Green Awareness Cultivation

Green office tips are actively promoted to employees through internal communications and daily reminders, encouraging their participation in energy-saving and resource-recycling practices. This initiative helps embed green office practices into everyday work habits.

## Construction of Green Mines

Dazhong Mining upholds the development philosophy that "lucid waters and lush mountains are invaluable assets" and is committed to fully advancing the green mine construction strategy. At Dazhong Mining, we prioritize ecological protection and green development as our core mission, following a sustainable development path. By incorporating the unique scenic features of our mines into our green mine construction efforts, we create industrial ecological scenic areas that are not only environmentally friendly but also accessible and visually appealing, meeting the highest standards. Furthermore, the Company is committed to exploring a new development model that fosters a symbiotic and prosperous relationship between resource development and ecological cultural tourism.

Green Mine Construction Goal	Achievement in 2025
By 2030, all mines comply with green mine construction standards, and all smelting and processing enterprises meet green factory construction standards	Zhouyoufang Iron Mine: Certified as a National Green Mine. Chongxinji Iron Mine: Certified as a Provincial Green Mine of Anhui Province and shortlisted in Anhui Province's recommendation list for national green mine certification. Shujigou Iron Mine: pending public announcement after passing the review by the expert group from the Department of Natural Resources of the Inner Mongolia Autonomous Region; Dongwufenzi Iron Mine: to be subject to the certification process.
<b>100%</b> implementation rate of the "Three Simultaneities"	<b>100%</b>

Note: The "Three Simultaneities" refer to Article 15 of Chapter III of the *Regulations on the Administration of Environmental Protection in Construction Projects*, which states that environmental protection facilities must be designed, constructed, and put into operation simultaneously with the main construction project.

## Construction Project Environmental Management


Dazhong Mining and its subsidiaries strictly adhere to the *Regulations on the Geological Environment Protection in Mines*, the *Measures for the Management of the Registration of Mineral Resources Exploitation*, the *Measures for the Implementation of Land Reclamation Plans*, and other relevant laws and regulations, and have jointly developed the *Measures for the Administration of the "Three Simultaneities" of Environmental Protection in Construction Projects*. These measures aim to standardize the management of environmental protection facilities throughout the design, construction, and commissioning stages of new, reconstructed, and expanded projects, effectively controlling environmental pollution and ecological damage while preserving environmental resources.

## Land Resources and Ecological Protection


Dazhong Mining has consistently integrated the green mine concept into every stage of mineral resource development. The Company follows the mining principle of resource conservation and recycling, committed to minimizing the negative impact of mining activities on the geological environment and protecting biodiversity. Each year, the Company carries out ecological restoration and environmental governance as per the *Geological Environment Protection and Land Reclamation Plan*, which is prepared by a third party. This approach ensures steady progress in green mine construction. During the Reporting Period, the Mine Environmental Protection and Land Reclamation Plan for the Company's Hunan Jijiaoshan Lithium Mine successfully passed expert review. This achievement marks a significant milestone in fulfilling the our ecological responsibilities.

Dazhong Mining actively explores innovative practices in ecological protection and value co-creation. In 2025, the Company invested in the construction of high-standard farmland projects in Linwu County, Hunan Province. By converting mining waste rock into construction resources, we reduced the ecological footprint of solid waste at its source while restoring and enhancing the ecological functions and agricultural productivity of 96 mu (approximately 6.4 hectares) of land.

In parallel with ongoing green mine initiatives, Dazhong Mining emphasizes scenic mines as one of our unique development characteristics, and strive to promote the deep integration of green mines and industrial tourism. At present, the Jinrisheng Iron Mine Cultural Expo Park and the Dazhong Mining Industrial Tourism Scenic Area, which have been designated as national AAA-level tourist attractions and formed a replicable and scalable development model integrating "green mining + industrial tourism", are actively applying for designations as national AAAA-level tourist attractions, with the goal to comprehensively build garden-style mines. In addition, the Hunan Jijiaoshan Lithium Mine and the Sichuan Jiada Lithium Mine in Sichuan have both set the objective of developing into AAAA-level industrial tourist attractions even during their construction phases. By integrating the philosophies of green development and ecological tourism into their planning and design, they aim to possess the high-standard ecological and cultural tourism functions upon completion, thereby continuously exploring new pathways for the green transformation of the mining industry.



Zhouyoufang Iron Mine  
National Green Mines



Chongxinji Iron Mine  
Anhui Provincial Green Mine



# Intelligent Mines: Innovating for Win-Win Cooperation

Dazhong Mining is committed to innovation-driven development and aims to build smart mines that embody four key modernizations, facilitating the transformation of the mining industry towards a safe, efficient, green, and sustainable development model. The Company places significant emphasis on independent R&D and technology integration. We have established a comprehensive data security protection network that covers all stages of production and operation, ensuring the security and controllability of key information data assets throughout the process. Additionally, Dazhong Mining collaborates with partners to create a transparent and trustworthy supply chain ecosystem, driving the entire industry towards high-quality and sustainable development.

## Our Actions

- Driving Smart Operations
- Safeguarding Data Security
- Creating a Responsible Supply Chain

## SDGs Responded in this Chapter



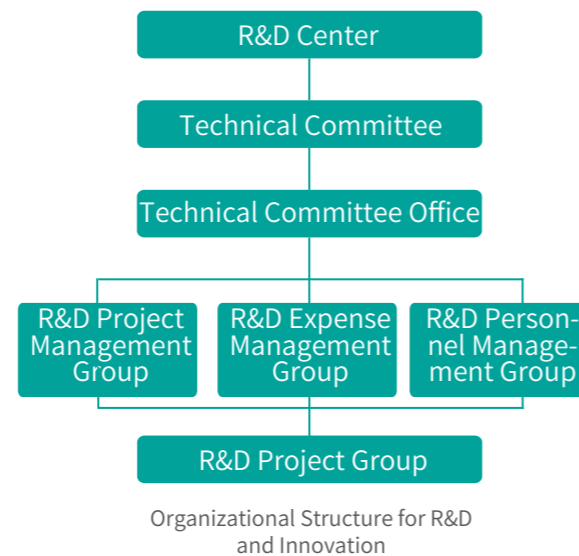
# ● Promotion of Smart Operations

Guided by mechanization, automation, informatization, and intelligentization, Dazhong Mining harnesses Internet-driven thinking to propel industrial transformation. The Company deeply integrates advanced technologies—such as sensing and control, industrial Internet, big data, artificial intelligence, and robotics—to develop a smart system capable of comprehensive perception, real-time monitoring, intelligent decision-making, and collaborative control. By combining technology integration with innovative operational models, Dazhong Mining embeds digital and intelligent approaches throughout the entire mineral resource lifecycle, including exploration, mining, transportation, processing, and management. We are committed to building a four-modernization smart mine with distinct Dazhong characteristics, emphasizing safety, efficiency, environmental friendliness, and sustainability, setting a new benchmark for mining development and leading high-quality industry growth.

## Governance

### Organizational System

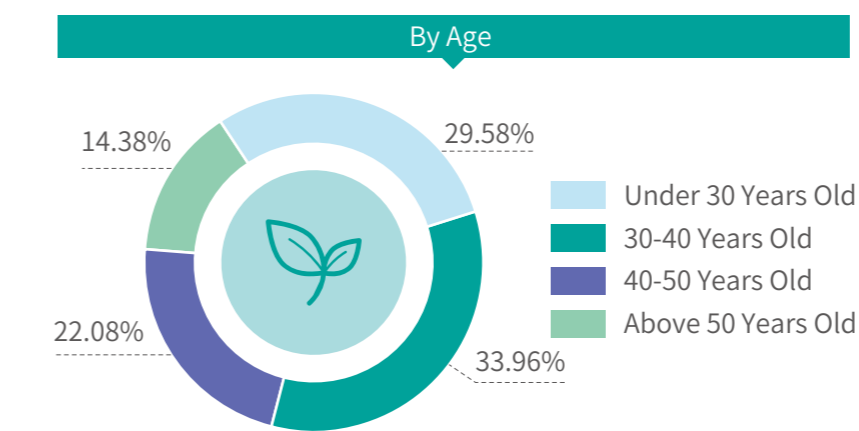
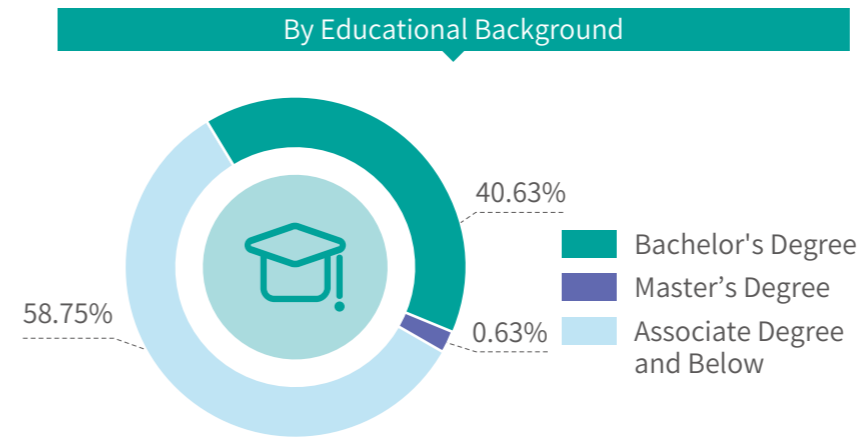
Dazhong Mining has long regarded scientific and technological innovation as the core driving force behind corporate development. The Company has established a series of policies, including the *Measures for the Management of Technology Research and Development* and the *Measures for the Management of Scientific and Technological Work*. Through a standardized governance system, we have clarified the management of scientific and technological projects, the transformation of technological achievements, intellectual property management, and the organization of scientific and technological activities. These measures have improved the quality of R&D and innovation projects, strengthened innovation capabilities, and promoted the development and application of innovative outcomes. By developing technologies and products with independent intellectual property rights, the Company has effectively enhanced the core competitiveness.



- R&D Center**  
 Formulate the medium- and long-term R&D and innovation plans, ensuring alignment with the Company's overall corporate strategy; Oversee project initiation and application, progress tracking, resource allocation, cost management, and project acceptance for R&D projects; Maintain the Company's high-tech enterprise qualifications and manage patents.
- Technology Committee**  
 As the supreme decision-making body for the Company's scientific and technological management, the Technical Committee provides unified leadership, making decisions on strategies, plans, funding, institutional setup, incentive schemes, performance assessments, conference plans, and key issues related to the implementation of major scientific and technological matters.
- Office of Technology Committee**  
 As the competent department for scientific and technological management, the Technical Committee Office handles the organization, management, and service functions for the Company's scientific and technological work, implementing and coordinating various tasks related to scientific and technological management.

### R&D Team Building

Dazhong Mining has established a dedicated R&D team focused on technological innovation in mining, mineral processing, and environmental protection. Leveraging an advanced R&D system, the team continuously strengthens our technological advantages, reinforcing our leading position in the industry.



Note: Due to rounding, the sum may not equal 100%.

As of the end of the Reporting Period

the Company has

# 480

R&D personnel

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representing

# 11.36%

of the total workforce.



### R&D Strength

Adhering to the technological innovation philosophy of "Intelligent Manufacturing for Win-Win Results", Dazhong Mining embraces the R&D approach focused on mechanization and automation to optimize operations and workforce efficiency. The Company, along with subsidiaries Jinrisheng Mining, Jinhui Rare Minerals, and Hunan Dazhong He Lithium Mine, has been recognized as a National High-Tech Enterprise. Our R&D Center is accredited as the Taconite R&D Center of Dazhong Mining, located in the Inner Mongolia Autonomous Region. The Company and its subsidiaries currently operate two provincial-level enterprise technology centers. Additionally, Dazhong Mining has attained recognition as both an autonomous-region-level Enterprise R&D Center and an Enterprise Technology Center. During the Reporting Period, the Company's Central Laboratory and the R&D Center of its subsidiary Jinhui Rare Minerals were awarded CNAS accreditation certificates.



High-Tech Enterprise Certificate of Dazhong Mining



High-Tech Enterprise Certificate of Jinrisheng Mining



"Enterprise Technology Center" Recognition of Dazhong Mining



Anhui Provincial Enterprise Technology Center Certificate of Jirisheng Mining



"Technology R&D Center of Coarse-Grain Strong Magnetic Pre-dressed Lithium Mica in Chenzhou" Recognition of Hunan Dazhonghe



### Strategy

Dazhong Mining actively implements an innovation-driven development strategy, identifying potential risks and opportunities in the fields of R&D and innovation by closely aligning with our actual circumstances. The Company takes proactive measures, thoroughly analyzing cutting-edge technologies and market dynamics, and strives to achieve breakthroughs for sustainable, rapid, and healthy development in key areas such as intelligent systems and environmental sustainability.

Risk Type	Description of Risk	Likelihood of Occurrence	Extent of Impact	Duration of Impact	Value Chain Links Impacted	Priority Ranking	Potential Financial Impact	Countermeasures
Technology Risks	Insufficient technical pre-research or path demonstration, potentially leading to misguided project direction midway. Project stagnation caused by insurmountable bottlenecks in foundational theories or key processes. Immature engineering applications of new technologies or materials, which could lead to reliability issues and project delays. Misalignment between R&D achievements and market demand, which may result in failed commercialization.	Medium	High	Medium term Long term	Operations	High	Increase in R&D Expenditures	Implement a "technology + market" driven project initiation and review mechanism to enhance feasibility analysis. Conduct rigorous stage-gate reviews and define quantifiable milestones. Develop an open innovation ecosystem by establishing strategic partnerships with universities and research institutions.
Policy and Legal Risks	Major adjustments or rollbacks of core fiscal and tax incentives, such as high-tech enterprise qualifications or R&D expense super deductions. Upgrades to environmental protection, energy efficiency, and industry technical standards, which may create compliance challenges for existing R&D directions or achievements. Changes in intellectual property laws and regulations, potentially affecting patent application strategies, protection strength, or the definition of infringement.	Medium	High	Medium term Long term	Operations	High	Increase in R&D Expenditures	Establish a regular policy monitoring and assessment mechanism, and maintain targeted liaison with relevant authorities. Integrate compliance review as a mandatory step in R&D project initiation and review processes.

