

HBIS RESOURCES CO.,LTD.
Stock Code:000923



2025 HBIS RESOURCES CO.,LTD.
**Environmental, Social and
Governance (ESG) Report**

HBIS RESOURCES CO.,LTD.

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Report preface

Report description

This report is the 6th Environmental, Social, and Governance (ESG) Report publicly released by HBIS Resources Co., Ltd. It aims to truthfully reflect the Company's development and practical achievements in ESG during 2025, disclose the Company's operation condition to stakeholders, and help shareholders, creditors, partners, employees, and other stakeholders gain a deeper understanding of the Company's social responsibility practices. We hope to enhance communication with stakeholders by issuing this ESG report, to build consensus, and promote sustainable development.

Reporting period

This report is an annual report covering the period from January 1, 2025, to December 31, 2025. To enhance the comparability and prospectiveness of this report, some content is extended.

Report scope

This report focuses on HBIS Resources Co., Ltd. and its consolidated subsidiaries and branches. Unless otherwise specified, the scope of this report is consistent with that of the Company's annual report.

Basis of preparation

United Nations 2030 Sustainable Development Goals (SDGs)

Sustainability Reporting Standards of the Global Reporting Initiative (GRI Standards)

Self-regulatory Guidelines for the Companies Listed on the Shenzhen Stock Exchange No. 1 - Standardized Operation of the Companies Listed on the Main Board issued by Shenzhen Stock Exchange

Self-regulatory Guidelines for the Companies Listed on the Shenzhen Stock Exchange No. 17 - Sustainable Development Report (Trial) issued by Shenzhen Stock Exchange

Guidelines for the Sustainable Development Report of Chinese Enterprises (CASS-ESG 6.0) - Ferrous Metal Mining, Processing and Smelting Industry issued by China Enterprise Reform and Development Society and CSR Cloud Research Institute

Data sources and reliability assurance

All information and data cited in this report are from HBIS Resources' official documents, statistical reports, and financial reports, as well as internal data and public information from various functional departments and business departments counted, summarized, and reviewed by the Company. Unless otherwise specified, all currencies and amounts mentioned in this report are in CNY. In the case of discrepancies between the financial data and the annual report, the annual report shall prevail.

Reference remarks

In this report, for ease of expression and reading, "HBIS Resources", "the Company", and "we" refer to "HBIS Resources Co., Ltd.", "HBIS Group" refers to "HBIS Group Co., Ltd.", "PMC" refers to "Palabora Mining Company Proprietary Limited", and "PC" refers to "Palabora Copper (Pty) Limited".

Unit description

In this report, monetary amounts involving ZAR are converted to CNY based on the exchange rate at the end of the reporting period (December 31, 2025).

Report accessibility

In order to practice the philosophy of low-carbon environmental protection and sustainable development, this report can be read online or downloaded in electronic version on the Company's website (<http://www.hbiszy.com>) and (www.cninfo.com.cn). If you would like to learn more about the Company beyond this report, you can refer to the Company's annual report or browse the Company's website.



Statement of the Board of Directors

In accordance with the *Company Law of the People's Republic of China*, the *Securities Law of the People's Republic of China*, the *Code of Corporate Governance for Listed Companies*, the *Self-regulatory Guidelines for the Companies Listed on the Shenzhen Stock Exchange No. 1 - Standardized Operation of the Companies Listed on the Main Board*, the *Self-regulatory Guidelines for the Companies Listed on the Shenzhen Stock Exchange No. 17 - Sustainable Development Report (Trial)* of Shenzhen Stock Exchange, and other laws, regulations, normative documents and the *Company's Articles of Association*, the Company has established the Environment, Social and Governance (ESG) Committee under the Board of Directors, continuously improving and perfecting the ESG governance structure and management system.

The Board of Directors is the highest decision-making body for the Company's environmental, social and governance matters. It is responsible for integrating ESG matters into the Company's management regulations and business decision-making processes, approving the formulation of the Company's ESG strategy, risk management, information disclosure and goal implementation, and ensuring the independence, efficiency and professionalism of the Company's ESG governance.

Members of the ESG Committee are elected by the Board of Directors. They work under the leadership of the Board of Directors, are accountable to the Board of Directors and regularly report to the Board of Directors on the annual progress of ESG work. The ESG Committee mainly fulfills the following responsibilities: researching and formulating the Company's ESG development policies, core strategies and performance evaluation standards; formulating strategic plans, implementation rules and annual work objectives for the Company's ESG management; guiding and supervising the implementation of the Company's ESG-related work, supervising actual performance and goal completion of ESG work, and providing optimization suggestions and improvement recommendations to ensure the timely achievement of various ESG objectives; deliberating the Company's ESG-related reports and other significant ESG-related matters, and providing professional deliberation opinions to the Board of Directors.

During the reporting period, the Board of Directors attached great importance to the expectations of stakeholders on ESG matters, conducted stakeholder engagement activities in combination with industry characteristics and key issues of the Company's operation, screened, assessed and prioritized ESG issues, and promptly adjusted and determined the Company's material ESG issues. Based on the external macro-economic and social environment and the Company's overall development strategy, the Board of Directors coordinated and promoted the strict implementation of ESG management responsibilities across the Company and various departments, and conducted a comprehensive self-assessment of the completion status of ESG indicators and the achievement of annual targets for each module in 2025.

This report discloses the detailed progress and achievements of the Company's ESG work in 2025, which has been deliberated and approved by the Board of Directors. The Company's Board of Directors and all directors pledge that the report contains no false records, misleading statements or major omissions, and bears joint and several liability for the authenticity, accuracy and integrity of the report.

Address by chairman



Chairman of HBIS Resources Co., Ltd. Wang Yaobin

In 2025, the uncertainties arising from the evolving geopolitical landscape intensified, accelerating the restructuring of global industrial chain. Under the background of the national "carbon peaking and carbon neutrality" goal and the in-depth promotion of the "Belt and Road" high-quality development, HBIS Resources firmly seized the historical opportunity to develop new quality productive forces, deeply integrated ESG concepts into the entire process of corporate strategy and operation, committed to solidifying the development foundation with environmental responsibility, demonstrated corporate commitment with social responsibility, enhanced core competitiveness with governance efficiency, committed to building a globally influential green mining benchmark and contributed to the building of a community with a shared future for mankind.

This year, we focused on governance empowerment, and improved the corporate governance system to solidify the foundation for development with standardized management and control. We strengthened compliance management, improved the risk prevention and control system, strictly adhered to the bottom line of business ethics, and effectively protected the rights and interests of investors. Focusing on quality excellence, we deepened the whole-process quality management, optimized the service system, and solidified the cornerstone of customer trust. Adhering to the safety bottom line, we continuously improved the safety management system, fully practiced the "Zero Harm" safety philosophy, prioritized personnel health and work safety, and consolidated the foundation for stable overseas operations.

This year, we remained true to our green aspirations, fulfilled our commitment to "carbon peaking and carbon neutrality" development, and painted the ecological landscape with precise measures. The Company coordinated pollution control, ecological protection and biodiversity protection, and strengthened the construction of green mines. The Company took permit compliance as the baseline and ultra-low emissions as the goal, and systematically advanced the whole-process management of air, water and solid waste. In 2025, the Company completed the review of mine closure costs and updated reclamation standards to designate 21 hectares of land for simultaneous ecological restoration, gradually restored ecosystem functions through landform reshaping, soil improvement and planting of native vegetation, implemented the *Biodiversity Action Plan*, and regularly conducted ecological survey, entomological monitoring and assessment of herbivore activity trails to effectively enhance the stability and resilience of the mining area ecosystem and provide a replicable practical model for

biodiversity protection and green mine construction.

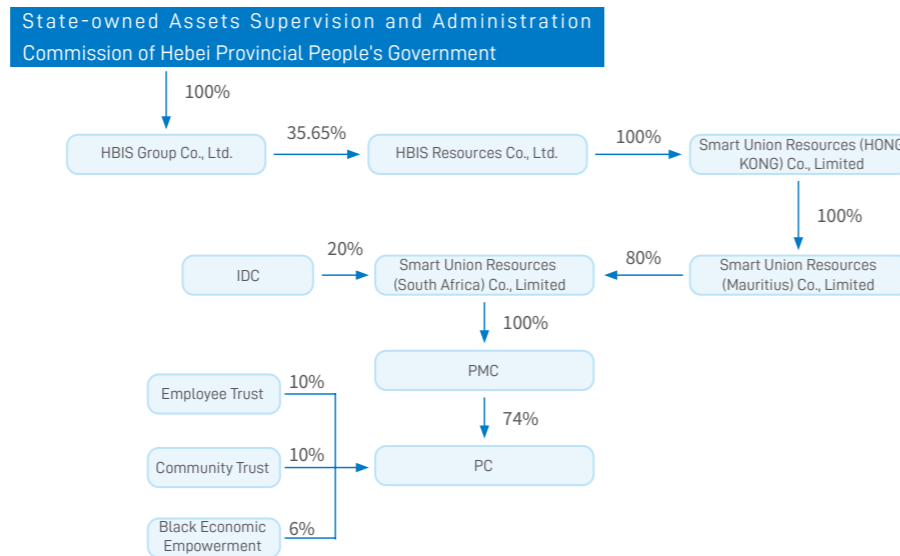
This year, we fulfilled our responsibilities, anchored our common development goals, and conveyed the warmth of the enterprise through practical actions. The Company adhered to innovation-driven development, stimulated technological vitality, improved the innovation management system, participated in core academic conferences multiple times, and collaborated with higher education institutions such as the University of South Africa to accelerate the transformation of scientific and technological achievements; upheld a people-oriented approach, strictly complied with local laws and regulations such as the *Constitution of South Africa* and the *Employment Equity Act*, and effectively safeguarded the legitimate rights and interests of employees; actively fulfilled its social responsibilities by persisting in local hiring, supporting local business development and aiding educational initiatives, and truly achieved the goal of "teaching a man to fish rather than giving him a fish"; invested in public infrastructure and healthcare, built a harmonious and inclusive symbiotic community, and continuously unleashed social value while creating economic value, thus allowing the fruits of its development to benefit more people.

Looking ahead, HBIS Resources will proactively integrate into the national "carbon peaking and carbon neutrality" goal and the in-depth promotion of the "Belt and Road" high-quality development, take the development of new quality productivity as the traction, unwaveringly follow a green and sustainable path, promote the synergistic advancement of economic, environmental and social value, and strive to write a new chapter of high-quality development for resource-based enterprises in the new era!