Opportunity Type	Description of Opportunity	Likelihood of Occurrence	Extent of Impact	Duration of Impact	Value Chain Links Impacted	Priority Ranking	Potential Financial Impact	Countermeasures
Technological Opportunities	Partner with universities and research institutes to transform new technological achievements into practical applications. Conduct collaborative R&D with peers to overcome technical bottlenecks. Engage in joint R&D with upstream and downstream partners to broaden application scenarios.	Medium	High	Medium term Long term	Operations	High	Reduction in R&D Expenditures	Track policy releases in real time to ensure timely awareness of changes; Proactively connect with government departments to understand application requirements and prepare the necessary materials.
Policy Opportunities	Leverage national and local R&D subsidies and special support funds; Participate in the formulation of industry standards; Benefit from applying for key qualifications such as high-tech enterprises and specialized, sophisticated, unique, and new enterprises.	Medium	High	Medium term Long term	Operations	High	Reduction in R&D Expenditures	Establish an industry-university-research cooperation platform to create a comprehensive cooperative resource database; Identify and address technical bottlenecks, selecting potential partners for collaboration; Conduct rigorous evaluations of partners' qualifications and technical capabilities.

## Impact, Risk, and Opportunity Management

In line with the *Measures for Comprehensive Risk Management*, Dazhong Mining identifies potential risks across technology, market, talent, and other aspects of R&D and innovation. Simultaneously, the Company actively captures innovation opportunities, formulating and implementing strategies to harness these opportunities and drive sustainable development through innovation.

**Risk Identification**

Identify and summarize risks throughout the entire innovation and R&D process, from project initiation and R&D to achievement transformation and acceptance.

**Risk Assessment**

Assess and classify potential risks in each link based on the impact and likelihood of the identified risks.

**Risk Response**

Relevant departments review the assessed risks and develop appropriate response measures for major risks.

**Monitoring and Improvement**

Evaluate the effectiveness of risk response strategies and improve emergency plans to ensure the smooth progress of R&D and innovation activities.

## Indicators and Goals

Indicator	Unit	Targets	2025
Number of R&D Personnel	Person	Maintain sustained investment in R&D and strengthen the development of the R&D team	R&D investment amounted to RMB 152.8648 million, accounting for 3.74% of operating revenue. The Company had 480 R&D personnel, representing 11.36% of the total workforce.
Number of Patents	Case	Increase the number of patents	The total number of patents reached 518, an increase of 143 year on year.

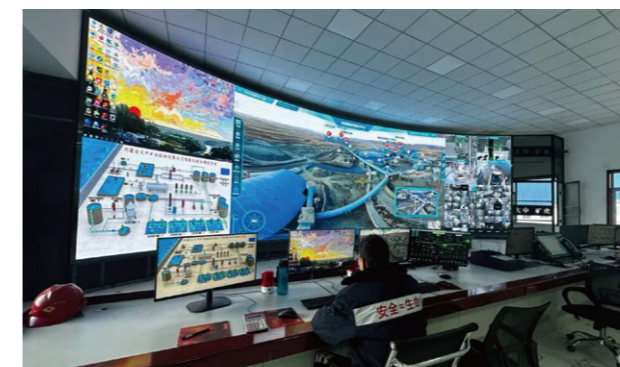
## Smart Mines and Operations

### Intelligent Mine Construction

In response to the national strategy for intelligent mine construction, Dazhong Mining applies advanced technologies—such as sensing, the Internet of Things, and automatic control—to achieve fully automated mining and mineral processing. The Company promotes the development of unattended mines and drives high-quality growth through digital intelligence. At the same time, Dazhong Mining upholds scientific and technological ethics throughout the innovation process, preventing technology misuse and ethical risks, and ensuring the compliance and sustainability of technology applications.

In building smart mines, the Company has significantly improved mining efficiency by introducing fully mechanized equipment, including Epiroc LHDs and Simba medium-hole drill jumbos. We have implemented full-process automated control from mining to tailings treatment and developed the "Six Major Safety Systems", including underground personnel positioning, monitoring and early warning, and emergency refuge systems, to ensure the safe operation of mines. Key systems, such as the main and auxiliary shaft hoisting, ventilation fans, and drainage pumps, are now under remote, centralized automatic control, further improving safety management and control.

Dazhong Mining incorporates the "digital intelligence" concept throughout mining operations, establishing an intelligent dispatching platform that enables efficient production management through intuitive interfaces. The Company has also introduced intelligent inspection robots for automated checks of critical equipment and employs video surveillance, big data, and AI algorithms for comprehensive safety monitoring of both personnel behavior and equipment performance. These efforts collectively strengthen mine safety production and intelligent management.



Intelligent Dispatching and Control Platform



Robot Dog for Intelligent Inspection



Smart Mine System



Remote Control of Perforation and Blasting by Drones



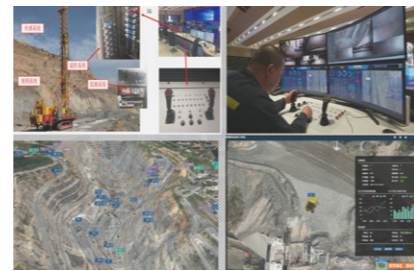
Remote One-Button Start/Stop in the Mineral Processing Plant Control Room



Automatic Ball Feeding System for Ball Mills



Automated Reagent Dosing System for Flotation



Remote Operation and Dispatching of LHDs

**Case Intelligent Inspection System of Rail-Mounted Robots at the Shujigou Mine**

A closed-loop rail-mounted intelligent inspection system with a total length of 6,097 meters has been established at the Shujigou Mine, and equipped with eight inspection robots. Using a dual power supply mode, the system can complete full-area patrols every 45 minutes, fully replacing traditional manual inspections. The robots, equipped with visible light and infrared thermal imaging devices and combined with deep learning algorithms, can automatically detect anomalies such as belt damage, smoke or fire, and personnel violations, and issue real-time alerts. This system has been integrated with the AR-based real-time command and dispatch platform of the mine, enabling alarm linkage and incident verification.

**Case Automatic Acid Loading System**

The automatic acid loading system utilizes visual recognition and AI algorithms to achieve “zero-contact” operations throughout the entire process, including vehicle scheduling, queuing, and automatic acid loading. Additionally, the system is equipped with 3 sets of T-type intelligent slewing arms and fume recovery units, which eliminates the need for elevated tanks, optimizes pipelines and valves, shortens acid flow paths and reduces acid losses. Furthermore, the system seamlessly integrates with an unmanned weighing system, sharing license plate and material data to significantly enhance operational safety and efficiency.

**Protection of Intellectual Property Rights**

Dazhong Mining places great emphasis on intellectual property rights (IPR) protection and fully complies with the *Trademark Law of the People's Republic of China*, the *Patent Law of the People's Republic of China*, and other relevant laws and regulations. The Company has developed the *Measures for Management of Scientific and Technological Work*, with the Technical Committee Office serving as the IPR management department. This department is responsible for overseeing patents, trademarks, copyrights, trade secrets, technical standards, and other forms of intellectual property. By strengthening the IPR protection system, the Company continually improves the patent application process and subsequent maintenance efforts. This ensures the independent control of core technologies in key fields, safeguarding against any form of IPR infringement.

**Inventory Review of Authorized Patents**

Through continuous R&D efforts and patent filings, we have built a substantial portfolio of intellectual property rights. By the end of the Reporting Period, the Company and its subsidiaries held numerous invention patents spanning mining, mineral processing, environmental protection, and related fields.

Indicator	Unit	2024	2025
Number of Authorized Patents	Case	375	518
Number of Authorized Invention Patents	Case	24	43
Number of Authorized Utility Model Patents	Case	351	475
Cumulative Number of Software Copyrights	Case	5	31

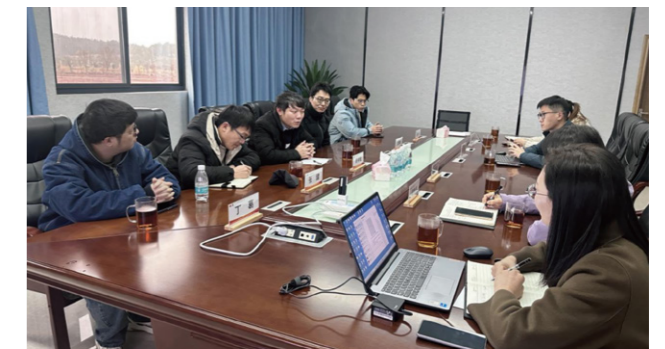
**Key Performance 2025**

During the Reporting Period, no lawsuits or legal disputes concerning IPR infringement occurred in the Company.

**Industry-University-Research Cooperation**

**Technical Cooperation and Exchange**

Dazhong Mining is committed to advancing industry-university-research collaboration. The Company maintains strong partnerships with both domestic and international manufacturers, universities, and research institutions. By actively integrating cutting-edge technologies and innovative management models, we foster the coordinated development of mine mechanization, automation, informatization, and intelligentization.



### Support for R&D and Innovation

To stimulate employees' enthusiasm for scientific and technological innovation and promote the practical application of research achievements, the Company has established a comprehensive set of systems, including the *Measures for Management of Scientific and Technological Work*, the *Organization, Implementation and Incentive System for the Transformation of Scientific and Technological Achievements*, and the *Measures for Rewarding Scientific and Technological Progress*. A multi-dimensional incentive mechanism has been implemented, covering scientific and technological excellence evaluation, award review, commendations and rewards, external achievement incentives, and IPR-related rewards. This mechanism fully recognizes and rewards collectives and individuals with outstanding contributions to scientific and technological innovation, driving the Company's scientific and technological progress and innovative development.

**Case** "Five Small Innovations and One Method" Incentive Mechanism to Inspire Frontline Employee Innovation

To foster innovation among frontline employees, our subsidiary Jinrisheng Mining introduced the *Management Measures for "Five Small Innovations and One Method"*. This system creates a structured process for submitting, reviewing, and rewarding small know-hows, designs, innovations, inventions, suggestions, and advanced operating methods. It encourages micro-innovation within employees' roles, driving cost reduction, efficiency improvements, and technical progress. During the Reporting Period, Jinrisheng Mining regularly recognized and rewarded employees for their contributions to the "Five Small Innovations and One Method" system, maintaining enthusiasm and motivation for innovation.

## Protection of Data Security

### Information Security Management System

Dazhong Mining adheres strictly to the *Data Security Law of the People's Republic of China*, the *Network Security Law of the People's Republic of China*, the *Personal Information Protection Law of the People's Republic of China*, and other relevant laws and regulations. To ensure compliance, the Company has developed a comprehensive set of policies and procedures, including the *Measures for the Management of Information Security (Trial)*, the *Management Measures for the Operation and Maintenance of Information Systems*, the *Measures for the Management of Informatization Projects* and the *Detailed Rules for the Management of Employees' Office Computers*. These measures aim to standardize information security management, safeguard the Company's information assets, and foster the sustainable development of our information infrastructure.

We have established a well-defined information security responsibility system. At the top decision-making level, the leader in charge of information automation holds overall responsibility for security management, approves major plans, and responds to incidents. The Information Automation Department serves as the central management and technical hub, responsible for formulating security policies, ensuring the security of group-level systems and networks, designing the overall information architecture, and providing guidance and training to subsidiaries. The information management departments of subsidiaries and branches act as the executing bodies, ensuring the secure and smooth operation of information systems, networks, and data centers within their respective organizations, while also organizing employee training.

· Key Performance 2025 · 

During the Reporting Period, no incidents of privacy breaches or other information security leakage occurred in the Company.

### Information Security Management Measures

Dazhong Mining has implemented a series of robust measures for information security management to safeguard the stable operation of its information systems.

Information Project Management

- Standardize the entire lifecycle of information projects, including planning, annual scheduling, project initiation, bidding, contract signing, implementation and monitoring, as well as acceptance and post-evaluation.
- Clarify the responsibilities of relevant departments, including the Information Automation Department, Audit and Legal Department, and Finance Management Department in information project management.
- Ensure legality, compliance, and effectiveness of information projects, while mitigating risks such as information silos and uncontrolled project management.

Information System Operation and Maintenance

- Regulate daily O&M activities, including management of key positions, system access control, and routine inspections and maintenance.
- Establish fault handling procedures, covering fault reporting, resolution, validation, and verification.
- Strengthen system application monitoring, evaluation, and assessment, as well as the approval and implementation of system changes or optimizations.

Office Computer Management

- Establish principles for office computer use, including exclusive use of company-issued computers and banning computers without the desktop cloud system in office areas.
- Define computer management procedures for employee onboarding, job transfers, and resignations.
- Emphasize the confidentiality of company data, prohibiting unauthorized copying and distribution, and disabling USB copying functions.
- Ensure regular backups and archiving of data on confidential computers to maintain data security.

During the Reporting Period, the Company organized specialized cybersecurity awareness training for all first-tier subsidiaries, centers, and departments. The training addressed the current cybersecurity landscape, common methods and risks of social engineering attacks, and corresponding preventive measures, improving employees' basic cybersecurity awareness and enhancing their ability to respond to risks.

Indicator	Unit	2025
Number of Information Security-Related Training Sessions Offered	Session	12
Number of Training Participants	Person	45
Total Training Duration	Hour	18

# Responsible Supply Chain

Dazhong Mining actively practices responsible supply chain management, continuously strengthening ESG requirements for suppliers and collaborating with them to build a transparent, fair, and sustainable supply chain ecosystem.