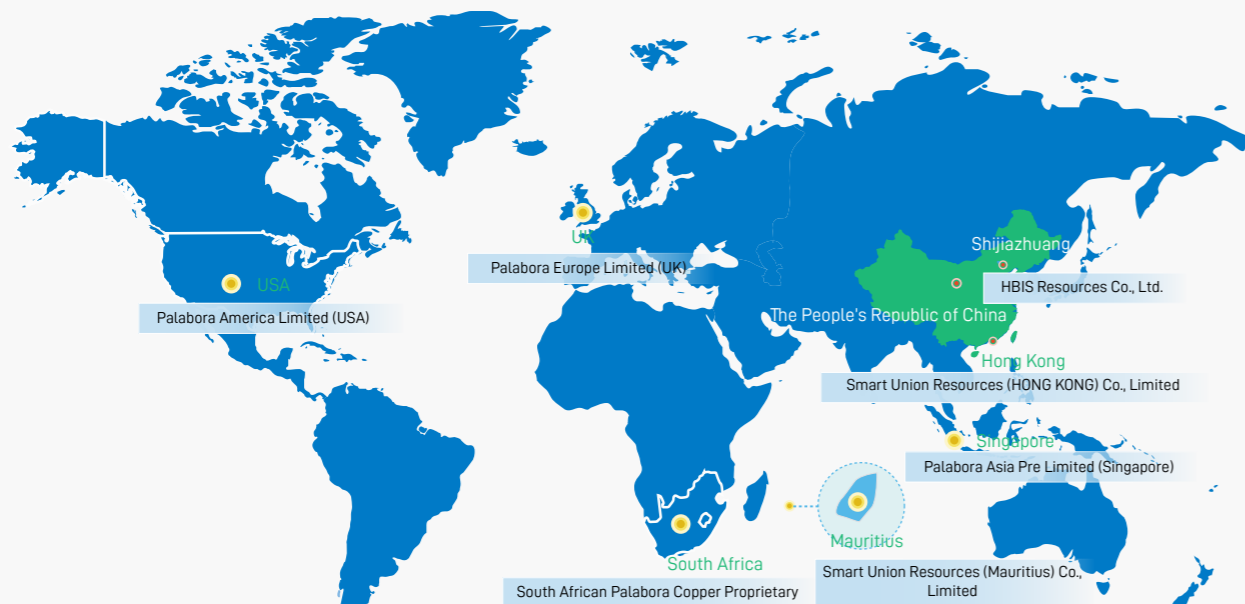
About us

Company overview

HBIS Resources Co., Ltd., established in 1950, was listed on the Shenzhen Stock Exchange on July 14, 1999 (stock code: 000923.SZ). It was registered in Zhangjiakou City, Hebei Province, as a local state-owned holding listed company. The Company, through its indirect holding of PMC via Smart Union Resources (Hong Kong) Co., Limited, engages in the mining, processing, and sales of copper, iron ore, and vermiculite. It has formed an industrial layout where mining and processing are conducted in South Africa, and products are sold to North America, Europe, Asia, and other regions, which demonstrates strong competitiveness in both local and international markets.

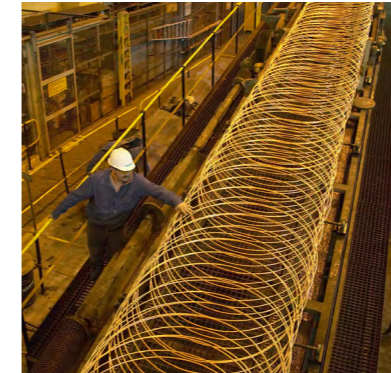


Shareholding Structure of the Company



Industrial Layout of the Company

The Company's Main Products



Copper Products



Iron Ore Products

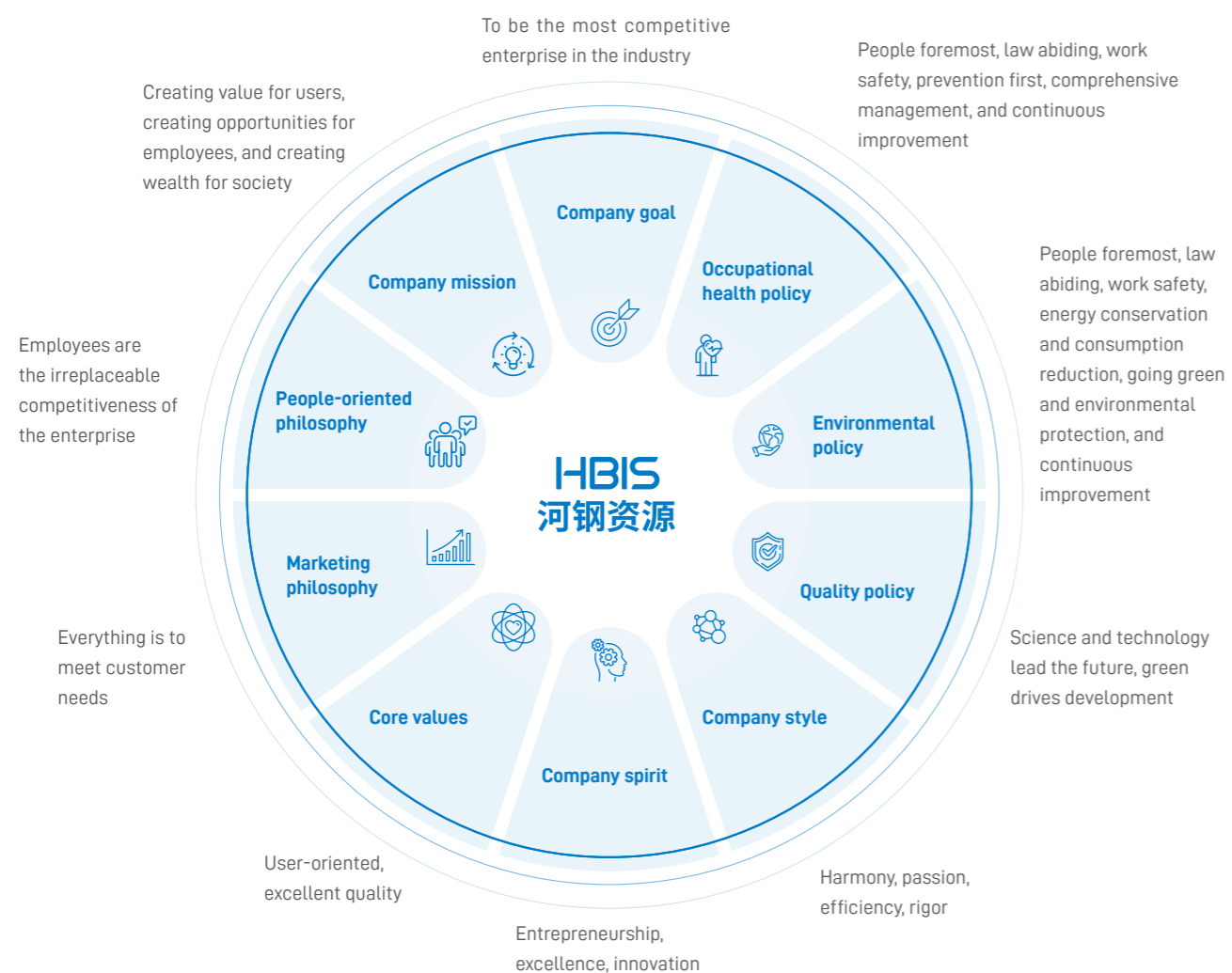


Vermiculite Products

Company Profile



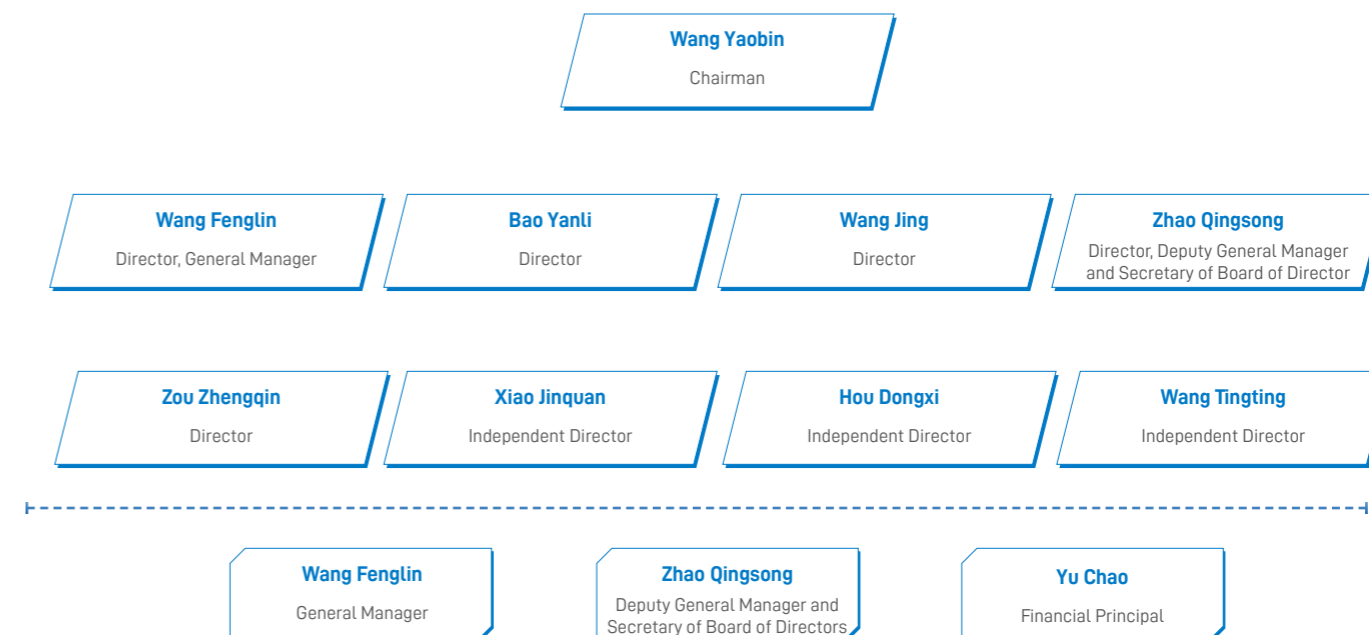
Company culture



Company strategy

The Company's strategic goal is to grow and strengthen in the resource and achieve sustainable and sound development. In the future, the Company will focus on the global resource market, continue to seek projects that align with its characteristics, seize capital market opportunities, and achieve mergers and acquisitions to expand the scale of its industrial development and enhance its sustainable profitability.

Leadership team



Company honors



PMC was awarded the Level 2 Compliance Contribution Enterprise Certificate under South Africa Broad-Based Black Economic Empowerment (B-BBEE) Act

PMC was honored as the 2025 Best Employers, a total of 8 times receiving this honor

ESG management

The Company is consistently committed to the business philosophy of compliance, integrity, openness and transparency, and sustainability. It continuously strives to reduce its environmental footprint, promote inclusive growth and adhere to high standards of corporate governance. ESG management is integrated into the corporate development strategy and daily operations. The Company improves the ESG governance system, continuously enhances its capability in responsibility practices, pays attention to and meets the expectations and demands of stakeholders, and promotes sustainable development of the enterprise, environment and society.

ESG governance mechanism

The Company has established an ESG Committee, which operates under the leadership of the Board of Directors and is accountable to the Board of Directors. The members of the Committee are elected by the Board of Directors and consist of three directors, including at least one independent director. All personnel responsible for ESG-related responsibilities possess the corresponding technical, operational and governance expertise to effectively ensure the implementation of the Company's ESG strategic objectives. A three-level ESG governance system comprising the "decision-making level, organizational level and implementation level" has been established, forming an ESG work system characterized by "strong coordination, efficient collaboration and effective execution".

ESG Architecture	
Board of Directors	Integrate ESG matters into the Company's management regulations and business decision-making process, and approve the formulation of the Company's ESG strategy, risk management, information disclosure and goal implementation.
ESG Committee	Research and formulate the Company's ESG policies, systems, strategic plans and implementation rules, take appropriate measures to address ESG-related risks and opportunities that have a significant impact on the Company's business, guide and supervise the implementation of the Company's ESG work, supervise and inspect the actual performance and goal achievement, review the Company's ESG-related reports and other significant ESG-related matters, and handle other matters authorized or assigned by the Board of Directors.
ESG Working Group	Carry out the specific implementation of ESG work, coordinate and promote the effective implementation of ESG strategic objectives and policy frameworks, and build a closed loop of ESG management with wide coverage and smooth operation.

The Company continuously improves its ESG system framework, promotes the standardization, institutionalization and systematization of ESG management, comprehensively standardizes the execution pathways for ESG work, enhances the operability of ESG management, encourages subsidiaries to leverage the safety, health, environment and quality (SHEQ) management system to establish and improve the management system covering ESG issues related to safety, health, environment and quality, and strengthen the commitment to sustainable development and ESG.

ESG capability enhancement

The Company fully integrates ESG concept into the entire operation and management chain, builds a model for high-quality development across multiple dimensions, compiles and publishes environmental, social and governance (ESG) reports for six consecutive years, systematically summarizes ESG responsibility practices and outcomes, continuously improves the level of ESG information disclosure, conducts ESG-themed training such as economic empowerment compliance training, social and labor plan compliance training and employment equity compliance training, actively participates in industry ESG exchange activities, enhances employees' sustainable development capabilities through seminars and knowledge sharing, and continuously strengthens the Company's ESG management capabilities.



Honors

The 2024 Environmental, Social and Governance (ESG) Report of HBIS Resources Co., Ltd. was awarded five-star rating by the China CSR Report Rating Expert Committee.

Awarded the "2025 ESG Whale and Bull Award for ESG Pioneer Enterprise".

Selected for the "China ESG Listed Companies Pioneer 100 (2025)" list, ranking the 96th.

Selected for the "China ESG Listed Companies State-Owned Enterprises Pioneer 100 (2025)" list, ranking the 15th.

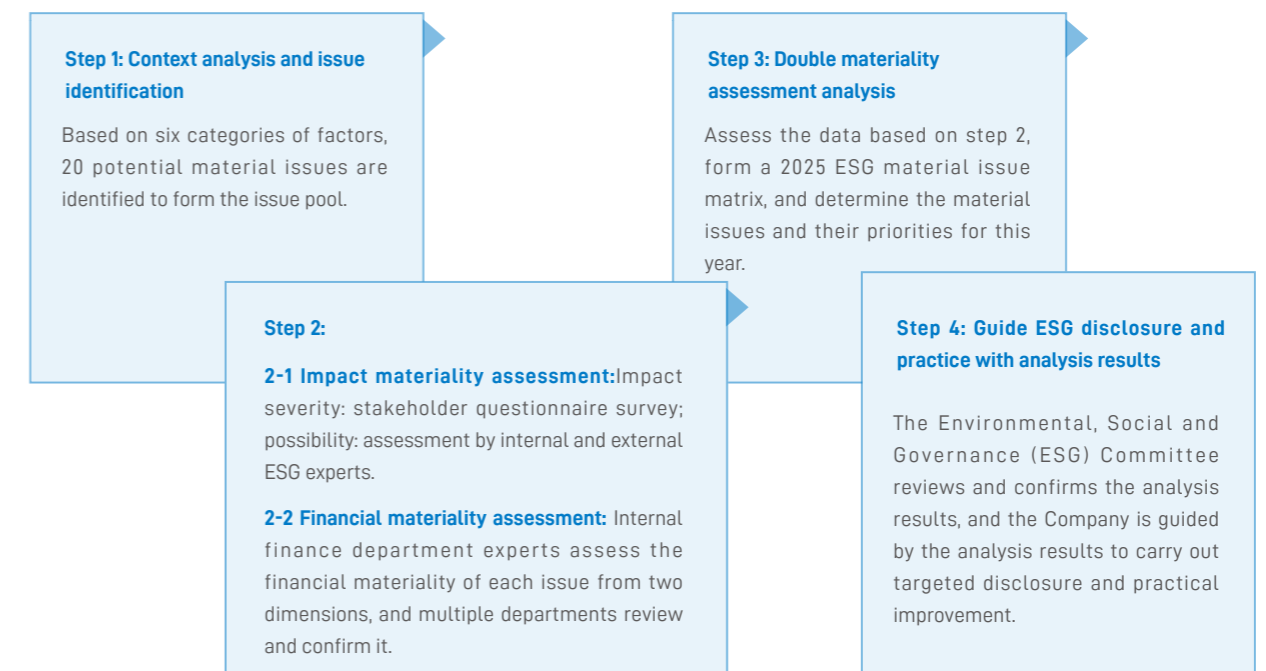
Selected for the "China ESG Listed Companies Pioneer 50 in Beijing - Tianjin - Hebei Region (2025)" list, ranking the 35th.

The ESG case (*Employee Rights and Development Practices at HBIS Resources: Building a People-oriented Sustainable Workplace Ecology*) was selected as one of the Best Practices for Sustainable Development of Listed Companies in 2025.

ESG issue assessment

In accordance with the latest international disclosure standards such as the *European Sustainability Reporting Standards (ESRS)* and *IFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information*, as well as *SZSE Self-regulatory Guidelines for Listed Companies No. 17 - Sustainability Report (Trial)* issued by the Shenzhen Stock Exchange, the Company establishes a double materiality issue assessment framework, identifies, assesses and prioritizes sustainability-related impacts, risks and opportunities. This report delivers a focused response to the four identified financially material matters.

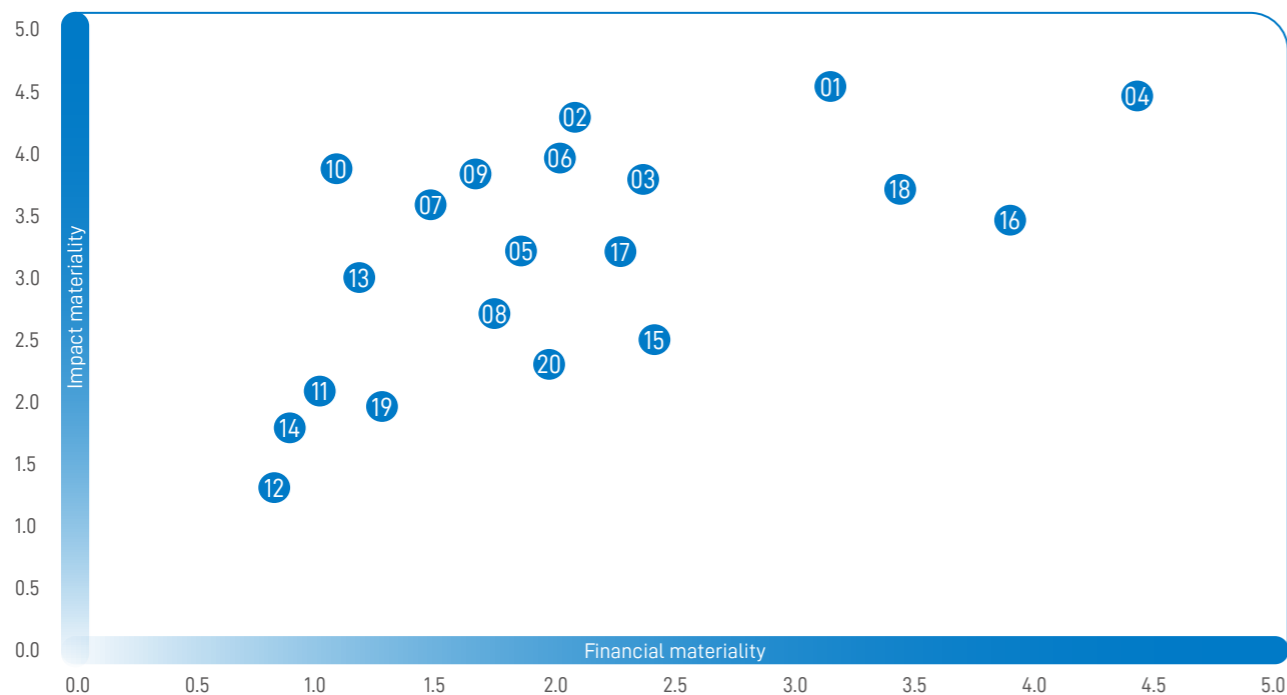
Double materiality assessment process



Material issue pool

1. Address climate change	2. Pollutant emissions	3. Waste disposal	4. Ecosystem and biodiversity protection
5. Environmental compliance management	6. Energy utilization	7. Water resource utilization	8. Social contribution
9. Innovation driven development	10. Supply chain security	11. Industry cooperation	12. Equal treatment of small and medium-sized enterprises
13. Product and service security and quality	14. Information security	15. Human rights protection	16. Employee training and development
17. Occupational health and work safety	18. Risk prevention and control	19. Compliance operation	20. Business ethics and transparency