## Supply Chain Management System

To standardize supplier management for the Company and its subsidiaries, we have developed a series of management systems, including the *Measures for Management of Equipment and Materials Suppliers*, the *Measures for Bidding Management*, and the *Measures for Management of Bulk Raw Material Procurement*. These systems tighten supplier entry, performance evaluation, and exit management, establish a dynamic optimization mechanism, and ensure a stable and reliable supplier base. During the Reporting Period, no major risks or impacts were reported in the Company's supply chain.

### Supplier Lifecycle Management

#### Admission of Suppliers



New suppliers must complete and upload the relevant materials for due diligence. The Company conducts due diligence on the supplier's legal status, business permits, performance capabilities, business scale, product quality, and litigation history, as well as certifications such as quality, environmental, and occupational health and safety management systems.

#### Supplier Evaluation



We have established relevant evaluation mechanisms and detailed guidelines, such as the *Detailed Rules for the Evaluation of Equipment and Materials Suppliers (Trial)*. The Supplier Review Team conducts multi-dimensional performance evaluations on qualified suppliers that have delivered goods or services during the year, covering aspects such as performance, quality and delivery. Based on the evaluation results, suppliers are classified into four tiers: peripheral suppliers, alternative suppliers, qualified suppliers and blacklisted suppliers.

#### Continuous Improvement of Suppliers



The Company promotes continuous improvement of suppliers in quality control, technical capability, integrity, safety and environmental protection through on-site audits, technical collaboration, electronic connection, green system construction and professional training, to build a "clean, open and win-win" supply chain system.

#### Supplier Withdrawal



Suppliers may be removed in a fair manner if they fail to meet entry requirements, violate the *Supplier Cooperation Commitment*, fail to meet quality and service standards, are forced to exit following an evaluation, withdraw voluntarily, or have no business activity for three consecutive years. This process ensures the continuous optimization of the supplier pool.

During the Reporting Period, the Company launched a comprehensive training program for both internal employees and external suppliers. The program aimed to achieve two-way empowerment by enhancing internal professional capabilities while strengthening collaboration across the supply chain.



Supplier Full-Process Operation Training

Training on Measures for Bidding Management, Qualifications, and Other Relevant Topics Conducted by the Purchasing Department

### Supplier Digital Management

To continuously enhance supply chain efficiency and transparency, the Company is promoting the digital and intelligent transformation of supplier management. To date, we have fully implemented electronic contract signing. Moreover, by establishing an integrated supplier collaboration platform, we have enabled efficient online collaboration across key business processes, including order creation, invoicing and reconciliation, quality issue resolution, and payment confirmation. This has substantially improved both collaboration efficiency and data consistency between the Company and its suppliers.

### Equal Treatment of Small and Medium-Sized Enterprises

At the contractual level, the Company has clearly defined settlement terms with suppliers, specifying "payment in the following month upon receipt of goods and corresponding invoices". The payment process has remained generally stable, and no significant litigation or disputes have arisen due to overdue payments.

· Key Performance 2025 ·

Total Number of Suppliers: **571**    Number of Local Suppliers: **558**  
 Number of Overseas Suppliers: **13**  
 Number of Suppliers with Quality Management System Certification: **198**  
 Number of Suppliers with the Environmental Management System Certification: **159**  
 Number of Suppliers with Occupational Health and Safety Management System Certification: **153**

During the Reporting Period, **14** suppliers were suspended from cooperation due to non-compliance, while no potential suppliers were rejected.

## Supplier ESG management

Dazhong Mining conducts dynamic evaluation and management of suppliers across multiple dimensions, including corporate qualifications, product quality, environmental responsibility, and business ethics. The Company mandates that all suppliers sign a *Supplier Cooperation Commitment*, which includes provisions on integrity and ethical conduct. Environmental protection, safety, and human resources compliance are also integral to the supplier access and management standards. Suppliers are required to commit to strictly adhering to national laws, regulations, and industry norms. Suppliers that violate business ethics, laws and regulations, or the Company's internal rules will be blacklisted, and no purchasing unit is permitted to conduct business with them. We continuously enhance the social responsibility performance of our supply chain, ensure supply stability, and collaborate with partners to build a sustainable, mutually beneficial industrial ecosystem.

## Implement responsible procurement

Dazhong Mining has established an open bidding system and developed regulations, including the *Measures for Bidding Management*, to standardize procurement processes, reduce costs, and mitigate risks. We adhere to the principles of fairness, justice, and transparency in procurement, employing various procurement methods such as competitive bidding, price inquiry and comparison, and strategic cooperation, while strictly implementing procurement plans. The Bidding and Procurement Department conducts standardized training sessions at production units on a quarterly basis to promote adherence to procurement norms.

· Key Performance 2025 ·

During the Reporting Period, the signing rate of the *Supplier Cooperation Commitment* by suppliers reached **100%**.

## Industry Cooperation and Exchange

Dazhong Mining actively engages with partners through supplier conferences and regular technical exchanges. These initiatives strengthen interaction with supply chain partners, enhance consensus on responsibility and compliance awareness, and foster a more resilient, competitive, and sustainable win-win supply chain ecosystem.

### Case Dazhong Mining Holds the 3rd Supply and Marketing Conference

In March 2025, Dazhong Mining hosted the 3rd Supply and Marketing Conference in Xiamen, centered around the theme "Striving Forward Together to Overcome Challenges". The conference brought together representatives from 106 enterprises. During the event, 42 outstanding suppliers and 20 strategic customers were recognized for their contributions. Additionally, strategic cooperation agreements were signed with 33 suppliers, further strengthening and expanding the Company's long-term, stable supply chain cooperation system.



### Case Dazhong Mining Reaches Strategic Cooperation with Epiroc

During the Reporting Period, Dazhong Mining conducted a high-level strategic meeting with the President and CEO of Epiroc Group and his delegation. The two parties formally signed the 2026 equipment procurement agreement at the meeting, and reached a significant consensus on comprehensive and in-depth future cooperation in various fields. This marks the beginning of a new chapter for high-quality development in the mining industry.



# IV. Safe Mines: Benchmarking for Quality Im- provement

Dazhong Mining adheres to the development philosophy of "Cherish Life, Safety First", with the goal of creating a "safe mine" as the core focus. We prioritize safe production above all else in our operations. The Company has systematically established a safety management system to ensure operational and product quality through professional expertise, strengthen safety foundations with solid investments, and safeguard employee health with proactive measures. We continuously integrate safety responsibilities into the actions of all staff to achieve steady, sustainable development.

## Our Actions

Ensuring Product Quality,  
Strengthening Safety Defense

## SDGs Responded in this Chapter



# Assurance of Product Quality

Dazhong Mining strictly complies with laws and regulations, continuously enhances its quality management system, and develops and implements a range of management protocols to ensure that raw materials entering the factory and finished products leaving the factory meet quality standards. The Company applies quality control throughout the entire product life cycle and business chain, and adopts the lean TnPM management system to improve equipment efficiency and reinforce the foundation of product quality. Additionally, we strengthen our after-sales service capabilities to provide customers with high-quality, consistently reliable service.

## Governance

Dazhong Mining strictly complies with the *Law of the People's Republic of China on Product Quality*, the *Mineral Resources Law of the People's Republic of China*, and other relevant laws and regulations. In line with the GB/T 19001-2016 quality management system standard, the Company has established internal protocols, including the *Measures for Management of Product Quality Standards and the Measures for Management of Quality Control of Raw and Auxiliary Materials and Finished Products*. These protocols govern full-process quality inspections of incoming raw materials and outgoing finished products, effectively mitigating quality risks. Moreover, the Company has implemented a comprehensive, full-chain quality control system spanning geological exploration, surveying, mining, and other stages, ensuring that production is scientific, institutionalized, and standardized.

We have established a Central Laboratory under the Control Center, governed by the *Measures for the Management of the Central Laboratory*. The laboratory is responsible for developing product quality standards and operating procedures, conducting sampling, inspection, and quality monitoring of raw materials and finished products, handling quality disputes, and ensuring safe and orderly laboratory operations.

### Organizational Responsibilities for Quality Management

Central Laboratory under the Control Center	Sales Department
<ul style="list-style-type: none"> <li>&gt; Formulate and update the <i>Management Measures for the Quality Control of Raw and Auxiliary Materials and Finished Products</i>.</li> <li>&gt; Inspect and test the quality of incoming and outgoing raw materials and finished products in accordance with established measures.</li> <li>&gt; Investigate and resolve quality disputes concerning raw materials and finished products.</li> </ul>	<ul style="list-style-type: none"> <li>&gt; Apply deductions or require the return of non-conforming materials based on contract quality and measurement terms, as well as the laboratory's testing data.</li> </ul>

## System Certifications

As of the end of the Reporting Period, Dazhong Mining and its subsidiaries, Jinrisheng Mining and Jinhui Rare Minerals, have obtained the ISO 9001 Quality Management System Certification certificates.



ISO 9001 Quality Management System Certification Certificate of Dazhong Mining



ISO 9001 Quality Management System Certification Certificate of Jinrisheng Mining



ISO 9001 Quality Management System Certification Certificate of Jinhui Rare Mineral

## Strategy

Dazhong Mining conducts in-depth identification of potential risks and opportunities in product quality management and develops corresponding mitigation and enhancement strategies. Through continuous optimization of its industrial structure and strengthening of core competitiveness, the Company strives to achieve long-term sustainable development.

Risk Type	Description of Risk	Likelihood of Occurrence	Extent of Impact	Duration of Impact	Value Chain Links Impacted	Priority Ranking	Potential Financial Impact	Countermeasures
Technology Risks	Production disruption and quality issues due to inaccurate geological exploration, outdated mining and processing technologies, and equipment failures.	Low	High	Short term Medium term Long term	Operations Downstream	Medium	Increase in non-operating costs and decrease in operating revenue	Enhance the accuracy of geological exploration through the adoption of advanced technologies. Regularly upgrade and maintain production equipment, incorporating automated and intelligent technologies to boost efficiency and product quality. Establish technical failure emergency plans to ensure rapid recovery in case of production disruptions.
Market Risk	Market demand shifts, intensified competition, price volatility, and stringent customer quality requirements.	Low	Medium	Short term	Operations	Medium	Increase in non-operating costs and decrease in operating revenue	Closely monitor market trends and adjust product and sales strategies accordingly. Conduct thorough market research to understand customer needs and competitor movements, and develop targeted competitive strategies. Improve product quality and service standards to meet stringent customer demands, fostering greater customer satisfaction and loyalty.

Opportunity Type	Description of Opportunity	Likelihood of Occurrence	Extent of Impact	Duration of Impact	Value Chain Links Impacted	Priority Ranking	Potential Financial Impact	Countermeasures
Opportunities in Compliance with Policies and Laws	Government support and preferential policies for the mining industry, including tax incentives, loan support, etc.	Low	Medium	Short term	Operations	High	Reduced operating costs and lower income tax expenses	Closely monitor national policy developments to understand preferential policies and support orientations. Actively apply for policy incentives to reduce production costs and improve profitability. Seize policy opportunities to strengthen technological innovation and industrial upgrading, enhancing competitiveness.
Technological Opportunities	Emergence of new technologies, processes, and equipment bringing innovation and transformation to the mining industry.	Medium	High	Long term	Operations	High	Lower production costs Increase in operating revenue	Strengthen R&D and innovation, introducing new technologies and processes to improve production efficiency and product quality. Invest in advanced equipment to enhance production automation and intelligence. Strengthen cooperation with universities and research institutions for joint technological innovation and R&D.
Market Opportunities	Growing demand in domestic and international markets, especially rapid development in new energy, new materials, etc.	High	High	Medium term	Operations	High	Increase in operating revenue	Expand domestic and international markets, understand demand and preferences in different markets, and formulate targeted marketing strategies. Strengthen product R&D and innovation to develop new products and technologies meeting market demand.
Reputation Opportunities	High-quality products and services can enhance the Company's reputation and attract more customers and partners.	High	High	Medium term	Operations	High	Increased operating revenue and reduced selling expenses	Strengthen product quality management to ensure compliance with national standards and customer requirements. Provide high-quality after-sales service and technical support to resolve customer issues and improve customer satisfaction.

## Impact, Risk, and Opportunity Management

Dazhong Mining has established the *Management Measures for the Quality Control of Raw and Auxiliary Materials and Finished Products* to define risk identification processes, evaluate potential risks, implement appropriate countermeasures, and maintain an effective risk monitoring system. These measures ensure consistent product quality, protect the Company's reputation, and support sustainable growth in economic performance.



**Risk Identification**  
Comprehensively identify risks, including but not limited to potential quality issues in purchased raw and auxiliary materials, operational errors or equipment failures during production, and human or equipment mistakes in quality inspections.

**Risk Assessment**  
Investigate and resolve quality disputes related to raw and auxiliary materials, finished products, and other quality issues, while assessing the severity and scope of their impact.

**Risk Mitigation Measures**  
Ensure that the quality of raw and auxiliary materials, as well as finished products, meets standards through sampling, sample preparation, testing, and analysis. In case of disagreement between the sales department and the inspection results, a quality objection may be raised, which will be resolved through arbitration by a third-party testing institution.

**Risk Monitoring and Control**  
Implement sample retention management for tested samples to ensure traceability throughout the retention period. Upon completion of sample testing, laboratory technicians shall complete the original testing records and general analysis ledgers, which will be reviewed by team leaders and supervisors to ensure data accuracy.