ESG material issue matrix

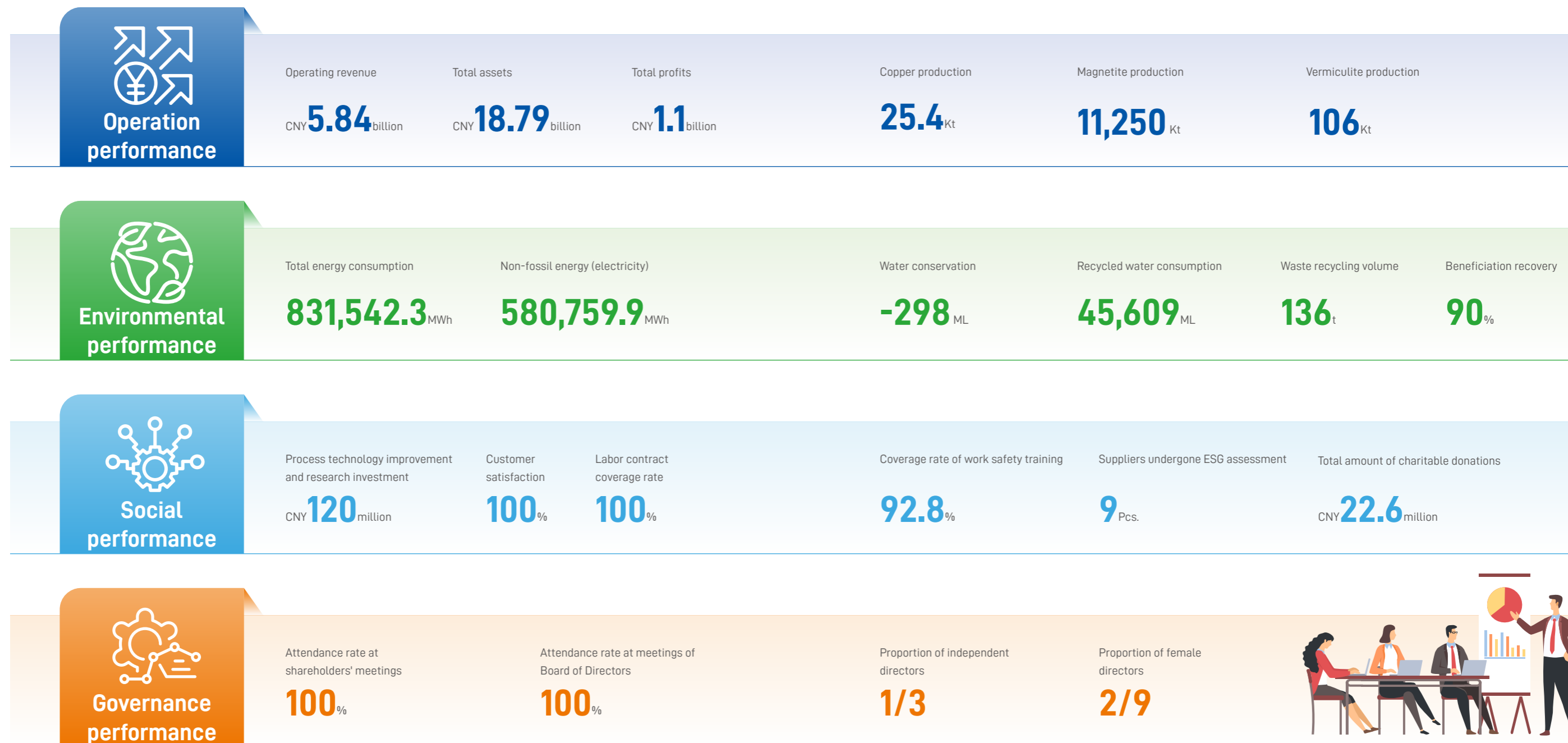


Stakeholder communication

The Company adheres to the principles of "truthfulness, comprehensiveness, timeliness and sufficiency" in information disclosure to ensure smooth communication with the government, customers, employees, suppliers, investors and the public, interacts with internal and external stakeholders through diversified means such as customer satisfaction surveys, board meetings, performance briefings and report releases, gains a deep understanding of their expectations and demands regarding the Company's environmental, social and governance areas, and establishes a responsible corporate image.

Stakeholder	Demands	Answer
Government	<ul style="list-style-type: none"> Compliance management Support regional development Tax payment according to laws 	<ul style="list-style-type: none"> Compliance with laws and regulations Provide employment opportunities Voluntary tax payment
Customer	<ul style="list-style-type: none"> Product and service innovation Protect customer rights and interests Improvement of customer satisfaction 	<ul style="list-style-type: none"> Strengthen science, technology and management innovation Adhere to honest business Actively respond to customer needs
Employee	<ul style="list-style-type: none"> Build career development channels Comprehensive remuneration and welfare Guarantee occupational health Safeguard employees' rights and interests 	<ul style="list-style-type: none"> Improve internal management system Provide work and life assurance for employees Strengthen the construction of occupational health and safety system Employee communication and feedback mechanism
Community	<ul style="list-style-type: none"> Actively engage with the community Conduct volunteer activities 	<ul style="list-style-type: none"> Enhance community communication Launch public welfare projects
Environment	<ul style="list-style-type: none"> Energy conservation and emissions reduction Biodiversity protection 	<ul style="list-style-type: none"> Improve the efficiency of resource and energy utilization Practice green management Advance green manufacturing Biodiversity protection and utilization
Supplier	<ul style="list-style-type: none"> Open and fair procurement Mutual benefit and win-win 	<ul style="list-style-type: none"> Build a responsible supply chain Cooperation and exchange
Investors	<ul style="list-style-type: none"> Improvement of company governance Compliance information disclosure Sustainable profitability of the Company 	<ul style="list-style-type: none"> Enhance internal control levels Periodic information disclosure Protect shareholders' equity

2025 annual responsibility performance



Ensuring supply of high-quality ore Enhancing global industrial resilience

As a responsible practitioner in the field of global mineral resources, HBIS Resources is committed to ensuring the stable supply of high-quality ore, deeply cultivates the core business of mining based on industrial advantages and global layout, continuously optimizes the supply capacity of three core product systems of copper, iron ore and vermiculite, provides high-quality mineral resources support for global industrial development, and fulfills its corporate social responsibility and sustainable development commitment through concrete actions.

Consolidate the foundation for stable ore production

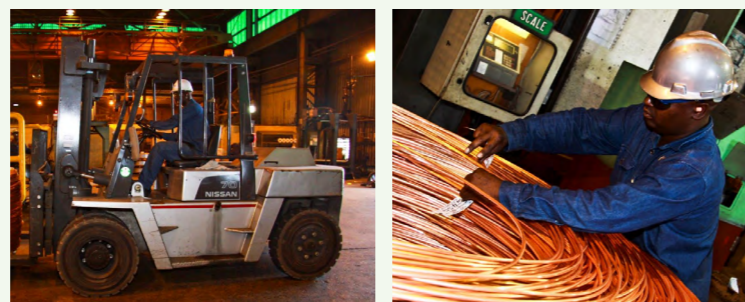
HBIS Resources, grounded in mineral resource mining and processing, adheres to the concept of lean, green and efficient mining, and forms three product systems with copper products, iron ore products and vermiculite products as the core with mature mining technology and robust operation advantages, so as to ensure the stable production capacity and practice its responsibilities for safe development and ecological protection. In 2025, the Company continued to fully advance the production ramp-up of the Lift II project, seize the market opportunity presented by high copper prices, accelerate the achievement of full production capacity, steadily progress with the construction of the magnetite quality improvement project, promote the quality upgrade of high-grade magnetite products, and achieve a comprehensive increase in iron grade from 62% to 65%.

2025 PMC Three Major Product Output

Copper output	Ten thousand t	2.5
Iron ore output	Ten thousand t	1,125
Vermiculite output	Ten thousand t	10.6

Copper

The PMC under the Company is the largest producer of full-process refined copper in South Africa. The process covers all processes from ore mining, crushing, grinding, flotation, smelting, electrolysis, to rolling. After the completion of Lift II, the underground ore mining capacity can reach 11 million tons. The Company's copper products include copper rod, electrolytic copper and copper concentrate powder, with the majority sold locally in South Africa. In recent years, the main product is copper concentrate containing about 30% copper.



Copper rod

Magnetite

The magnetite from the PMC under the Company is an associated deposit separated during the processing of copper ore, with low mining cost and high iron content. By 2025, the PMC facility will hold approximately 110 million tons of magnetite ore with an iron content of about 55%. Prior to sale, the ore undergoes pulping, ball milling, and magnetic separation processes, which can increase its iron content to up to 65%. The facility also produces approximately 1.5 million tons of magnetite products annually from newly mined raw ore underground.

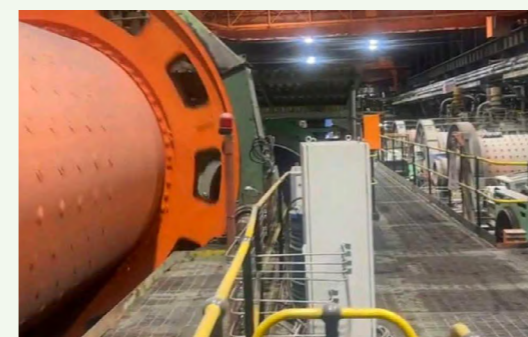
As of 2025

The magnetite pile at the PMC plant site is approximately

110 million tons

The annual production capacity of newly extracted magnetite products from underground raw ore is approximately

1.5 million tons



Retrofitted Magnetite Mill



Production of Superfines (DMS)

Vermiculite

The PMC under the Company is a major global producer of high-end vermiculite products, with an annual production capacity of about 170,000 t. The natural vermiculite produced by the Company includes golden/brown flakes, and the main products are sold to Asia, North America, and Europe through its globally distributed sales subsidiaries.



Finished Product of Vermiculite



Packaged Vermiculite

Forge overseas resource advantages

HBIS Resources adheres to the "Going Global" strategy, continuously promotes the construction of key overseas projects, focuses on its core mining business, drives the increase of mineral resource reserves, and delivers lasting value and sustainable development for local communities, stakeholders and PMC.

Case Completion ceremony held for the CMC project

In March 2025, after five months of planning and unremitting efforts, the company magnetite grinding operation team successfully completed the refurbishment of No. 4 mill facility and restored it to full operation. The facilities in this area have been out of service for over a decade, with significant challenges in procuring key components and complex engineering work. Relying on professional expertise, modern technology and collaborative efforts, the team has successfully completed the renovation safely, marking a crucial step towards achieving the goal of an annual output of 6 million tons of 65% magnetite (Fe).



Site of the Completed Renovation Project

Case PMC launches the construction of the largest mining return air fan station in the Southern Hemisphere

In June 2025, the first fan of the company's largest mining return air fan station project in the Southern Hemisphere was fully completed. This project was built to meet the essential ventilation needs for underground mining in Shafts No. 1 and No. 2, so as not only to ensure the respiratory safety of underground workers, reduce hazards from dust and harmful gases and achieve efficient energy utilization through technological upgrades, but also create opportunities for local employment and skill development, and demonstrate the concept of win-win cooperation and sustainable development of enterprises.



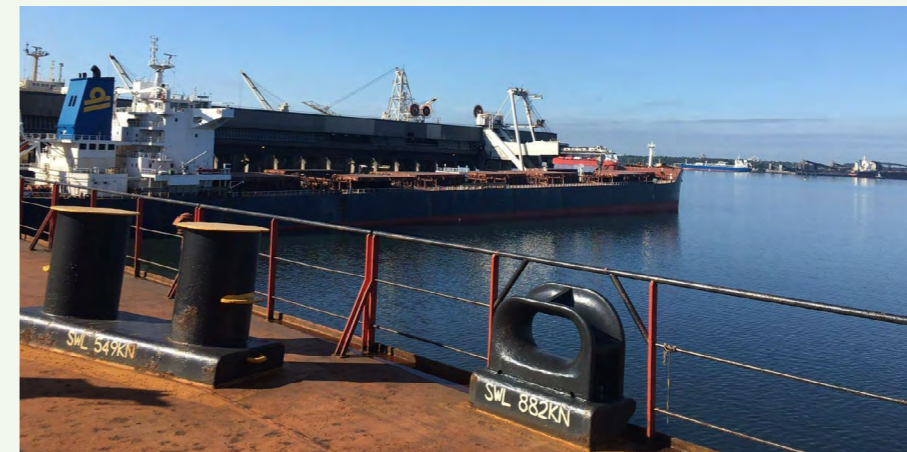
Construction Team for Mining Return Air Fan Station Project

Case PMC railway upgrade and renovation project achieves operational optimization with customized solutions

Since 2021, The Company has initiated a railway upgrade and renovation project, and implemented a 4km extension project through optimized design to achieve a capacity of loading and unloading 80 freight cars in one trip and reach a maximum of 5 train trips per day, and ensure the transportation of collected magnetite and vermiculite to the port without any damage throughout the entire process. This project achieved the safety goal of "Zero Harm" within 100,000 hours, and successfully met the needs of enterprises and customers with customized solutions, thereby promoting the sustainable development of Palabora community.



Railway Upgrade and Renovation Project Completed



Magnetite Team Produced 65% Iron Ore for Port Shipment in 2025



Block 1 of the Lift II Underground Project Completed and Handed Over for Use.

Jointly building the "Belt and Road" Reaping fruits of China-Africa cooperation

As an active practitioner of the "Belt and Road" Initiative, HBIS Resources has consistently adhered to the principle of extensive consultation, joint contribution and shared benefits, deepened its presence in the African market to promote the deep integration of China-Africa economic cooperation and sustainable development, and made continuous efforts in areas such as infrastructure construction, collaboration on major engineering projects, youth skills training and cultural heritage protection, which not only helps enhance the quality and efficiency of the local economy but also builds bridges of people-to-people connectivity through concrete actions, writing a new chapter of win-win cooperation between China and Africa.

Paving a smooth path for economic development

The Company has invested substantial resources in decades-long continuous investment in local communities, focused on areas such as transportation, education and health, participated in the construction of basic public infrastructure from clinics to roads, created viable local business and supplier networks to stimulate economic development, developed local human capital through youth education and workforce skills enhancement, promoted the sustainability of local community development and further driven local economic development.



Build 24-hour open health centers and clinics, renovate and rebuild school administration buildings, kitchen facilities for meal programs and others, carry out road maintenance and construction projects, and restore critical traffic corridors to benefit local communities and logistics transportation.



Implement large-scale strategic investments aligned with the development plan of the local municipal government, support the development of SMEs in local agriculture, tourism, construction and engineering sectors, incorporate local suppliers into the mining supply chain system, execute extensive scholarship programs and skills transfer partnerships, and build a resilient local economy.



The Company Collaborated with Limpopo Provincial Roads Agency on Road Construction



The Company Provided Collaborative Support to 26 Local Enterprises

Fostering cultural integration

HBIS Resources adheres to a strategy of preserving cultural traditions, integrates cultural considerations into the framework of business operations, deepens the participation of diverse communities, increases investment in educational projects, promotes the protection of local heritage, and enhances the cultural identity between China and Africa.

Cultural integration and exchange

Cherish the multicultural value of Africa, form a unique business card for cultural communication through internal cultural periodicals, and take the cultural activities of employees such as "Africa Day" and "Heritage Day" as the carrier to break cultural barriers, promote cultural exchanges between China and Africa, and fosters a harmonious and congenial atmosphere.

Investment in culture and education

Actively participate in the Mopani TVET College Open Day and the 2025 MTE Expo, organize interactive skills demonstrations by outstanding apprentices and current trainees to vividly present vocational training achievements and industry practice paths, and contribute to the youth development and skills enhancement.

Cultural Heritage Conservation

Update and revise the *List of Cultural Heritage and Management Plan* in accordance with the relevant provisions of the *National Heritage Resources Act of South Africa* to ensure the protection and respect of cultural heritage resources in the region by mining and development projects, and dynamically adjust the protection strategy through measures such as archaeological site registration, historical and cultural value assessment, site protection and supervision.



The Company Participated in Mopani TVET College Open Day



The Company Held a Cultural Heritage Meeting with Ba-Maseke Community for Long-term Negotiations on Construction Permit for Granite Site Marker at the Late Iron Age Site of Fetwane (Located within PMC's Copper Mine Area)



The Company Hosted Africa Celebration Day

Deepen overseas ventures and build a solid foundation for stable operation

HBIS Resources continuously improves its corporate governance mechanisms to solidify the foundation for long-term development, adheres to the bottom line of integrity and compliant operations to conduct business with high ethical standards, focuses on supplying high-quality ore to build a premium product and service system, strictly upholds work safety as a red line, integrates safety management into the entire mining operation process, and comprehensively fulfills corporate responsibility to achieve win-win value for all stakeholders.

- Standardized operation to improve management efficiency 27
- Abiding the law, being compliant, and preventing operational risks 30
- Excellent quality to win customer trust 35
- Upholding the bottom line and fortifying the security barrier 37



SDGs



Standardized operation to improve management efficiency

HBIS Resources strictly follows the requirements of the *Company Law of the People's Republic of China*, *Securities Law of the People's Republic of China*, *Code of Corporate Governance for Listed Companies*, *Rules Governing the Listing of Shares on Shenzhen Stock Exchange*, and other laws, regulations and normative documents. The Company clarifies the boundaries of rights and responsibilities for each entity, continuously advances the scientific and standardized development of its corporate governance system, establishes an efficient investor relationship management mechanism, utilizes information disclosure as a bridge to build trust with the broad base of investors, and safeguards the legitimate rights and interests of investors.

Strengthening corporate governance

In accordance with the latest laws, regulations and regulatory requirements for listed companies, the Company has refined its corporate governance structure involving the coordinated operation of the shareholders' meeting, the Board of Directors and the management, revised the *Articles of Association*, abolished the Board of Supervisors and transferred the functions and powers of the Board of Supervisors to the Audit Committee of the Board of Directors, thus steadily enhancing the level of corporate governance.

Shareholders' meetings

The Company implements the *Rules of Procedure for Board of Shareholders*, ensuring that the convening, holding and voting procedures comply with the *Company Law of the People's Republic of China*, *Rules Governing the Listing of Shares on Shenzhen Stock Exchange*, *Rules for the Shareholders' Meeting of Listed Companies*, and other relevant laws, regulations, normative documents, and the Company's *Articles of Association*. The Company adopts a combination of on-site and online voting to provide convenience for investors to participate in the voting of shareholders' meeting. In 2025, the Company held 3 meetings of the Board of Shareholders.

Board of Directors

The Company's Board of Directors consists of 9 directors, including 3 independent directors and 2 female directors. The nomination and appointment of board members consider factors such as gender, age, cultural and educational background, professional experience and skills, and fully represent the demands of different stakeholders in the deliberation and decision-making process of the proposal by relying on diverse professional backgrounds such as enterprise management, finance, engineering and law, ensuring the professionalism and effectiveness of decision-making. Board members also actively participate in ESG training to better understand relevant regulatory requirements. In 2025, the Company held 6 board meetings, passed 33 proposals, and revised or newly established 16 systems, including the *Articles of Association* and the *Market Value Management System*.

In 2025

The Company held board meetings

6 items

passed proposals

33 items

revised or newly established systems

16 items

Special committees

In accordance with relevant regulations, the Company has established 6 special committees: the Strategic Development Committee, the Audit Committee, the Remuneration and Assessment Committee, the Nomination Committee, the Risk Management Committee, and the Environmental, Social and Governance (ESG) Committee. Each special committee is composed of 3 directors, and respective rules of procedure are formulated to fully leverage the functions of each special committee.

Functions of Special Committees

Strategic Development Committee

Research and provide recommendations on the Company's long-term development strategies and major investment decisions, and submit them to the Board of Directors for review.

Audit Committee

Communicate, supervise and verify in terms of internal and external audits, and submit them to the Board of Directors for review.

Remuneration and Assessment Committee

Formulate assessment criteria for the Company's directors and managers and conduct assessments; formulate and review remuneration policies and plans for the Company's directors and managers, and submit them to the Board of Directors for review.

Nomination Committee

Select the company's directors, the General Manager, and other senior management personnel, and submit them to the Board of Directors for review.

Risk Management Committee

Supervise and guide the Company's risk management, research risk issues related to the Company's major investment matters, and provide opinions and recommendations on the Company's risk management policies and plans, and submit them to the Board of Directors for review.

Environmental, Social and Governance (ESG) Committee

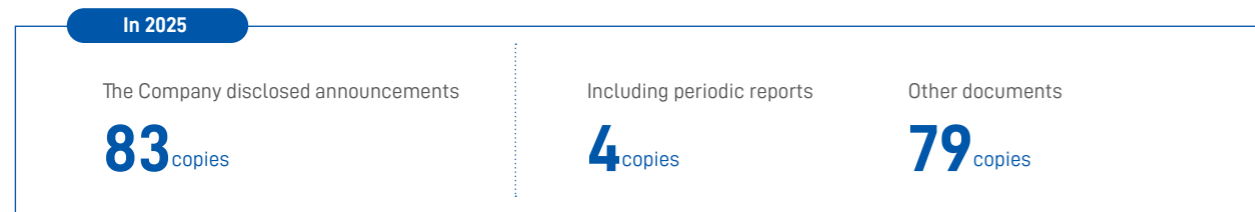
Supervise and guide the effectiveness of the Company's environmental protection, social responsibility and governance standardization efforts, and provide opinions and recommendations, and submit them to the Board of Directors for review.

Protection of rights and interests of investors

The Company deeply practices the concept of investor first, strictly adheres to relevant laws and regulations such as the *Code of Corporate Governance for Listed Companies* and *Rules Governing the Listing of Shares on Shenzhen Stock Exchange*, promptly discloses the Company's operating status and business progress to investors, and insists on safeguarding the legitimate rights and interests of shareholders and investors.

Transparentize information disclosure

The Company timely, accurately and comprehensively discloses important matters through channels such as *China Securities Journal*, *Securities Times*, *Shanghai Securities News*, *Securities Daily* and the CNINFO website, establishes an ESG report disclosure framework aligned with sustainability standards, clarifies the requirements and standards for data collection, and continuously improves the standardization of information disclosure. In 2025, the Company disclosed 83 announcements, including 4 periodic reports and 79 other documents; there were no penalties due to violations in information disclosure.



Strengthen investor communication

The Company strictly adheres to the requirements of the *Investor Relations Management System*, closely monitors the expectations and requirements of investors and shareholders for the Company, and maintains extensive communication with institutional investors and individual investors through multiple levels, channels, and forms such as investor hotlines, emails, interactive meetings, interviews, research visits, telephone conference and performance briefings. While effectively conveying the Company's value, the Company timely collects investors' opinions and suggestions, enhances investors' understanding and recognition of the Company, establishes a good image of the company in the capital market, and boosts investors' confidence. In 2025, the Company received over 410 investor calls.



The Company participated the "National Investor Protection Promotion Day" Activity

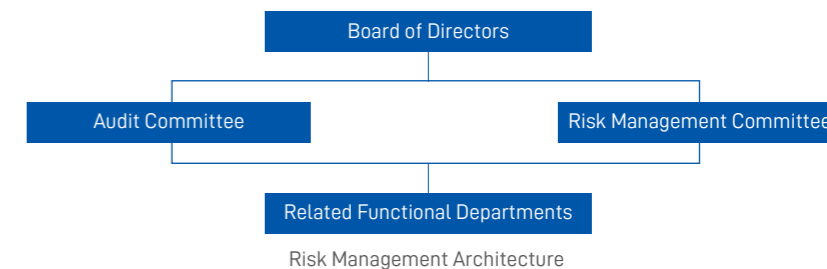


Abiding the law, being compliant, and preventing operational risks

HBIS Resources continuously improves its compliance management and risk prevention and control systems, fosters a corporate culture of integrity, strictly resists any corruption, bribery, fraud and unfair competition that could adversely affect the Company, and builds a sustainable business ecosystem.

Governance

The Company strictly follows laws and regulations such as the *Audit Law of the People's Republic of China*, *Rules Governing the Listing of Shares on Shenzhen Stock Exchange*, *Self-Regulatory Guidelines No. 1 for Companies Listed on Shenzhen Stock Exchange — Standardized Operation of Main Board Listed Companies*, the Company has established an Audit Committee and a Risk Management Committee under the Board of Directors to build a multi-level and comprehensive risk prevention and control management system.



Strategies

The Company establishes a risk management framework to regularly identify, monitor and report relevant risks, with results submitted quarterly to the management, the Audit Committee, and the Risk Management Committee.