## Metrics and Targets

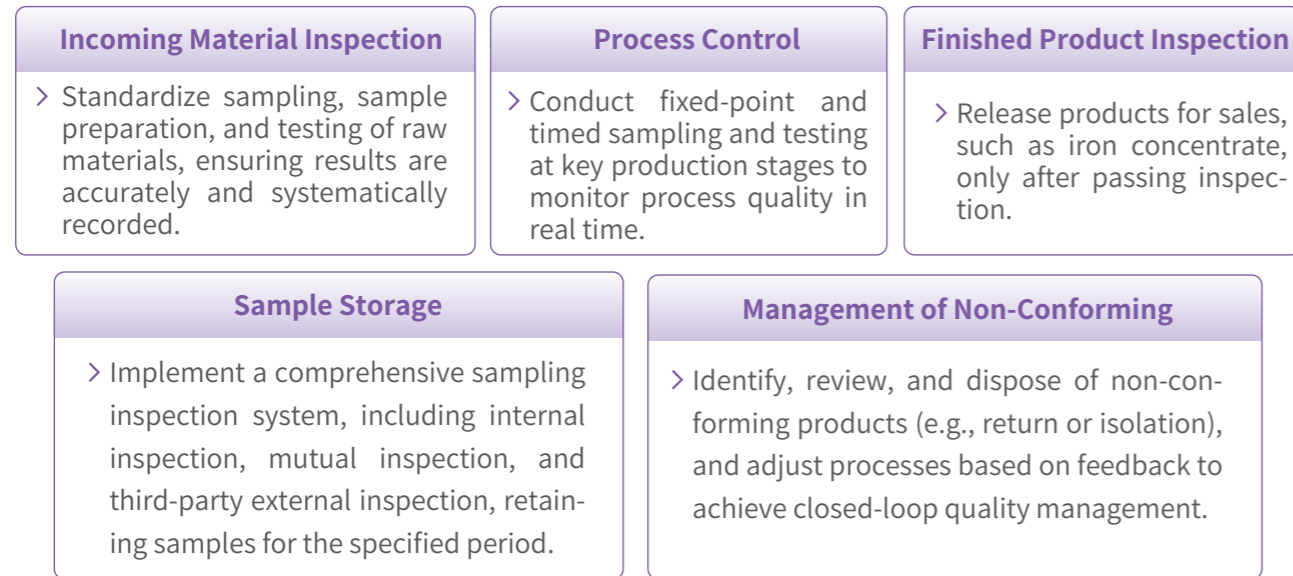
Indicator	Unit	Targets	Achievements in 2025
First Pass Yield	%	100	100
Product Recall Rate	%	0	0
Customer Satisfaction	%	100	100

## Product Control Measures

### Product Lifecycle Management

Dazhong Mining enforces strict full-lifecycle quality management to ensure that every step from raw materials to finished products meets high standards.

#### Lifecycle Quality Control

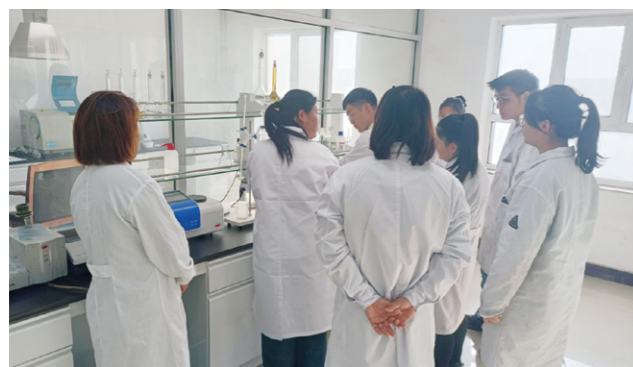


### Full-Chain Business Quality Control

Our full-chain business quality control system spans across geology, surveying, mining, mineral processing, and product quality standards management, forming a comprehensive quality control network. Through detailed management measures, we ensure standardized and scientifically sound operations throughout mine infrastructure and production. Additionally, we prioritize technological innovation and quality management, strengthen the management and risk prevention of outsourcing units, and work to improve construction quality while eliminating potential safety hazards.

### Training on Product Quality

During the Reporting Period, Dazhong Mining and its subsidiaries organized a series of specialized training sessions on laboratory management systems and standardized experimental operations. The training effectively combined theory and practice, strengthening laboratory management standards, enhancing professional skills of personnel, and further improving the Company's laboratory quality control system.



Boiler Water Testing Operation Training



Water Quality Analysis Operation Training

### Quality Training

Indicator	Unit	2025
Number of Participants in Quality Training	Person-times	810
Total Hours of Quality Training	Hour	830
Sessions of Quality Training	Session	41

### Lean TnPM Management

To enhance product quality management, our subsidiary Jinrisheng Mining introduced the lean TnPM (Total Productive Maintenance) management system and developed the *Measures for the Management of TnPM Promotion and Implementation*. Through full participation and continuous improvement, the subsidiary optimizes equipment management processes, reduces equipment failure rates, and improves equipment efficiency, thereby indirectly ensuring and enhancing product quality.

### Responsible Marketing

Dazhong Mining values customer experience and rights, strictly adhering to the *Advertising Law of the People's Republic of China*, the *Regulations on the Management of Advertising*, and other laws governing marketing and promotion. The Company actively conducts responsible marketing, eliminates false marketing, protects customer rights, and provides customers with comprehensive, high-quality services to high standards. During the Reporting Period, no incidents of violations occurred within the Company concerning laws and regulations governing product and service information, labeling, or marketing communications.

### After-sales Service

Dazhong Mining has formulated and implemented the *Measures for the Management of Non-Conforming Products* and the *Measures for the Management of Sales Quality Objections*. These policies standardize all aspects of customer service, clarify responsibilities across all levels and units of the Company, and define in detail objection acceptance, product re-inspection, accountability, objection handling, analysis and improvement, and assessment requirements. This framework enables the Company to respond promptly to customer feedback, enhance customer satisfaction, and maintain corporate reputation.

#### After-sales Service Process



To further standardize customer satisfaction management, fully understand customers' satisfaction with the Company's products and services, reduce customer churn rate and improve customer satisfaction, the Company introduced the *Measures for the Management of Investigation and Analysis of Customer Satisfaction (Trial)*. This establishes a full-process management mechanism covering investigation, statistics, analysis, and improvement, clarifies assessment requirements for responsible departments, and standardizes customer satisfaction survey practices.

· Key Performance 2025 ·

During the Reporting Period, the Company issued **64** customer satisfaction questionnaires, achieving a **100%** satisfaction rate, with no customer complaints.

Additionally, we provided specialized training for the sales department, focusing on enhancing complaint response skills and service awareness, thereby strengthening customer relationship management capabilities and further enhancing customer satisfaction.

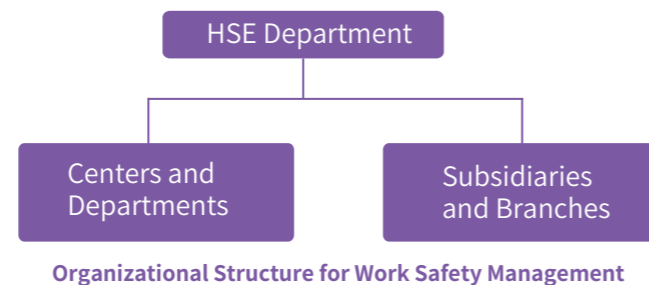
# Solidification of Safety Defense Line

Dazhong Mining upholds the safety philosophy of "Cherish Life, Safety First" and adheres to the principle of safe production and operation. Safety concepts, thinking, knowledge, skills, and mindset are deeply integrated into our corporate culture and daily operations. With a strong sense of mission, the Company safeguards employees' occupational health and safety, supports development through safety, and establishes a solid foundation for the high-quality and sustainable growth of the enterprise.

## Governance

Dazhong Mining strictly complies with the *Law of the People's Republic of China on Work Safety*, the *Law of the People's Republic of China on Prevention and Control of Occupational Diseases*, and other relevant laws and regulations. The Company consistently implements the safety policy of "Safety First, Prevention Primarily, Comprehensive Management" and has established a comprehensive set of safety management systems, including the *Measures for the Management of the Full-Staff Work Safety Accountability System*, the *Measures for the Management of Occupational Health* and the *Measures for the Management of Performance Appraisal for Work Safety Supervision and Inspection*. We have formed a Work Safety Committee, with the Chairman/General Manager serving as Director. The Chairman is the primary person responsible for work safety and fully oversees production safety. A full-staff work safety responsibility system is in place, covering all aspects and levels, with layer-by-layer accountability. The HSE Department is responsible for overseeing the implementation of the full-staff work safety responsibility system, conducting monthly and annual performance evaluations, and administering rewards and penalties based on assessment outcomes. Our core management team possesses extensive experience across mine exploration, mining and processing, smelting, as well as construction and operational management. With a deep understanding of industry technologies and development trends, the team demonstrates strong strategic planning capabilities and efficient execution.

Our production bases in Inner Mongolia, Anhui, Hunan, and Sichuan provinces have each established comprehensive work safety responsibility systems and safety management frameworks. A clearly defined safety management structure is in place, with the General Manager serving as the primary person responsible, the leader in charge of work safety assuming overall accountability, and designated personnel and functional departments executing responsibilities at every level.



During the Reporting Period, the Company, Jinrisheng Mining and Jinhui Rare Mineral passed the certification of the ISO 45001 Occupational Health and Safety Management System.



## Strategy

Dazhong Mining systematically identifies potential risks and opportunities associated with underground operations and fundamental safety management. The Company has developed scientific and structured response strategies to ensure the comprehensive protection of employees' safety and health.

Risk Type	Description of Risk	Likelihood of Occurrence	Extent of Impact	Duration of Impact	Value Chain Links Impacted	Priority Ranking	Potential Financial Impact	Countermeasures
Technology Risks Market Risk	Inadequate identification of hazard sources may result in workplace accidents, including falls from height, mechanical injuries, fires, electric shocks, and slips or trips, potentially leading to the shutdown of major facilities or critical equipment.	Low	Medium	Short term Medium term	Operations	High	Increase in operating costs	Strengthen the management of the six major mine hazard avoidance systems. Enhance safety education and training for operators and relevant personnel.
Reputation Risks	After the exposure of major accidents that could result in significant casualties during operations, stakeholders may express negative evaluations, impacting the Company's market reputation.	Low	Medium	Short term Medium term	Operations	Low	Reduction in operating revenue	Strengthen risk prevention and control in mining operations, establish and improve the safety responsibility system for each position, and actively respond to stakeholders' concerns.

Opportunity Type	Opportunity Type	Likelihood of Occurrence	Extent of Impact	Duration of Impact	Value Chain Links Impacted	Priority Ranking	Potential Financial Impact	Countermeasures
Operational Opportunities	The informatization and intelligent upgrading of occupational health and safety management processes will enhance the Company's overall management efficiency, reduce the occurrence of health and safety incidents, and prevent large-scale financial expenditures.	High	Medium	Long term	Operations	Medium	Reduction in operating costs	Adopting new technologies to enhance the efficiency of occupational health and safety management, strengthening the intelligent infrastructure of mines, and leveraging information technology for real-time monitoring and data analysis can ensure safe production in mines and mitigate accident risks.

## Impact, Risk, and Opportunity Management

In terms of risk identification and assessment, Dazhong Mining has established a major hazard source management system, conducts regular safety risk identification, and employs methods such as the Likelihood, Exposure, Consequence (LEC) method for risk evaluation and classification. A *Risk Classification and Control List* is formed, based on which a "Risk Color Map" is created, and on-site risk notice boards are set up to achieve risk visualization. For identified risks, the Company develops specific control measures and utilizes information tools, such as the Dazhong Mining Safety Management System, for tracking and management.



## Metrics and Targets

All mines under Dazhong Mining have established comprehensive targets for safety accident prevention, occupational disease prevention, safety education, and work safety standardization. These targets are incorporated into the annual assessment and reward system. Although we did not fully meet the expected work safety standards in 2025, we remain fully committed to improving our safety performance. We will continue to enhance the safety system, strengthen accountability, and focus on ongoing improvements.

Indicator	Targets	Achievements in 2025
Work Safety Accidents	Eliminate fatal accidents, explosions, poisoning, major fires, major equipment accidents, major environmental pollution accidents	Not achieved
Number of New Occupational Diseases	0	0
Rectification Pass Rate of Potential Safety Hazards	100%	100%
Full-staff safety education and training rate and certification rate for special operation personnel	100%	100%

## Key Performance 2025

Incidence Rate of Occupational Diseases: **0** %

Total Number of Work-related Injuries: **4** Persons      Work-related Injury Rate: **0.10** %

Working Day Lost due to Work-related Injury: **510** Days

Injury Rate per Million Working Hours: **0.48** %

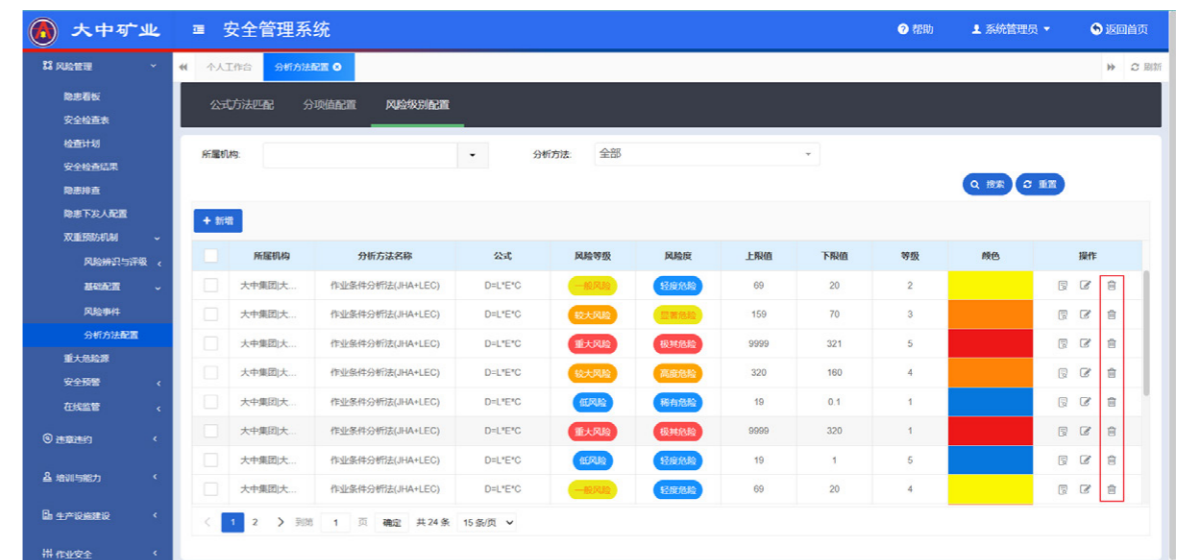
## Measures for Work Safety Management

### Safety Supervision and Inspection

Dazhong Mining and its subsidiaries have developed the *Measures for the Management of Work Safety Inspection*. In alignment with the annual plan, regular safety inspections are conducted, which include leadership-led inspections and seasonal special inspections. These inspections cover high-risk operations, equipment safety, and on-site contractor management.