Risks	Risk description	Reporting period	Measures
System audit risk	Lax internal system audits may increase compliance risks.	Short term	Dynamic update mechanism: Review domestic and international regulations quarterly and revise internal system timely; Risk management concept promotion: Organize training on risk management systems that covers management and key positions.
Contract management risk	Non-standard contract management may lead to clause omissions or legal loopholes.	Short term	Full-process informatization: Conduct information-based contract management, and ensure legality, compliance, and procedural review; Multiple review: Conduct multiple reviews for contracts with large amounts.
Legal dispute risk	Improper handling of legal disputes may lead to reputational or economic losses.	Medium term	Early warning mechanism: Monitor policy changes in the region in real-time and assess legal risks; Team building: Hire specialized legal professionals to be responsible for the company's legal affairs, compliance management, and other related tasks.
Major decision-making risk	Major decisions without sufficient argumentation or risk review may lead to strategic mistakes.	Long term	Multi-dimensional evaluation: Conduct multi-dimensional argumentation on major decision-making matters, including compliance, economic, and technical aspects, to ensure sufficient decision-making basis; External expert support: Leverage third-party or industry experts to provide independent assessments for major decisions, making decisions more scientific; Tracking and optimization: Regularly review major decision-making matters and dynamically adjust strategies based on changes in internal and external environments.

Impact, risk, and opportunity management

Compliance management

The Company continuously improves its legal and compliance construction system, conducts comprehensive compliance reviews from 4 stages: compliance risk identification, compliance risk assessment, compliance risk management and compliance risk monitoring, firmly adheres to the bottom line of compliance management, strengthens the promotion of compliance and legal culture, comprehensively advances the building of a law-based enterprise, and consistently enhances the quality and effectiveness of compliance management. In 2025, the Company conducted 5,141 compliance training sessions, covering 95.2% of its total employees.



Compliance risk identification	<ul style="list-style-type: none"> Determine applicable legal and regulatory requirements Form a regulatory scope register
Compliance risk assessment	<ul style="list-style-type: none"> Identify compliance risks Assess the impact Assess the feasibility Rate inherent risks
Manage compliance risks	<ul style="list-style-type: none"> Strengthen risk control Assess the effectiveness of control measure Rate residual risks
Compliance risk monitoring	<ul style="list-style-type: none"> Identify compliance weaknesses Conduct dynamic monitoring

Risk control

The Company adheres to the *Sensitive Information Screening System*, *Rules of Procedure for Risk Committee of Board of Directors*, *Comprehensive Risk Management Measures*, *Compliance Risk Management Measures* and other systems to strengthen early warning of major risk hazards and enhance risk prevention and emergency response capabilities; follows the latest *Global Internal Audit Standards*, and prepares an internal audit plan based on the consideration of key strategic risks of PMC and the discussion with management, focusing on high-risk areas in operations to enhance the fairness and objectivity of internal audits; regularly organizes quarterly risk assessment seminars where risk owners jointly participate in the risk level assessment and develop response measures, submits risk assessment reports to the Board Audit and Risk Committee (BARC), and dynamically tracks and monitors risk changes.

Based on the ISO 31000 risk management standard and the requirements of the *Code on Corporate Governance of King IV*, a closed-loop mechanism for risk identification, assessment, response, monitoring and reporting using the 5 elements of the COSO framework was formed, effectively controlling enterprise risks. High risks (Class III-IV) require urgent handling, while low risks (Class I) only need passive management.

Tip

- The *Code on Corporate Governance of King IV* is a voluntary code issued by the Institute of Directors in South Africa (IOD SA), applicable to all types of organizations in South Africa, aiming to promote the overall development of organizations through transparency, ethical governance and sustainability.
- The COSO framework is a widely recognized internal control framework consisting of 5 interrelated components: control environment, risk assessment, control activities, information and communication, and monitoring activities. It provides a structured approach to managing and improving internal control, governance and risk management processes.

3 Levels

Board of Directors	The highest decision-making body for risk management is responsible to the meeting of the Board of Shareholders for the effectiveness of risk management.
Senior management	It is responsible to the Board of Directors for the effectiveness of risk management. The Compliance Management Department is responsible for the daily work of risk management.
Functional departments	Each business department is the frontline department for risk management. The Internal Audit Department audits, evaluates, reports and tracks the rectification of the Company's major risk events and the integrity and effectiveness of the Company's risk management system, and is directly responsible to the Board of Directors.

3 Lines of Defense

1st line of defense	Business departments conduct risk self-control.
2nd line of defense	The Compliance Management Department provides operational risk alerts in key business processes.
3rd line of defense	The Internal Audit Department conducts in-process and post-event supervision and inspection.

The Company's Enterprise Risk Management Process



Business ethics

The Company conducts its business in accordance with all applicable laws and regulations and the highest standards of business ethics, strictly resists any corrupt acts that adversely affect the integrity and reputation of the Company, and formulates such systems as *Anti-Fraud Policy* and *Code of Conduct* to prevent any employee or contractor from committing fraud, corruption, serious misconduct and dishonesty directly or indirectly, so as to reduce the fraud risk of the Company; sets up a 24-hour hotline to encourage employees and stakeholders to report fraud and keep the information of whistleblowers strictly confidential. The internal audit department conducts irregular inspections to identify potential fraud risks. In the event of fraud, the Company will initiate an investigation and take disciplinary actions, legal proceedings, or loss recovery measures based on the investigation results. In 2025, the Company did not experience any commercial corruption or unfair competition incidents.

Code of Conduct

- All employees perform their duties as per the Company's system, adhere to professional ethics, and the management sets an example. The Company strictly prohibits abuse of power for personal gain and prevents conflicts of interest.
- Strictly comply with the *Anti-unfair Competition Law of the People's Republic of China*, *Anti-monopoly Law of the People's Republic of China*, and other local relevant laws and regulations of South Africa to promote fair competition and maintain market economic order.
- Implement the *Insider Registration System* to standardize the management of insiders.
- Follow the *Management System for Related Party Transactions*, *Measures for Management of Internal Control of Related Party Transactions*, and other regulations to standardize the internal management of the Company's related party transactions, ensuring that all related party transactions comply with the principles of fairness, openness, and justice, and do not harm the interests of shareholders and creditors.

Fraud Prevention Strategies

- Institutional control** - Implement supplier due diligence, employee background checks, mandatory leave policies, and interest declaration systems to reduce fraud at the institutional level.
- Risk assessment** - Conduct annual fraud risk assessments, categorize risks into 4 levels based on likelihood and impact, and develop corresponding control measures.
- Publicity and training** - Promote a culture of integrity through employee ethics training, new employee orientation, and regular anti-fraud awareness campaigns.

PMC's Posters for Encouraging Reporting Fraud



Indicators and goals

In 2025, the Company did not experience any major risk events in production operations, sales, safety and environmental protection, investments, and other risk areas.

In 2026, the Company plans to continue to strengthen risk governance capabilities, improve the emergency plan system, achieve full-process management and control in production and operation, and build a solid risk defense line for high-quality development.

Indicators of anti-commercial bribery and anti-corruption training	Unit	2025
Total number of directors participating in anti-commercial bribery and anti-corruption training	Person	9
Percentage of directors participating in anti-commercial bribery and anti-corruption training	%	100
Total number of management personnel participating in anti-commercial bribery and anti-corruption training	Person	65
Percentage of management personnel participating in anti-commercial bribery and anti-corruption training	%	49.2
Total number of employees participating in anti-commercial bribery and anti-corruption training	Person	1,393
Percentage of employees participating in anti-commercial bribery and anti-corruption training	%	35.9

Excellent quality to win customer trust

HBIS Resources continuously enhances quality management through customer communication mechanisms, ensuring product quality and service compliance while leveraging information security policies and customer satisfaction monitoring to achieve high-standard delivery and high-quality services, and win the long-term trust of customers with reliable strength.

Product quality management

By fully leveraging its competitive advantages in the South African copper wire market, the cost advantages of by-product magnetite, and the abundant vermiculite resources, the Company strengthens quality management throughout the mining and processing processes. For quality and environmental risks identified in product production and sales, targeted measures are taken to prevent and mitigate them. Non-conforming products are treated in accordance with the *Non-conformance and Action Management Standard* to minimize losses, and stable and high-quality mineral products are continuously provided to customers. In 2025, the factory pass rate of the company's products was 100%. The company has passed the ISO quality management system certification, and had no liability accidents related to products and services.



PMC has obtained the Quality Management System Certification Certificate

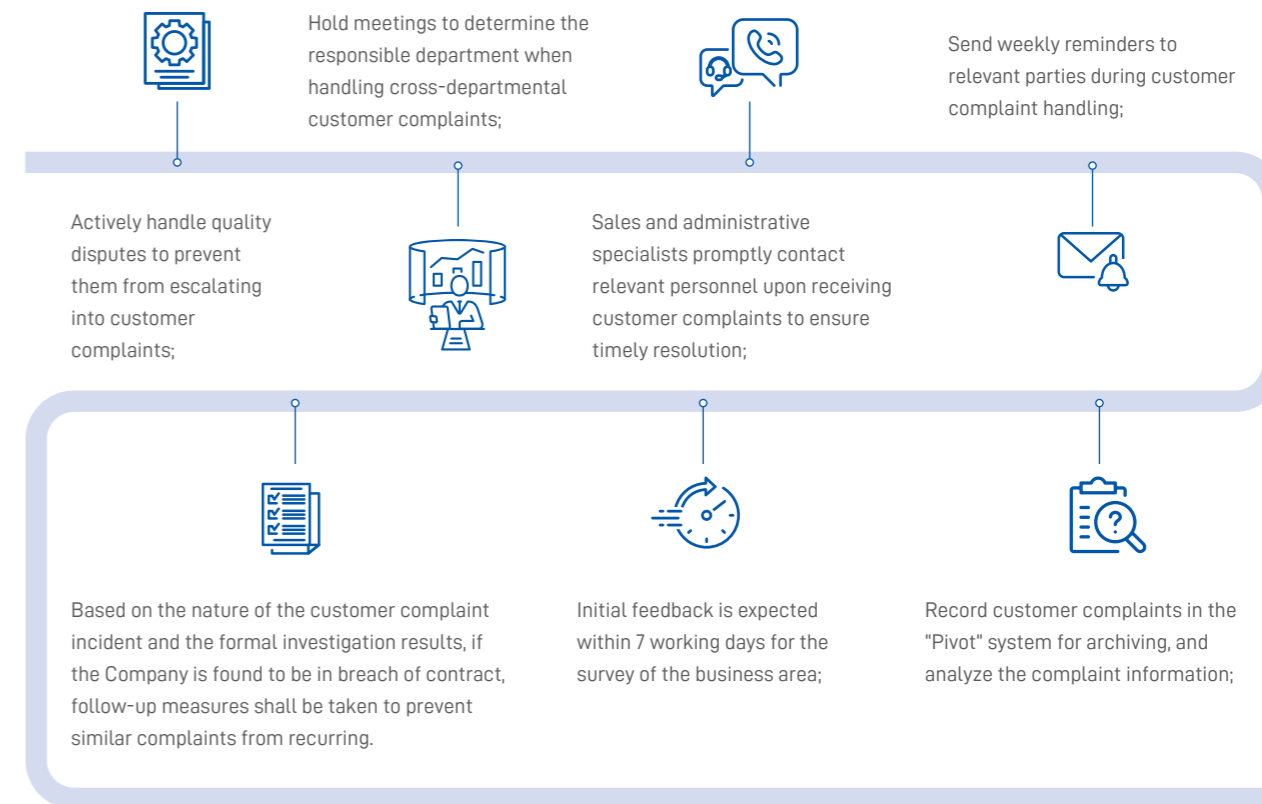
Protect customer rights and interests

The Company has formulated the *Customer Requirements Standard*, which specifies detailed methods for handling customer needs based on the ISO 9001 standard; it adheres to the relevant requirements of the *Marketing and Sales Policy* to provide comprehensive after-sales service support for all launched products; it has improved its customer communication mechanisms, enhancing communication through various channels such as customer surveys, regular visits, and customer satisfaction monitoring; it has also implemented a regular customer relationship maintenance mechanism to deepen long-term collaboration with high-quality customers, fostering stable business partnerships and building a strong corporate reputation. In 2025, the customer satisfaction rate was 100%.