For hazard investigation and treatment, the Company has formulated the *Measures for the Management of Performance Appraisal for Work Safety Supervision and Inspection* and the *Management Measures for the Investigation and Treatment of Potential Accident Hazards*. Routine hazard investigation is carried out through various forms such as quarterly comprehensive inspections, special inspections and daily inspections. Identified hazards are promptly addressed and managed through a closed-loop system. Additionally, a safety management system is in place to enable full-process online tracking of hazards, from registration and issuance to rectification and verification.

By implementing a digital safety management system, the Company enables online reporting and closed-loop tracking of safety risks and hazards. The safety digital management platform facilitates real-time monitoring and multi-level early warning of risk points, major hazards, and real-time data. The design of synchronized large-screen (desktop) and mobile functions has been completed, ensuring comprehensive intelligent data management with features of "rapid detection, real-time monitoring, advanced early warnings, emergency response, and system evaluation". This integrated system provides smart operation safety supervision, effectively reducing the risk of safety accidents.



Dazhong Mining Safety Management System

Mine areas and production units regularly organize safety managers, engineers, and relevant personnel to investigate potential hazards, with comprehensive work safety inspections conducted monthly. General hazards are immediately rectified by the head of the mining area, workshop, or relevant personnel. Major hazards require the evacuation of personnel from the affected area, and production or use must be suspended. The principal person in charge formulates and implements a treatment plan, and operations may only resume after passing acceptance.

· Key Performance 2025 ·

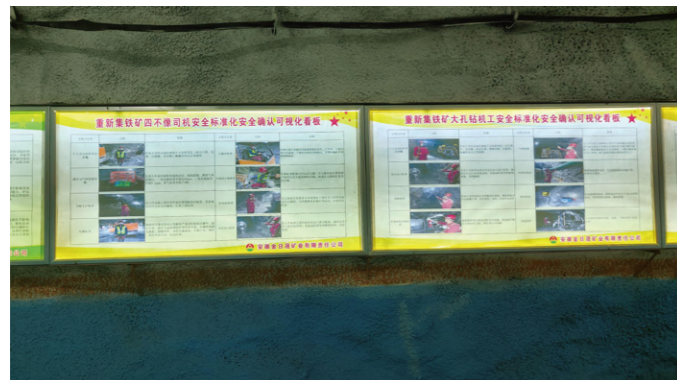
During the Reporting Period, the Company identified **54** major safety hazards and **17,066** general safety hazards, achieving a safety hazard rectification compliance rate of **100%**.

**Case Advancing Safety Standardization to Enhance Standardized Safety Management**

To strengthen standardized safety management, Dazhong Mining organized special safety standardization inspections across its factories and mines in Inner Mongolia. The Company established a dedicated inspection team to carry out comprehensive assessments in strict accordance with relevant standards. The inspections covered safety management systems, on-site facilities and equipment, personnel operational practices, as well as risk identification and hazard investigation and control. A detailed ledger was compiled, clearly defining rectification measures, responsible personnel, and completion deadlines.



The Chongxinji Mine in Anhui has concurrently advanced underground safety standardization, with a focus on four key elements: personnel, environment, quality, and equipment. A visual management system for safety standards was established, implementing visual kanban and grid management. Normalized inspections and closed-loop control were achieved through the integration of an information platform. As a result of ongoing efforts, the operating environment of all factories and mines has become organized and orderly. Safety signage is clear, pipelines are properly hung in accordance with standardized practices, and equipment responsibility plates and operational procedures are consistently posted. Employees' safety awareness and operational skills have significantly improved, with safety concepts becoming deeply ingrained in their daily work practices.



**Risk Prevention for Occupational Diseases**

To address the potential occupational disease risks in mining, such as those caused by exposure to dust, radioactive substances, and other toxic factors, Dazhong Mining has developed comprehensive management measures. Employees are provided with occupational disease protection products that meet national occupational health standards, with guidance on proper use and wearing in accordance with established protocols. The Company has implemented robust protection facilities and systems, standardized protective processes, and installed equipment such as dust collectors and noise detectors. Regular employee health check-ups are also organized to monitor overall well-being.

In addition, the Company maintains detailed occupational health monitoring files for each employee, documenting their work history, exposure to occupational hazards, health check-up results, diagnoses, and treatments. Employees who are at risk of or have experienced acute occupational disease hazards are promptly provided with medical treatment or observation, with all such cases recorded in the monitoring files. Trade unions in all production units also play an active role in supervising employee health, offering recommendations on disease prevention and treatment, addressing employee concerns, and ensuring the protection of their health and rights.

Indicator	Unit	2025
Number of Employees Holding Special Operation Certificate	Person	546
Total Number of Special Operation Personnel Required to Hold Permits for Special Operation	Person	546
Permit Holding Rate for Personnel Engaged in Special Operations	%	100%
Investment in Work-Related Injury Insurance	RMB 10,000	882.47
Total Number of Personnel Required to be Covered by Work-Related Injury Insurance	Person	4,225
Coverage Rate of Work-Related Injury Insurance	%	100
Investment in Production Safety Liability Insurance	RMB 10,000	122.92
Number of Employees Covered by Work Safety Liability Insurance	Person	2,650
Number of Employees Participating in Medical Checkup	Person	4,225
Coverage Rate of Health Checkups among Employees	%	100

**Contractor Safety Management**

To standardize and enhance the safety management and supervision of outsourcing projects, as well as to improve risk prevention, eliminate potential hazards, and prevent accidents, Dazhong Mining and its subsidiaries have established regulations such as the *Measures for Safety Management in Outsourced Mining Projects* and the *Measures for the Management of Production Outsourcing*. The HSE Department supervises the safety practices of contractors and their personnel, ensuring compliance with relevant safety standards. Contractors are required to provide three levels of safety education for their employees: at the factory/mine level, workshop level, and team level. Through strengthened safety supervision and management, the Company promotes the development of a self-regulating mechanism for production safety among contractors.

## Management Measures for Occupational Health

### Safety Emergency Management

Dazhong Mining strictly implements the *Emergency Response Law of the People's Republic of China* and the *Measures for the Administration of Emergency Response Plans for Production Safety Accidents of the People's Republic of China*. The Company has established relevant systems, including the *Measures for Emergency Management and the Emergency Response Plan for Production Safety Accidents*, and has developed emergency response plans and disposal schemes for various mine safety incidents, such as roof falls, side wall collapses, and blasting accidents. Each subsidiary has set up an emergency rescue organization tailored to its organizational structure, clearly defining the responsibilities of each department in project operation safety and emergency management. The Company and its production bases conduct regular annual emergency drills, preparing detailed drill plans in advance and providing relevant training for participants.

All mines under Dazhong Mining have implemented the *Regulations on Leaders Accompanying Shifts Underground*. Leaders from subsidiaries and mine areas take the lead in monthly underground inspections, reinforcing on-site management, promptly identifying and eliminating potential safety hazards, and emphasizing the primary responsibility of mine safety management through practical action.

· Key Performance 2025 ·

During the Reporting Period, the Company organized a total of **122** emergency drills, with **4,963** participants.

### Case "Safety Month" Event in 2025

During the 2025 Work Safety Month event, Dazhong Mining launched a series of extensive safety activities centered around the theme "Everyone Pays Attention to Safety, Everyone Can Respond to Emergencies – Identify Hidden Dangers Around You". All subsidiaries actively participated in this initiative, fostering a strong safety culture through various activities, including launch ceremonies, safety oaths, and banner signings. They also organized specialized safety knowledge training, safety knowledge competitions, educational sessions on accident case warnings, "hazard snapshot" activities, and emergency drills. These efforts were aimed at raising employees' safety awareness and fortifying the safety production defense line.



"Safety Month" Event

### Safety Education and Training

Dazhong Mining regularly conducts both internal and external training on occupational health education. The Company organizes multiple training sessions covering work safety regulations, safe operating procedures, emergency escape knowledge, and more, ensuring that employees are equipped with the necessary knowledge for safe operations and certification for their respective roles. This approach continues to foster a deep-rooted safety culture within the mines. During the Reporting Period, the Company hosted six training sessions led by external experts, and employees were sent to attend two external training sessions.

#### Case Special Training on Work Injury Prevention to Strengthen the Safety Defense Line

To align with the Company's goal of shifting from post-incident handling to proactive pre-incident prevention, the Shujigou Mining Area of Dazhong Mining organized a specialized training session on work injury prevention, which was delivered by external experts. The training focused on the development of a dual prevention mechanism, emphasizing the interconnected nature of risk identification and control, as well as hazard investigation and management. Through the analysis of real accident cases, participants were provided with valuable insights on improving their risk prevention capabilities.



Training on Hazardous Chemicals Management Methods Special Training on Winter Health and First-Aid Skills

#### Safety Education and Training

Indicator	Unit	2025
Total Investment in Safety Training	RMB 10,000	47.57
Total Safety Education and Training Sessions	Session	1,109
Participants in Safety Education	Person-times	33,325
Total Training Duration	Hour	85,860
Average Duration of Safety Training	Hour/Person	20.32

# V. People-Oriented Mines: Deepening Responsibility Fulfillment

Dazhong Mining considers its employees the most valuable asset and actively follows a people-oriented development philosophy. We not only focus on employees' career growth and long-term development but also strive to create a safe, healthy, and inclusive workplace where everyone can realize their personal potential. Moreover, the Company integrates mining operations with community development. By supporting rural revitalization, providing educational assistance, alleviating poverty, and fostering a harmonious mining area, we earnestly fulfill our social responsibilities, promoting the coordinated and sustainable development of employees, the enterprise, and society.

## Our Actions

Promoting Talent Development,  
Fulfilling Social Responsibilities

## SDGs Responded in this Chapter



# Promotion of Talent Development

Dazhong Mining consistently strives to build a mining group that is recognized and valued by its employees, considering this as a core development vision. We uphold people-oriented principles and grow together with our employees. We strive to attract outstanding and like-minded talent, enhance our career development systems, and create and share value with our employees. In addition to providing a supportive working environment, the Company cares about employees' daily lives, addresses their challenges, and fosters a happy and harmonious mining community.

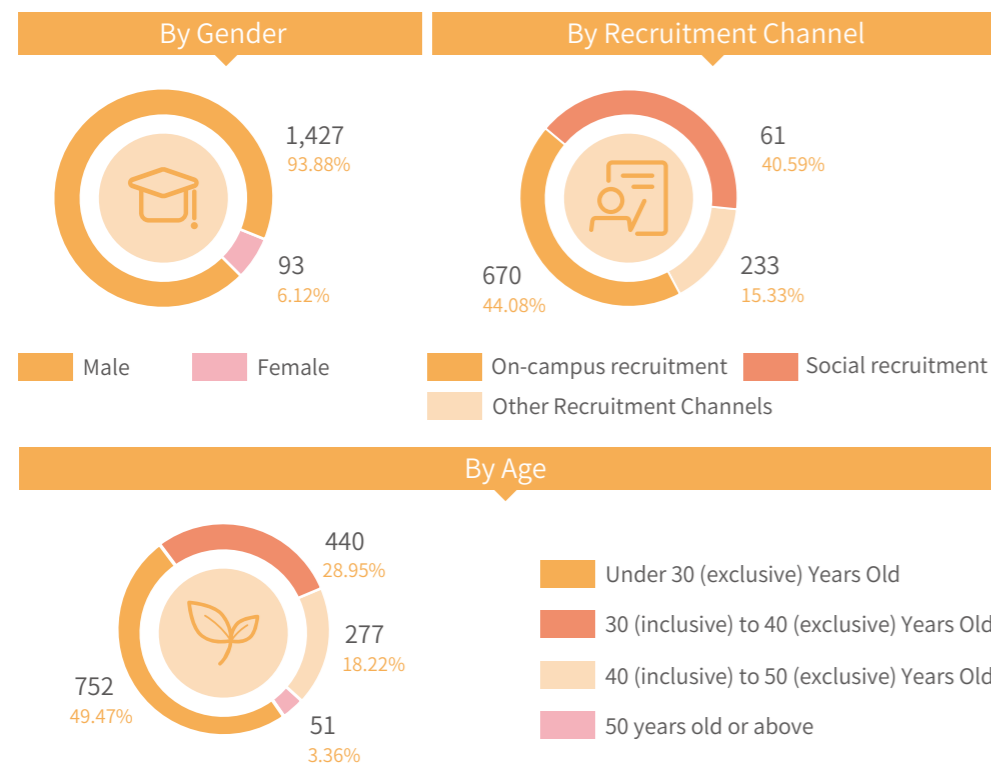
## Human Resources Management System

Dazhong Mining strictly complies with the *Labor Law of the People's Republic of China*, the *Labor Contract Law of the People's Republic of China*, and applicable labor and employment regulations in the regions where our mines and factories operate. We have also developed an *Employee Handbook*, outlining basic management principles, codes of conduct, career development paths, compensation and benefits, performance appraisal procedures, and other key policies.

## Protection of Employees' Legitimate Rights and Interests

### Recruitment

Guided by the principle of "appointing people on merit and matching talent to the right positions", the Company has implemented the *Recruitment Management Measures (Trial)* and actively recruits talent through various channels. Beyond standard campus and social recruitment, we have established a robust internal referral system to encourage employees to recommend qualified candidates. To support this, the Company has launched the "Talent Scout Award", rewarding employees who successfully refer outstanding talent to the Group, with rewards scaled according to position level. The Company also provides employment support for veterans and people with disabilities.

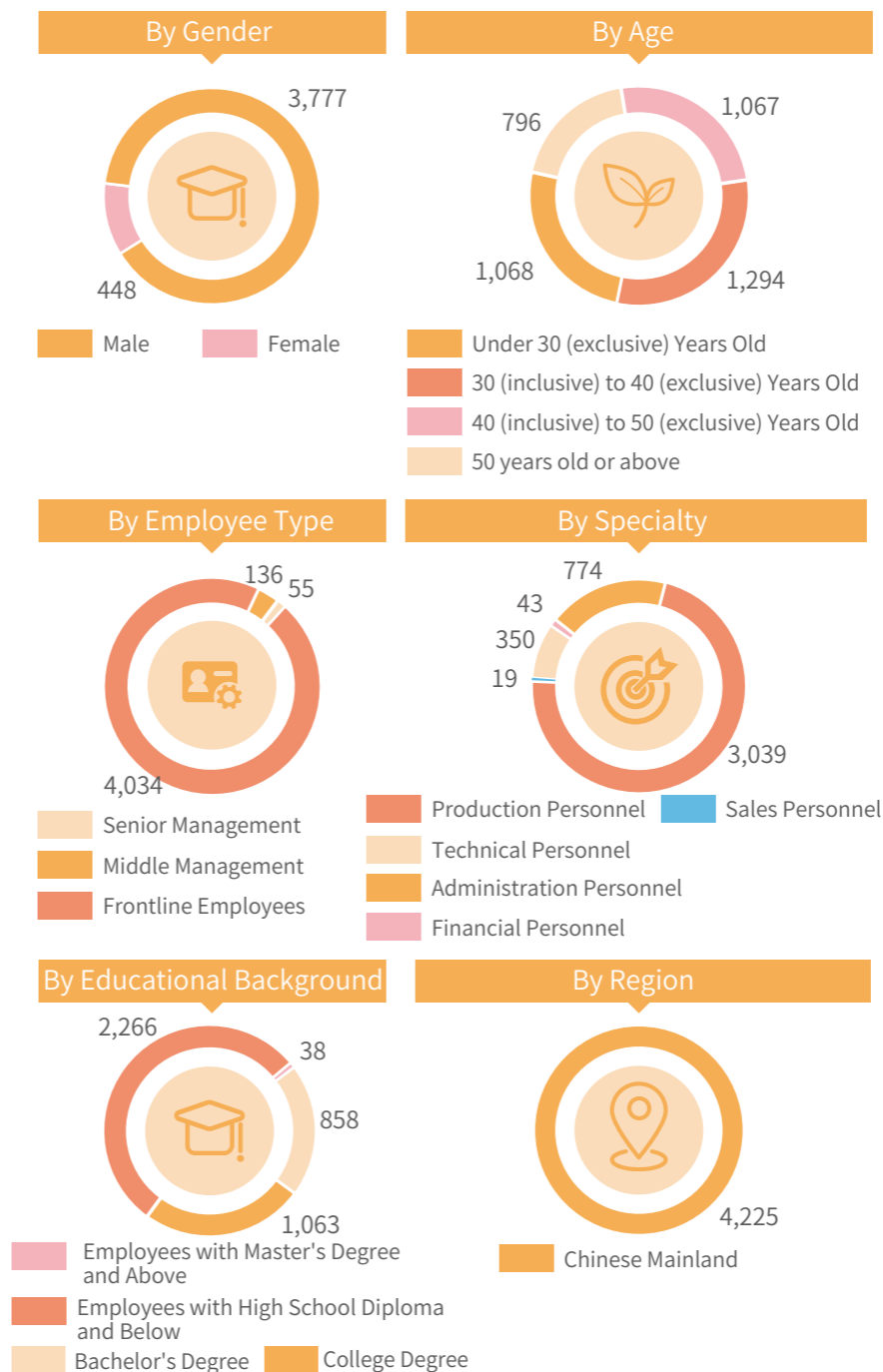


### Equal Employment

Dazhong Mining firmly upholds the principles of equal and lawful employment. Discrimination based on gender, age, race, ethnicity, religious belief, or nationality is strictly prohibited in recruitment. Child labor, illegal employment, and forced labor are completely forbidden. During recruitment and employment processes, applicants' identities are verified through multiple channels to prevent the employment of minors.

**Key Performance 2025**

During the Reporting Period, the labor contract signing rate reached **100%**, and no incidents of child labor or forced labor were reported in the Company or its subsidiaries.



### The composition of employee diversity is as follows

**Key Performance:** As of the end of the Reporting Period

Dazhong Mining employed full-time staff,

**4,225** Persons

ethnic minority employees

**190** Persons

the proportion of total employees

**4.50%**

veteran employees

**78** Persons

the proportion of total employees

**1.85%**

employees with disabilities

**11** Persons

the proportion of total employees

**0.26%**

labor dispatch employees

**37** Persons

Note: Senior management refers to employees at the level of Deputy Director and above. Due to rounding, the sum may not equal 100%.

### Democratic Governance

Dazhong Mining fully respects and safeguards employees' democratic rights in compliance with the law, including the right to information, participation, expression, and supervision. The Company has established a Trade Union Committee in accordance with legal requirements and developed systems such as the *Charter of the Trade Union Committee* and the *Collective Bargaining Agreement*. Under the leadership of the Group Trade Union, the Committee represents and protects employees' interests and operates independently within the bounds of the law. Employees are free to join the union on a voluntary basis. The Human Resources Department and the Trade Union Committee serve as the primary bodies responsible for employee relations and communication. They provide support to employees in areas such as improving job satisfaction, labor protection, professional psychological counseling, and handling complaints.

Each year, the Trade Union organizes democratic elections, consultations, decision-making processes, management oversight, and supervisory activities, involving employees in these key areas. The union also provides multiple channels for feedback, such as employee groups and suggestion boxes, to actively gather and respond to employee opinions and needs. This system ensures that the Trade Union is comprehensive and dedicated to serving employees. To promote mutual understanding, the Company regularly updates employees on operational and management information through emails, bulletin boards, meetings, and other communication channels.

· Key Performance 2025 ·

During the Reporting Period, the Employee Congress reviewed and approved **4** proposals, and the Trade Union coverage rate reached **100%**.

### Employee Satisfaction Survey

During the Reporting Period, the Company conducted regular satisfaction surveys for all employees to gather feedback on management, corporate culture, welfare, development, and other aspects. The survey data were then analyzed to optimize relevant systems and the working environment in a targeted manner, with the aim of continuously improving organizational efficiency and the overall employee experience.

· Key Performance 2025 ·

During the Reporting Period, employee satisfaction reached **100%**.

### Protection of Rights and Interests

Dazhong Mining fully protects employees' rights and interests. Employees are notified at least one month in advance of labor contract terminations, position adjustments, or renewals, and their opinions are sought before any implementation. Discrimination based on ethnicity, social class, language, religion, gender, or age is strictly prohibited in employment, salary, training opportunities, promotion, dismissal, or retirement. Human rights protection is a mandatory part of pre-job training for employees and security personnel, and is also included in supplier due diligence. Employees who believe their rights have been infringed, disagree with the Company's management measures, or observe violations of company rules may submit complaints through the appropriate channels in accordance with the complaint procedures. The Company ensures the confidentiality of all complaints and strictly prohibits retaliation. In cases of retaliation, employees may contact the Trade Union Committee. Labor dispute complaints are handled by the Labor Dispute Mediation Committee, composed of representatives from the Trade Union and the Human Resources Department.

For any labor disputes arising during the performance of labor contracts, employees may also appeal to their supervisors or the responsible bodies (Trade Union Committee or Human Resources Department). The Company will arrange face-to-face consultations with the Human Resources Department or department heads to resolve issues through negotiation whenever requested by employees.

· Key Performance 2025 ·

During the Reporting Period, the social insurance coverage rate was **100%**.

## Compensation and Benefit

### Remuneration Management

Dazhong Mining has established several systems, including the *Measures for Remuneration Management*, the *Measures for the Management of Remuneration Confidentiality*, and the *Measures for the Management of KPI Performance Appraisal and Incremental Work Quantitative Assessment*. These systems are supervised and guided by the Human Resources Department and implemented by the human resources teams across all subsidiaries.

In line with the principle of "salary based on position, with salary adjustments corresponding to changes in position, grade, and level", the Company has created a fair, transparent, and reasonable salary and benefits system. To attract key senior technical and management talents crucial to the Company's growth, a special salary zone has been established for employees who exceed the standard salary for their position. This initiative motivates employees to take greater initiative, enhances their skills and performance, and ensures the continuous strengthening of the Company's core capabilities, ultimately supporting the achievement of long-term goals.

· Key Performance 2025 ·

During the Reporting Period, the average remuneration per employee was RMB **0.197** million, with the total employee remuneration accounting for **19.28%** of the operating revenue. Revenue per employee reached RMB **1.0218** million.

Dazhong Mining strictly adheres to national laws and regulations regarding working hours and has implemented internal systems, such as the *Measures for Attendance Management* and the *Employee Handbook*, to safeguard employees' rights to rest and leave. The Company follows the standard 8-hour workday and offers employees paid annual leave, statutory holidays, marriage leave, maternity leave, and other types of leave. For certain positions, in line with the nature of the work and production requirements, the Company applies the comprehensive working hour system or unfixed working hour system as per legal provisions. Any working hours beyond the statutory standard are considered extended working hours, and overtime pay is provided in accordance with the relevant provisions of the *Labor Law of the People's Republic of China*.

### Benefit System

Dazhong Mining is dedicated to establishing a welfare system that meets the diverse needs of employees, enhancing their sense of happiness, belonging, and fulfillment. The Company provides social insurance for employees in compliance with relevant national laws and regulations.

#### Benefit System

##### Five Social Insurance and One Housing Fund

Basic Endowment Insurance, Basic Medical Insurance, Unemployment Insurance, Work-Related Injury Insurance, Maternity Insurance, and Housing Provident Fund.

##### Holidays

National statutory holidays, marriage leave, bereavement leave, maternity leave, and work injury leave.

##### Special Allowances

Academic and professional title allowances, seniority subsidies, wedding congratulations, and condolence money.

##### Daily Welfare

Commuting and transportation subsidies, meal subsidies, birthday benefits, holiday and summer benefits, employee physical check-up, plateau subsidies, and underground dining services for employees working in underground operations.

· Key Performance 2025 ·

During the Reporting Period, the expenditure on basic employee benefits was RMB **16.9484** million.

### Performance Management

Dazhong Mining has implemented the *Measures for the Management of KPI Performance Appraisal and Incremental Work Quantitative Assessment (Trial)*. Employees' monthly salaries are based on the results of the KPI performance appraisal and incremental work quantitative assessment. Those who complete tasks beyond their normal duties are eligible for additional incremental wages outside the standard salary. The Company conducts fair and objective departmental and individual performance appraisals for all employees on an annual basis. Promotions to higher salary grades are directly linked to annual performance appraisal results. For senior executives, salaries are tied to key performance indicators such as net profit, production output, safety, and environmental protection. The salaries of directors, supervisors, and senior executives are publicly disclosed annually.

Employees who have questions or disputes regarding the appraisal results or process are encouraged to communicate with their appraisers promptly. If disagreements persist after such communication, employees may appeal to the Company's Operations Management Center or the human resources and enterprise management departments of each business unit. Employees who have concerns about salary payments must submit their appeal to the Human Resources Department within one month after payment. The department will provide a clear response within one week.

### Employee Activity and Employee Care

Dazhong Mining is committed to employee care. While maintaining a sound working environment, the Company also pays close attention to employees' daily lives. Through continuous employee care and support for disadvantaged employees, the Company continuously improves employee satisfaction and happiness, building a mining community truly recognized by our employees.

#### Employee Activities

To ensure employees can relax and recharge after intensive work, the Company and its subsidiaries actively organize a variety of cultural and sports activities to enrich spare time, enhance team cohesion, and promote integration. In 2025, the Company and its subsidiaries organized employee sports games, square dance competitions, youth fellowships, and other engaging activities. Additionally, the Company provides a variety of recreational and sports facilities for employees to stay active and relax, including basketball and badminton courts, billiard rooms, running tracks, and so on.



Staff Activity Room



Double Festival Fun Sports Games



Cultural Performances



Double Festival Fun Sports Meeting

### Care for Employee

#### Assistance for Employees in Difficulty

Dazhong Mining maintains continuous attention to disadvantaged employees and has developed a series of support measures tailored to the Company's characteristics and employees' needs, steadily advancing employee relief work and effectively resolving employees' difficulties.

· Key Performance 2025 ·

During the Reporting Period, the Company provided assistance to a total of **120** disadvantaged employees, with the total amount reaching RMB **0.2159** million.

#### Support Measures for Disadvantaged Employees at Dazhong Mining

##### Establish files for disadvantaged employees

The Trade Union maintains files for disadvantaged employees to track their family, financial, and health conditions, providing a foundation for targeted assistance.

##### Conduct regular home visits and offer support

The Trade Union regularly visits disadvantaged employees to understand their difficulties and needs, providing appropriate help and support.

##### Assist with applying for social support

The Trade Union helps disadvantaged employees apply for social assistance, offering allowances and relief to alleviate hardships. This includes unemployment insurance, financial aid, disaster relief, and other forms of support.