PMC VIP(Value Improvement Practice) Team Recognized for Outstanding Service

The Process for Handling Customer Complaints



Protection of information security

The Company adheres to the requirements of the *Personal Information Protection Policy* and *Information Sharing Policy*, improving a data security management system that complies with industry standards, and it implements identity authentication and authorization, least-privilege access control, network segmentation and isolation, endpoint monitoring and sensitive data encryption across the Company's management systems; it conducts annual penetration tests regularly to promptly identify potential vulnerabilities and verify system security; it clarifies its obligations as the "responsible party," designates an information officer (IO) to oversee compliance, and requires IO review for cross-border data transfers; it conducts regular information security training to enhance employees' awareness of information protection and fortify information privacy security. In 2025, the Company experienced no major data security incidents, with no unauthorized access or data loss identified, and all systems remained secure.

The Company has established and operates a comprehensive customer privacy protection system, strictly complies with relevant privacy regulations in data collection, storage and processing, and implements user authorization management, data minimization practices, secure storage solutions, and regular audits; it has established a customer privacy protection monitoring and incident response mechanism based on the zero-trust principle to quickly identify and address various potential privacy risks; In 2025, the Company consistently upheld its commitment to protecting customer information, with no incidents of customer privacy leakage occurred.

In 2025

The Company consistently upheld its commitment to protecting customer information, with no incidents of customer privacy leakage occurred.

Upholding the bottom line and fortifying the security barrier

HBIS Resources consistently emphasizes that safety is the "highest priority", clearly defines the "Zero Harm" goal for work safety, establishes and improves the occupational health and safety system, strengthens work safety management, comprehensively prevents occupational health and safety risks, and fosters a safe, healthy, and inclusive work environment.

Work safety management

The Company has established an integrated safety, health, environment and quality management system (SHEQ MS) in line with international standards, clearly delineates SHEQ responsibilities and authorities across all levels and positions within the enterprise, and emphasizes the safety and health of every employee and contractor through robust management systems; the Company employs a hazard identification and risk framework, which utilizes a four-tiered risk assessment approach, allowing for the selection of appropriate assessment levels based on the context, nature and scale of risks. Through a unified methodology, it identifies SHEQ hazards, aspects and opportunities, while evaluating and managing risks posed to personnel, property, assets, reputation and environment, so as to achieve the goal of "Zero Damage" and "Zero Harm" through effort.

Safety emergency management

Adhering to the principle of safety first, the Company has established a dedicated mine accident emergency (contingency) team and a medical team, formulated the *Palabora Emergency Management Plan* which details the resources and strategies required to ensure an effective and coordinated response to identified risk scenarios, and integrated and coordinated risks listed in the company to ensure all potential hazards are adequately addressed; the Company has established the *Emergency Response Training Procedures* to provide guidance for emergency preparedness and response activities, conducts regular emergency drills tailored to the risk characteristics of various business sectors, continuously enhances the training effectiveness and risk awareness, and organize at least one sudden emergency drill every year to test the response readiness and handling efficiency of emergency service departments and comprehensively assess the overall emergency response capabilities; the Company has established a standardized mechanism for reporting emergencies to the business emergency management team, ensuring timely decision-making and activation of business continuity and disaster recovery plans, and that the information gathered from investigations helps the company identify the root causes of incidents, thereby enabling the development of corrective and preventive measures to reduce the likelihood of similar events recurring; during major incidents, the Company engages in cross-industry collaboration with neighboring mines through emergency response teams and serves as a member organization of the South African Mine Rescue Body.

Cultivation of safety culture

The Company upholds "Zero Harm" as its core operational goal, actively conducts specialized hazard training covering safety awareness education, risk assessment process training and the use of specialized personal protective equipment in confined spaces and underground operations, enhances employees' safety awareness and skills, stimulates employee engagement through diversified actions such as team competitions and cultural promotion, and integrates safety culture into the daily life and work of employees, thereby creating a safe and healthy working environment for all employees, contractors and suppliers.

In 2025, the Company conducted safety training for 53,318 hours, with a work safety training coverage rate of 92.8%, invested CNY 5.54 million in work injury insurance and work safety liability insurance, with a coverage rate of 100% for work injury insurance and work safety liability insurance personnel.



PMC Holds "Zero Harm Cup" Quarterfinal Draw Ceremony



PMC Leadership and Employees Conduct Safety Theme Day Activity with "Safety First" as the Theme



The Company Logistics Operations Team and Management Gather to Launch the "Cross the Bridge" Safety Campaign



Lift II Project Mining and Construction Team Maintains Zero Lost-Time Injury (LTI) Record

Standardized incident investigation process of PMC

- All SHEQ risks applicable to the operation have been identified, assessed, and documented.
- The risk control measures are implemented following the risk control hierarchy system to keep all risks at a level as low as reasonably practicable (ALARP).
- All employees shall understand the SHEQ risks in their work areas or teams, as well as the measures taken to manage these risks.
- Inspect and maintain risk control measures to ensure the level of protection provided.
- Conduct regular reviews of risk assessments to ensure relevance to the nature and scale of operations.
- All employees and leaders must complete HIRA Level 1 training, with operational personnel required to renew HIRA training annually.



The Company has obtained ISO 45001 certification for its Occupational Health and Safety Management System.



The Company Employees Sign Safety Commitment



The Company Employees Participate in "Safety Pause" Activity

Tip

● LTI refers to non-fatal injuries where employees are unable to work or lose work capacity due to work-related injuries, which is a basic indicator of company safety performance.

Employee health management

The Company prioritizes employee health and safety, strictly adheres to the *Company Employee Code of Conduct* and safety, health, environment and quality (SHEQ) policies, and improves the occupational health management system; it actively organizes employee health check-ups to ensure all employees undergo medical examinations and are certified fit for their duties, preventing occupational health hazards proactively; it actively conducts occupational health education and promotion, and organizes safety culture surveys to strengthen employee safety values and personal health awareness; it pays attention to the mental health of both male and female employees, alleviating psychological stress through activities like health walks; it has established a clinic at the Palabora mining area to provide medical examinations and treatment for accidental injuries and conducts HIV status testing and Employee Assistance Program (EAP) for employees as required, aimed at fostering a healthier and more supportive workplace environment.



World AIDS Day Activity



Breast Cancer Awareness Week Activity



Practice ecological excellence and create a green resource landscape

Environmental protection is the cornerstone for the sustainable development of HBIS Resources. Adhering to the core philosophy of "Green Mining, Ecological Win-Win", we integrate environmental conservation into strategic decision-making and daily operations. We drive low-carbon transformation through technological innovation, strictly control pollution emissions through systematic governance, and reshape the landscape of mining areas through ecological restoration, committed to achieving harmonious coexistence between economic development and nature.

Low-carbon development, addressing climate change	43
Environmental management to strictly control pollution emissions	44
Clean production to reduce resource consumption	48
Ecological restoration to reshape the mining area landscape	51

SDGs





Low-carbon development, addressing climate change

Governance

Addressing climate change is a common challenge for global enterprises and a persistent responsibility for the Company. We have incorporated climate change response into our corporate strategy, continuously improved our governance structure, integrated climate factors into business decisions, and taken practical actions to reduce greenhouse gas emissions, striving to achieve a win-win situation for the economy and the environment.

Strategies

By establishing a climate risk assessment mechanism, we systematically identify and evaluate the potential impacts of physical risks, policy risks and technological risks on our operations and finances. We analyze the adaptability of our strategies and business models to climate change in the short, medium and long term, and continuously advance smelter renovation projects to reduce fuel consumption through process optimization, addressing climate challenges with practical actions.

Risk type	Risk description	Reporting period	Measures
Physical risks	Extreme weather events lead to mine shutdowns, equipment damage, or logistics disruptions.	Short-term / medium-term	Establish an extreme weather warning system; Strengthen the drainage system and equipment protection in the mining area; Develop emergency production plans.
Policy risks	Stricter carbon emission policies in South Africa/ China increase operating costs.	Short-term / medium-term	Track policy changes and dynamically adjust environmental governance strategies; Optimize the energy structure.
Technical risks	The lag in energy transition technology iteration (such as smart grid and energy storage technologies) leads to a decline in competitiveness.	Medium-term / long-term	Plan research and development(R&D) of renewable energy technologies; Pilot digital energy management system.
Compliance risk	Compliance requirements of international climate agreements (such as the Paris Agreement) lead to obstacles to cross-border business.	Medium-term / long-term	Develop cross-border carbon footprint accounting standards; Participate in global supply chain decarbonization programs.
Reputation risks	Insufficient disclosure of GHG emissions data raises investor doubts.	Short-term / medium-term	Establish ESG investor communication mechanisms.
Supply chain risk	Inadequate carbon reduction by upstream energy providers (such as power companies) leads to excessive indirect emissions.	Short-term / medium-term	Sign long-term agreements with green energy suppliers; Require suppliers to provide carbon management certificates; Develop distributed energy systems.

Impact, risk, and opportunity management

As the Company finds that most of the GHG emissions come indirectly from purchased electricity while the rest come directly from the consumption of fossil fuels such as coal and diesel in an in-depth study of the sources of GHG emissions, it decides to make electricity use a key control area to reduce GHG emissions. We strictly adhere to the accounting methodology stipulated by South Africa's Department of Forestry, Fisheries and the Environment (DFFE) to accurately measure greenhouse gas emissions, which are subject to independent third-party verification.

Indicators and goals

In 2025, Scope 1 GHG emissions were 78,248.6 tons of CO₂ equivalent, and Scope 2 GHG emissions were 572,048.5 tons of CO₂ equivalent. Going forward, the Company will continuously monitor the progress against its climate targets, and steadily advance its carbon emission reduction plan through initiatives including energy-saving equipment retrofitting and production process optimization.



Environmental management to strictly control pollution emissions

The Company adheres to the concept of green development, strictly complies with the environmental laws and regulations of its operating locations, and continuously promotes the improvement of environmental performance by establishing and improving the environmental management system, strengthening risk prevention and control, and deepening pollution control. It strictly follows regulatory laws, regulations and technical standards, and conducts independent monitoring and separate disclosure of various pollutants.