##### Build an employee assistance and mutual support platform

The Trade Union organizes internal and external resources through an assistance platform, providing support in employment consultation, entrepreneurship guidance, skills training, and other areas.

##### Establish an employee care fund

The Company has created an employee care fund to support disadvantaged employees and their families, enhancing corporate cohesion and solidarity. Activities include hardship relief, compassionate donations, charitable contributions, and consolation visits.



The Family of an Employee Presented a Silk Banner to the Company



### Protection of Female Employees' Rights and Interests

Dazhong Mining places great importance on protecting the rights and interests of female employees. The *Collective Bargaining Agreement* and *Employee Handbook* clearly stipulate that female employees are entitled to 158 days of maternity leave for normal childbirth (including 15 days of prenatal leave); no overtime or night shifts are assigned to employees who are more than seven months pregnant; and breast-feeding employees are provided with 1 hour per day for nursing (with an additional 30 minutes for each extra child). It is prohibited to arrange for female employees to engage in work down the pit of mines or work with Grade IV physical labor intensity as prescribed by the State or other work forbidden to women. In areas such as training, selection, professional and technical evaluation, and promotion, the Company adheres to the principle of gender equality and enforces equal pay for equal work for both men and women. Dazhong Mining is committed to building a fair and inclusive workplace, ensuring equal career development opportunities and equitable salary treatment for all employees, regardless of gender.

#### Case International Women's Day – Multi-Faceted Care for Female Employees

During International Women's Day 2025, Dazhong Mining and its subsidiaries implemented a series of care activities for female employees. The Company distributed holiday gift boxes and arranged special rest breaks, while affiliated units organized distinctive activities such as fun sports events, legal and health lectures, themed flower arrangements, and customized care packages. Furthermore, the Company's Women's Federation organized free "two-cancer" screenings for female employees over 35 years old, promoting women's health through practical actions and demonstrating respect and care for female employees.



### Care for Employees' Mental Health

Dazhong Mining and its subsidiaries are equipped with psychological counseling rooms to provide a dedicated channel for employees' mental health guidance. The Company regularly conducts mental health education activities. The Trade Union also offers supportive psychological counseling and care to help enhance employees' mental resilience and foster a positive mindset.



Free Medical Consultation Services



Sichuan Dazhonghe's Visit to Drilling Camps to Offer Special Double Festival Greetings

## Employee Training and Development

Dazhong Mining follows a talent-centered development strategy and is gradually building a comprehensive, standardized, and efficient talent training system. The Company aims to enhance employees' knowledge, professional skills, overall competencies, and career development to ensure steady, healthy, and sustainable growth, laying a strong talent foundation for long-term success.

### Employee Training

Committed to talent development, the Company has established systems such as the *Measures for the Management of Employee Training* and the *Measures for the Management of Part-time Internal Trainers*, alongside a multi-dimensional training framework covering pre-job, on-the-job, promotion, and specialized skill enhancement programs. The Human Resources Department oversees top-level system design, implementation, annual planning and budgeting, digital platform management, organization of major and specialized training, and guidance and inspection of training activities in subsidiaries.

The Company has built a professional internal trainer team and conducts training through the Dazhong Mining Online Learning Platform, offering high-quality courses. Training resources are continuously expanded and optimized, and the curriculum is carefully designed to meet the specific needs of employees at different levels and roles. In addition to various training programs, employees are encouraged to pursue further studies at colleges or professional institutions. Graduation or completion certificates can be submitted to the Human Resources Department for record-keeping, serving as a reference for internal job transfer and talent selection.

Based on the development of university-educated talent within the Company, Dazhong Mining has established a well-developed "mentor-mentee" system, pairing experienced senior miners and technical experts with younger employees. To support this, an incentive and accountability structure has been put in place, including monthly mentoring allowances for mentors and recognition for "Star Mentors". Clear assessment criteria are applied to employees who fail to meet training standards, and mentors are jointly responsible for their mentees' safety and adherence to company policies. This system fosters the growth of new employees and establishes a solid foundation for building a talent pipeline.

### Dazhong Mining Employee Training System

Training for New Employees	On-the-job Training
<ul style="list-style-type: none"> <li>&gt; Orientation Training</li> <li>&gt; Induction Training</li> </ul>	<ul style="list-style-type: none"> <li>&gt; On-the-job Training</li> <li>&gt; Special short-term Training</li> <li>&gt; Personal Further Study</li> <li>&gt; Promotion Training</li> <li>&gt; Specialized Lectures</li> <li>&gt; External Training</li> </ul>

### Key Performance 2025

Investment in Training : RMB **0.1375** million

Training Sessions : **1,285** Sessions

Total Number of Employees Trained : **33,100** Person-times

Total Duration of Employee Training : **94,167.97** Hours

Average Training Duration Per Employee : **22.29** Hours

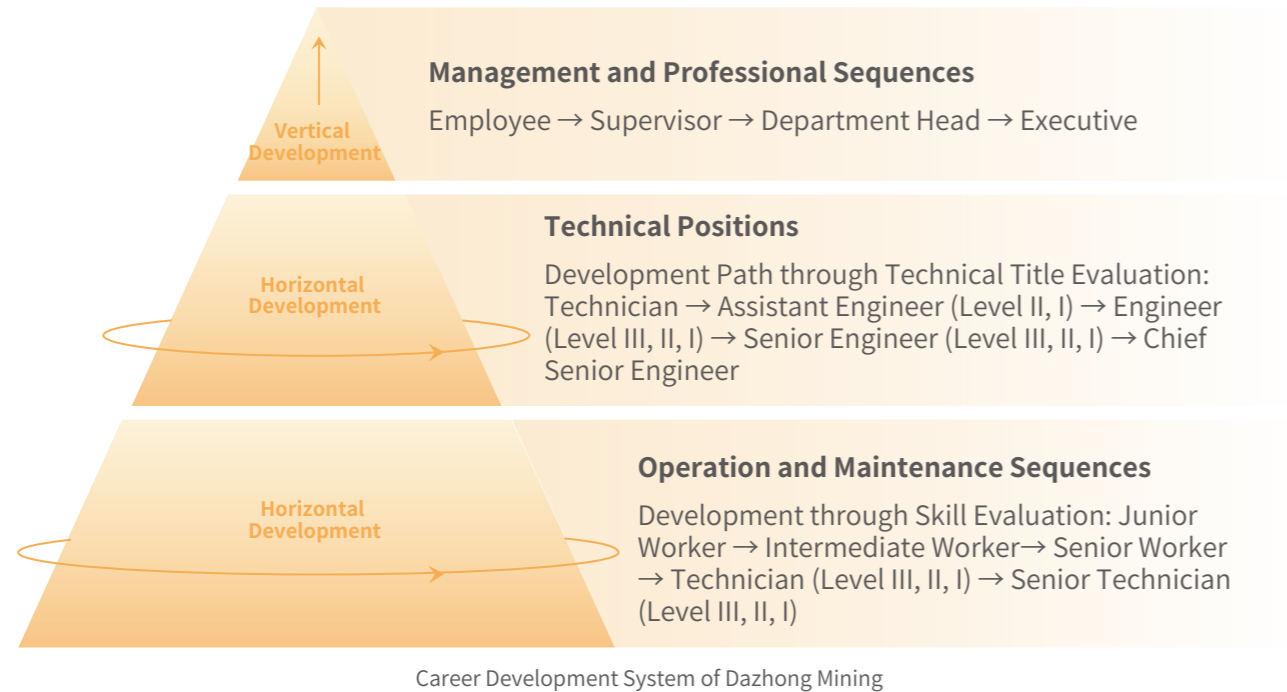
**Case 2025 University Graduate Induction Training – Strengthening the Talent Echelon**

In 2025, Dazhong Mining conducted a systematic induction training program for university graduates. The Human Resources Department, in collaboration with subsidiaries, carefully designed a comprehensive curriculum. By combining internal leadership guidance with external expert lectures and integrating theoretical teaching with practical exercises, new employees were able to quickly clarify their career paths and integrate into the corporate culture. The training spanned two months across five sessions, covering a total of 451 participants. This initiative effectively injected high-quality new talent into the Company, supporting the development of a robust talent echelon and contributing to sustainable growth.



**Promotion and Development**

Dazhong Mining has established a series of systems, including the *Measures for the Management of Position Rank and Career Development* and the *Management Measures for the Grade Evaluation of Professional Technical Titles*. These systems offer employees a clear development path, combining both vertical promotion and horizontal career transition opportunities.



Indicator	2025
Number of Employees Undergoing Internal Transfers or Applying for Internal Positions	1,198
Percentage of Employees Undergoing Internal Transfers or Applying for Internal Positions	29.93%
Number of Female Senior Executives	5
Proportion of Female Senior Executives	9.09%

**Co-building of a Harmonious Society**

Dazhong Mining actively fulfills its social responsibilities. While pursuing growth and expansion, the Company is committed to giving back to society, supporting public welfare, and promoting charitable causes—putting into practice the profound meaning of "striving for progress when prosperous". Furthermore, we actively support the national rural revitalization strategy, seize new opportunities under the high-quality development stage of the "Belt and Road Initiative", and continuously create value for the nation, society, and the public.

· Key Performance 2025 ·

During the Reporting Period, social contribution per share was **1.38** Yuan.

Note: Social contribution per share = (Net profit + taxes paid to the government + wages paid to employees + loan interest paid to creditors + donations and other value created for stakeholders – social costs caused by environmental pollution) ÷ Total share capital.

**Community Relations Management**

Dazhong Mining actively fosters harmonious and stable community relations, guided by the principle of "developing together with local areas and sharing a common destiny with the people". Through a long-term communication mechanism and an established coordination system, community needs are incorporated into corporate decision-making, ensuring that project development and community growth proceed in parallel. We are committed to leveraging our resources to drive community development, continuously promoting local economic prosperity, improving infrastructure, and increasing employment and income opportunities. We diligently fulfill our corporate citizenship responsibilities and collaborate with communities to create a sustainable, long-term win-win model of harmony.

**Practicing Charity and Public Welfare**

Since its establishment, Dazhong Mining has consistently focused on charity and public welfare, demonstrating corporate social responsibility through tangible actions. The Company supports public welfare initiatives and instills the traditional Chinese virtue of "striving upward and doing good deeds" into its operations.

· Key Performance 2025 ·

Total Investment in Social Welfare : RMB **6.5689** million

Participations in Public Welfare Activities: **12** Times

Number of People Assisted : **143** Persons

Number of Participations in Volunteer Service: **609** Person-times

Total Duration of Volunteer Service : **1,650** Hours

Average Duration of Volunteer Service : **0.39** Hours

**Case Support for Education and Charity Initiatives in Linwu County, Hunan Province**

We donated RMB 0.5 million to the Hunan Charity Federation and Education Foundation to support education development, charity assistance, and grassroots governance improvements in Chujiang Town and surrounding areas of Linwu County, Hunan Province. This contribution provides crucial educational support for sustainable rural development.



Blood Donation for Public Welfare

**Case Support for Desertification Control and Ecological Restoration in Mining Areas in Inner Mongolia**

Dazhong Mining also donated RMB 2 million to the Inner Mongolia Desertification Prevention and Control Foundation for comprehensive sandy land treatment, carbon-neutral forest construction, and related scientific research. In addition, the Company continues its annual tree planting and greening efforts in its mining areas, supporting regional ecological restoration and green development.



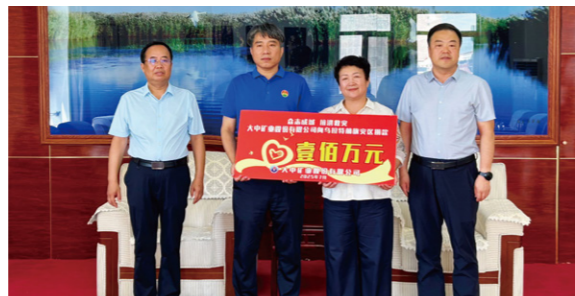
Land Reclamation Initiative



Tree Planting Activities in the Shujigou Mining Area

**Case Support for Post-Flood Reconstruction in Urat Front Banner**

In response to the severe flood disaster in Wulate Qianqi, Dazhong Mining quickly acted by donating RMB 1 million in special disaster relief funds to the Red Cross and organizing employee donations. This swift action demonstrated our commitment to post-disaster reconstruction and our strong sense of corporate social responsibility.



Warming Huoqiu by Spreading Love to Every Family – Jinrisheng Mining Launches "Charity One-Day Donation" Activity

**霍邱县慈善协会**

**感谢信**

安徽金日晟矿业有限责任公司及全体职工：  
值此2025年霍邱县“慈善一日捐”活动深入推进之际，贵公司于12月2日慷慨解囊，向我协会捐赠善款100548.8元，用实际行动为公益事业注入温暖力量。我们谨代表霍邱县慈善协会及全体受助群众，向贵公司致以最崇高的敬意和最诚挚的感谢！  
作为扎根地方、心系民生的优秀企业，贵公司始终践行“取之于社会，用之于社会”的责任担当，在发展的同时不忘回馈乡梓。此次“慈善一日捐”活动中，贵公司积极响应号召，率先垂范，以大额捐赠彰显了企业的仁爱之心与社会情怀，为全社会树立了公益标杆，也让更多困难群众感受到了来自企业的关怀与社会的温暖。  
贵单位所捐赠的善款，我们将严格按照《中华人民共和国慈善法》和慈善公益的相关规定，专项用于困难群众生活帮扶、公益项目落地等民生实事，全程公开捐赠使用明细，主动接受社会监督，确保每一分善款100%都用在刀刃上，花在急需处。我们坚信，在贵公司的示范引领下，必将凝聚更多社会力量参与慈善，让爱心之花在霍邱大地持续绽放。  
再次感谢安徽金日晟矿业有限责任公司的无私奉献与鼎力支持！愿贵公司事业蒸蒸日上，宏图大展，继续与我们携手同行，共同筑牢慈善之路，共绘民生幸福画卷。



**Support Rural Revitalization**

Over the years, Dazhong Mining has actively aligned with the national rural revitalization strategy and fulfill corporate social responsibilities. We have integrated our development with the improvement of local livelihoods and the promotion of regional coordinated development. In particular, we have continuously strengthened our efforts in key strategic regions such as Hunan and Sichuan, actively recruited local employees, and engaged deeply in local community development. Through these initiatives, we have effectively improved the living standards of local residents and contributed in practical ways to advancing rural revitalization and coordinated regional development.

Dazhong Mining continues to strengthen our efforts in areas such as industrial support, infrastructure development and talent cultivation, and systematically implement multi-dimensional livelihood projects aimed at addressing urgent needs in rural areas, such as dilapidated house renovation, road construction, water conservancy facility maintenance, and emergency disaster relief. These initiatives aim to enhance rural infrastructure and ensure the well-being of local communities. In addition, the Company supports the integrated development of local culture, sports, and industries, contributing to the cultural prosperity and economic vitality of rural areas. We actively explore a sustainable path of enterprise-local co-construction, resource-sharing, and win-win development, playing a key role in rural revitalization and the promotion of high-quality regional economic development.

### Supporting Cultural Inheritance and Regional Development

- ▶ Donated RMB 0.9824 million for the installation of outdoor publicity screens at Barkam Jiarong Pedestrian Street, providing a platform for Barkam City to showcase its regional characteristics and promote cultural tourism.
- ▶ Sponsored RMB 0.19 million for the traditional Guozhuang Festival folk activities in Baiwan Township, Barkam City, supporting the protection and inheritance of ethnic cultural heritage.



Barkam Guozhuang Festival Sponsored by Sichuan Dazhonghe



Outdoor Public Information Display Screen Donated and Installed by Sichuan Dazhonghe on Jiarong Pedestrian Street in Barkam

### Linking Industrial Resources to Boost Local Economy

- ▶ Invested over RMB 0.6 million to sponsor large-scale events such as the "Hunan Rural Dragon and Lion Championship", "Linwu County Beautiful Rural Basketball Tournament", and "International Mineral and Gem Expo", indirectly boosting local consumption and industrial growth.
- ▶ Utilized our Anhui Jinrisheng Iron Mine Cultural Expo Park to host research and study events, promoting the integration of industry, cultural tourism, and education for local industrial development.



Rural Dragon and Lion Dance Championship in Hunan



Harmonious Rural Basketball Tournament in Linwu County

### Strengthening Livelihood Foundations and Building Harmonious Communities

- ▶ Organized professional technicians to provide free power line installation and safety inspection services for Xiaojinggou Village, ensuring electricity safety and improving living convenience.
- ▶ Built enterprise-public shared roads and donated 0.075 tons of sand and gravel to local governments for the construction of surrounding rural roads.
- ▶ Implemented the drinking water safety improvement project in Seli Village, ensuring safe drinking water through pool purification and long-term management.
- ▶ Invested RMB 0.8 million in new rural construction in Yafutang Village, including RMB 0.5 million for house renovation and RMB 0.3 million for rural public welfare development.



Shujigou Power Support: Ensuring a Stable Power Supply for Local Residents



Road Rescue Operations in Sichuan Dazhonghe: Safeguarding Safe Travel for Villagers



Water Supply Pipelines at Sichuan Dazhonghe Jiada Lithium Mine: Addressing Water Shortages for Local Communities



Support for Road Construction at Shanpiangou Pyrite Mine

Key Performance 2025

Total Investment in Rural Revitalization : RMB **3.4106** million  
 People Benefiting from Rural Revitalization : **169** Persons    Rural cadres : **6** Persons  
 Rural returnees : **20** Persons    Rural children : **48** Persons    Rural elderly : **52** Persons  
 Others : **43** Persons



# Future Prospects

Standing at a new starting point in 2026, Dazhong Mining will continue to uphold its development vision of "a mining group recognized by its employees, renowned in the industry and respected by society", and deeply integrate the concept of sustainable development into the Company's strategy and entire operation. With clearer strategic goals and a grand blueprint, we will steadfastly advance toward a new journey of high-quality development, fostering a multi-wheel-driven growth pattern built on the solid foundation of iron ore.

**Strengthening the Foundation, Improving Quality and Efficiency.** We will continue to refine our modern corporate governance structure, further enhance the ESG governance system, strengthen risk control, uphold business ethics, and continuously improve corporate governance transparency and investor confidence.

**Striving for Green, Sustainable Development.** We will firmly practice the philosophy of safe, green and harmonious development, embedding environmental protection into the very fabric of corporate growth. By continuously advancing the construction of green mines and the application of low-carbon technologies, we will protect lucid waters and lush mountains to higher standards, achieve the harmonious coexistence of resource development and ecological conservation, and make green a defining feature of high-quality development.

**Forging Ahead in Business, Building a Diversified Pattern.** We will fully promote the industrial development of strategic resources led by iron and lithium, and concentrate superior resources to accelerate the construction and production of key projects. We strive to achieve major breakthroughs in resource conversion efficiency, the application of key technologies and market expansion. With a more open mindset, we will deepen strategic cooperation with scientific research institutions, industry leaders and chain partners, build a symbiotic and win-win industrial ecosystem, and translate resource advantages into tangible competitiveness and economic benefits.

**Life First, Safety Paramount.** We will continue to build "safe mines", adhere to the philosophy of "Cherish Life, Safety First", and establish a robust production safety system through intelligent and systematic measures to safeguard employees' occupational health and safety.

**Caring for People, Sharing Development.** We adhere to a people-oriented approach, improve the employee training and development system, and foster an inclusive, diverse and positive workplace. We will also integrate more deeply into community development, support rural revitalization and community prosperity through industrial assistance, joint infrastructure development, charitable initiatives and other means, fulfilling the corporate aspiration of "common prosperity".

**With the blueprint laid out, the time has come to set sail; with heavy responsibilities upon us, we must press forward with greater resolve.** Supported by our profound experience, clear strategy and united teams, we will surely compose a magnificent chapter of green transformation amid the roar of machinery and illuminate the bright future of sustainable mining development with the light of responsibility!

# Appendix

## Indexes

Chapters and Sections	Sustainability Reporting Standards of the Global Reporting Initiative (GRI Standards)	Guide to Corporate Sustainability Reporting in China (CASS-ESG 6.0)	Self-Regulatory Guidelines No. 17 for Companies Listed on Shenzhen Stock Exchange—Sustainability Report (For Trial Implementation)	Stock Exchange-Related Topics	
About this Report	2-1/2-2/2-3	P1.1/P1.2	Articles 4 and 6	/	
Message from the Chairman	/	P2.1	/	/	
Sustainable Development Highlights in 2025	/	/	/	/	
About Dazhong Mining	2-1/2-6/2-8	P3.1/P3.2/P3.3	/	/	
Sustainability Management	ESG Governance Mechanism	2-14	G1.1.1/G1.1.2/G1.1.4/G1.1.5/G1.1.6	Articles 11 and 12	/
	ESG Strategy and Target Progress	2-24/3-3	G1.1.7/G1.1.11	Articles 11 and 13	/
	ESG Risk Management	/	G1.1.8	Articles 11 and 18	/
	ESG Training and Promotion	2-17	G1.1.3	Article 12	/
	Communications with Stakeholders	2-16/2-29	G1.3.1/G1.3.2	Articles 9 and 53	Communications with Stakeholders
	Management of Material Topics	3-1/3-2/3-3	G1.1.9	Article 5	Due Diligence
Special Feature: "Lithium" Vision for a New Era — Dazhong Mining's Path to Breakthrough in the Lithium Industry	413-1/413-2	E3.3.2/S2.1.13	Articles 37 and 42	Innovation-driven Development Energy Utilization Circular Economy	
Compliant Operations: Strengthening Governance Foundations	Deepening of Party Building Leadership	/	/	/	/
	Improvement of Corporate Governance	2-9/2-11/2-12/2-13/2-18/2-19/2-20/2-27/405-1	/	/	/
	Protection of Investors' Rights and Interests	2-16/2-27/201-1	/	/	/
	Enhancement of Risk Management	207-1/207-2	/	/	/
	Adherence to Business Ethics	2-23/2-27/205-2/206-1	G2.1.1/G2.1.2/G2.1.3/G2.1.5/G2.1.6/G2.1.7/G2.2.2	Articles 55 and 56	Anti-Commercial Bribery and Anti-Corruption, and Anti-Unfair Competition

Chapters and Sections	Sustainability Reporting Standards of the Global Reporting Initiative (GRI Standards)	Guide to Corporate Sustainability Reporting in China (CASS-ESG 6.0)	Self-Regulatory Guidelines No. 17 for Companies Listed on Shenzhen Stock Exchange—Sustainability Report (For Trial Implementation)	Stock Exchange-Related Topics	
Green Mines: Fostering Ecological Integration	Response to Climate Change	201-2/305-1/305-2/305-4/305-5	E1.1.1/E1.1.2/E1.1.3/E1.1.4/E1.1.5/E1.1.6/E1.1.7/E1.1.8/E1.1.13/E1.1.14/E1.1.15/E1.1.16/E1.1.19	Articles 21, 22, 23, 24, 25, 26, 27 and 28	Response to Climate Change
	Enhancement of Environmental Management	305-6/305-7/306-1/306-2/306-3/306-4/306-5	E2.1.1/E2.1.2/E2.1.3/E2.1.5/E2.1.6/E2.1.7/E2.1.8/E2.1.9/E2.2.1/E2.2.2/E2.2.3/E2.2.4/E2.2.5/E2.2.6/E2.4.1/E2.4.2/E2.4.3/E2.4.4	Articles 29, 30, 31 and 33	Environmental Compliance Management Pollutant Emissions Waste Disposal
	Improvement of Resource Efficiency	302-1/302-2/302-3/302-4/302-5/303-1/303-2/303-3/303-4/303-5	E3.1.1/E3.1.2/E3.1.3/E3.1.4/E3.1.5/E3.2.1/E3.2.2/E3.2.3/E3.2.4/E3.3.1/E3.3.2/E3.3.3/E3.3.4/E3.3.5	Articles 35, 36 and 37	Energy Utilization Water Resource Utilization Circular Economy
	Practice of Green Operations	306-2	E3.1.5/E3.2.3/E3.3.4	Articles 35, 36 and 37	Energy Utilization Water Resource Utilization Circular Economy
	Construction of Green Mines	304-1/304-2/304-3	E2.3.1/E2.3.2/E2.3.3	Article 32	Protection of Ecosystem and Biodiversity
	Intelligent Mines: Empowering with Digital Intelligence	Promotion of Smart Operations	203-1	S2.1.1/S2.2.2/S2.1.3/S2.1.4/S2.1.5/S2.1.6/S2.1.7/S2.1.10/S2.1.12/S2.1.13	Article 42
Protection of Data Security		417-2/417-3/418-1	S3.4.1/S3.4.2/S3.4.3/S3.4.4	Article 48	Data Security and Customer Privacy Protection
Responsible Supply Chain		414-1/414-2/308-1/308-2	S3.1.2/S3.1.3/S3.1.4	Article 45	Supply Chain Safety Equal Treatment of Small and Medium-Sized Enterprises
Safe Mines: Benchmarking for Quality Improvement	Assurance of Product Quality	416-1	S3.3.1/S3.3.2/S3.3.4/S3.3.5	Article 47	Safety and Quality of Products and Services
	Solidification of Safety Defense Line	403-1/403-2/403-3/403-4/403-5/403-6/403-7/403-9/403-10	S4.2.1/S4.2.2/S4.2.3/S4.2.4/S4.2.5/S4.2.6	Article 50	Employees
People-Oriented Mines: Deepening Responsibility Fulfillment	Promotion of Talent Development	401-1/401-2/404-1/404-2/405-1/405-2	S4.1.1/S4.1.3/S4.1.4/S4.1.5/S4.1.6/S4.1.7/S4.1.8/S4.1.9/S4.1.11/S4.1.12/S4.3.1/S4.3.2/S4.3.3/S4.3.4/S4.3.5/S4.3.6	Article 49/50	Employees
	Co-building of a Harmonious Society	413-1	S1.1.2/S1.1.3/S1.2.1/S1.2.2/S1.2.3/S1.2.4/S1.2.6	Article 39/40	Rural Revitalization Social Contribution
Future Prospects	2-22	A1	/	/	
Appendix	Indexes	/	A3	Article 57	/
	Feedback Form	2-26	A6	Article 9	/

## Feedback Form

Dear Readers,

Thank you for reading this report. We highly value and look forward to hearing your feedback on this report. Your opinions and suggestions are crucial for us to continuously improve our ESG information disclosure, management and practices. We sincerely welcome and thank you for your valuable feedback!

1. Your overall assessment of Dazhong Mining's ESG performance:

Very Good  Good  Average  Below Average  Poor

2. Your overall assessment of this report:

Very Good  Good  Average  Below Average  Poor

3. How do you think Dazhong Mining has performed in terms of communications with stakeholders?

Very Good  Good  Average  Below Average  Poor

4. How do you think Dazhong Mining has performed in terms of product responsibilities?

Very Good  Good  Average  Below Average  Poor

5. How do you think Dazhong Mining has performed in terms of environment protection, safety and occupational health?

Very Good  Good  Average  Below Average  Poor

6. How do you think Dazhong Mining has performed in terms of the protection of employees' rights and interests?

Very Good  Good  Average  Below Average  Poor

7. How do you think Dazhong Mining has performed in terms of ESG?

Very Good  Good  Average  Below Average  Poor

8. What are your opinions and suggestions on Dazhong Mining's ESG performance and this report?

### You can contact us at:

#### Offline Mailing

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#### Online Feedback

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