Standardize environmental management

The Company's energy consumption and pollution emissions mainly originate from PMC. PMC's environmental management plan (EMP) has been approved by South Africa's Department of Mineral Resources and Energy (DMRE) and is effectively implemented through the safety, health, environment and quality (SHEQ) management system, ensuring all environmental requirements are met. We legally hold the atmospheric emission license, water use license and waste management license (WML), and submit annual compliance reports to the competent authorities. In 2025, a third-party agency conducted a performance evaluation of the Company's environmental management plan, with no environmental violations or illegal incidents occurring.

PMC's safety, health, environment and quality (SHEQ) Policy

Our goal:

We will uphold our standards and continually improve our performance to achieve our goal of zero harm to our employees and surrounding communities.

We will strive to create and maintain a work environment where every employee returns to his or her family at the end of the shift unharmed.

Our responsibility:

Each employee has a responsibility to prevent harm to himself, fellow employees, damage to assets and detrimental impacts to our environment and intervene when others are not.

No task will be undertaken without a clear understanding of the best method to mitigate the risk of injury, occupational health, damage to assets and environmental harm.

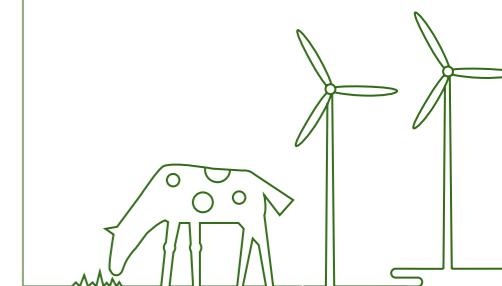
Our commitment:

We will provide a safe, healthy and environmentally responsible workplace for our employees, contractors and visitors and minimize our impact on the neighboring communities and surroundings.

We will continually improve our operations to comply with all relevant legal and other requirements.

Use our resources responsibly and efficiently, in particular energy, water and land.

Manage our mineral and non-mineral wastes responsibly to ensure the lowest possible impact to the environment and health of employees and communities.



The Company Obtains ISO 14001 Environmental Management System Certificate

Strictly control environmental risks

The Company identifies major environmental risks through its risk assurance process system and formulates corresponding prevention and control measures. To effectively respond to sudden environmental incidents, the Company has established a professional team covering resources, training, and alerts for comprehensive enhancement of emergency response capabilities; simultaneously, it has developed emergency plans that clearly define the scope of coverage, types of incidents and emergency procedures to ensure orderly emergency response. For hazardous chemicals used and stored during production, the Company has developed detailed material safety data sheets (MSDS), specifying operational requirements for leakage handling, emergency response, etc., to ensure a rapid and standardized response when such sudden environmental incidents occur.

Strengthen environmental protection education and advocacy

The Company emphasizes the development of an environmental protection culture. Relying on the requirements of the environmental management system, it continuously conducts employee environmental awareness training and environmental public welfare activities, constantly improving the environmental responsibility awareness and emergency response capabilities of all employees. For contractors and other partners, we always communicate the environmental policy implementation standards in a clear and explicit manner to ensure that partners fully understand their environmental obligations and extend the environmental management requirements to the whole business process of the company.



Launch an Environmental Cleanup Activity at Tourist Attractions



Deliver an Environmental Awareness Lecture at a Local School



Organize an "Anti-Litter Initiative" for Waste Cleanup



Management Measures for Waste Gas Emission

Process and technological upgrading



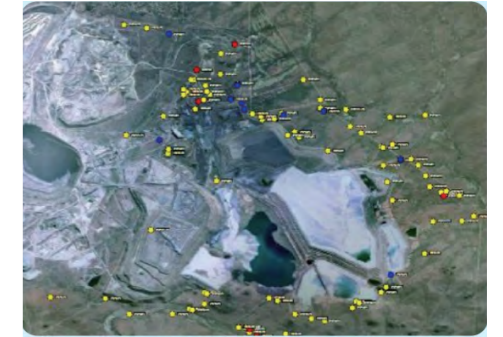
Implement the smelter renovation project (SRP) by replacing the original reverberatory furnace with a high-efficiency double side-blown smelting furnace (DSB), significantly reducing fuel consumption.

Renovate the acid plant by adopting the double contact/double absorption process to further enhance SO₂ capture rates and divert more process exhaust gases to the acid plant for treatment.

Standardize pollutant control

Waste water management

The Company successfully obtains multiple water utilization permits under the provisions of South Africa's *National Water Law*, and regularly undergoes audits by external agencies. During the production process, the Company implements classified collection and treatment of wastewater generated from mining and mineral processing. By constructing a closed-loop water circulation system, the Company strictly controls all water usage and realizes recycling and reuse within the factory, effectively reducing the consumption of raw water and minimizing the evaporation from the tailings return water dam. The Company also comprehensively monitors the seepage of tailings storage facilities, and the water quality of groundwater and natural rivers, and establishes over 45 observation points; in addition, it drills over 140 boreholes as observation points to monitor groundwater conditions, builds a groundwater model and monitoring system, assesses the impact of waste water discharge through monitoring data, and adjusts the water management system in time. Additionally, the Company submits annual water usage reports to relevant government departments, continuously standardizing water resource management.



Water Quality Observation Points of the Company

Waste gas management

The Company obtains the Atmospheric Emission License (AEL), and strictly adheres to the emission limits for sulfur dioxide, particulate matter and dust. The main sources of exhaust gas in PMC are the reverberatory furnaces and converters used in the production of copper products. Due to the high content of sulfur dioxide in the exhaust gas of the converter, the vast majority of exhaust gases are transported to acid plants for conversion into sulfuric acid, thus reducing sulfur dioxide emissions. Advanced exhaust gas treatment facilities are installed to continuously optimize production processes, improve resource utilization efficiency, and achieve clean production. Moreover, PMC establishes air quality monitoring stations and installs dust detectors to monitor meteorological data, sulfur dioxide and particulate matter in real time, assess the impact of production on the environment and community, and ensure that emissions do not exceed the specified limits. In 2025, particulate matter (PM) emissions were 135.7 t, sulfur dioxide (SO₂) emissions were 0.7 t, and nitrogen oxide (NOx) emissions were 110.2 t.



Locations of PM₁₀ and PM_{2.5} Monitoring Stations of the Company

Dust treatment



Implement professional dust suppression management for unpaved roads and certain idle areas through a dust suppression contract.

Introduce water cannons in the magnetite operation area to suppress dust emissions.

Optimize tailings discharge strategies to reduce dust generation.

Install dust suppression spray systems in operational areas such as vermiculite processing zones.

Plan to implement seeding and covering measures in 2026 to achieve long-term dust control.

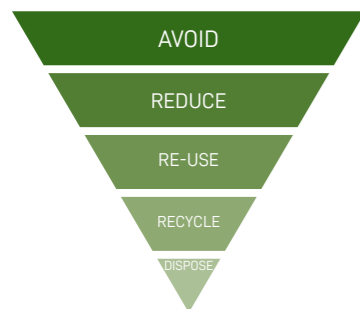
Noise control



Review mechanical noise control measures (e.g., white-noise backup alarms).

Plan to conduct a plant boundary noise survey in 2026 to optimize noise environment management.

Solid waste management



Waste Management Level System

The Company strictly complies with local waste discharge management requirements, has obtained a waste management license (WML), and undergoes regular audits by external bodies. The Company has established a comprehensive waste management plan, formulated the *Integrated Waste Management Standard*, and handles solid waste generated from production and operations in accordance with laws and regulations through measures such as reasonable material use, waste classification and waste recycling, effectively reducing waste emissions.

For hazardous waste, the Company implements special handling to prevent leaks and pollution, and entrusts qualified service providers for safe disposal; for special wastes such as radioactive and explosive materials, the Company has formulated a special action plan in accordance with relevant regulations. Simultaneously, the Company prioritizes promoting the resource utilization of non-hazardous waste, signing metal and high-quality plastic recycling contracts with specialized agencies, aiming to achieve a 10% increase in metal recovery rate. For residual wastes that cannot be recycled, the Company arranges for unified transportation to a compliant landfill for disposal, ensuring that the entire process is standardized and controllable. In addition, the management of tailings ponds and mining waste is strengthened to prevent pollution to soil and groundwater. In 2025, the Company emitted a total of 429.4 t of harmful waste and 861 t of harmless waste with recycled a total of 136 t of waste.



Types and Treatment Methods of Solid Wastes		
Type of wastes	Treatment method	
General waste/ non-minerals	Paper, plastics, cans, plastic bags, glass, wood, etc.	Landfill and recycle as much as possible
Hazardous waste	Batteries, printer cartridges, chemical waste (acids, PCBs, hydrocarbons), asbestos, fluorescent tubes, etc.	Placed in a specific storage yard
Minerals and processing waste	Tailings, waste rocks, slags, boiler ash, etc.	Placed in specific yards
Special wastes	Tires, rubber linings, waste containing PCBs, etc.	Placed in a specific storage yard



Clean production to reduce resource consumption

Adhering to the principles of resource conservation and environmental friendliness, the Company continuously enhances its clean production capabilities by strengthening energy management, optimizing water resource utilization, and promoting resource recycling, thereby contributing to green and low-carbon development. In 2025, the Company achieved cost savings of approximately CNY 30.36 million in energy and water resources.

Strengthen energy management

The Company deeply implements an energy management plan (EMP), systematically identifying, advancing and continuously maintaining various energy-saving projects, and constantly improving the Company's internal energy use management system. On this basis, we focused on promoting a series of energy-saving measures including variable frequency energy-saving air conditioners, LED lighting, process optimization in refrigeration plants, upgrading of hoist control systems and power factor correction for the main power distribution system in 2025.

Energy Management Plan

- Make commitment from the management through energy policy.
- Continuously implement the existing full set of energy and water saving measures.
- Expand the existing energy and water saving measures.
- Continuously expand the energy management team.
- Continuously monitor and evaluate all energy and water saving measures.

As a mining resource enterprise, the Company consumes a large amount of electricity in production processes such as mining, flotation, smelting and refining. Currently, it primarily purchases electricity from the Eskom via local substations to meet its power demand. To optimize its energy mix and enhance supply stability, the Company has installed a waste heat boiler and steam turbine generator at its new smelter. Once the new smelting furnace is officially put into production, this will further strengthen self-sufficient power supply, with projected annual savings of approximately CNY 10.69 million in external electricity procurement costs. Simultaneously, the Company is advancing renewable energy projects, planning to introduce off-site solar power through the Eskom grid to make the renewable energy penetration rate reach 40% so as to further optimize the energy structure.

Energy Consumption		
Direct energy consumption - fossil fuels	MWh	250,782.4
Indirect energy consumption - electricity	MWh	580,759.9
Total energy consumption	MWh	831,542.3



Collaborate with Multiple Parties to Advance Renewable Energy Projects in the Mining Area

Optimization of water resource utilization

The Company strictly adheres to water resource protection regulations, continuously improves its water resource management system, and develops and implements detailed water management plans. We meticulously track monthly water usage in the mining area, tailings dam area and plant area, and implement targeted control measures to ensure rational allocation of water resources. In operations, we uphold a "Zero Discharge" principle, with all water collected and stored on-site for recycling at the tailings return water dam and the east return water dam. We regularly monitor, record, and assess water quality, actively participate in local water resource management meetings, and collaborate with stakeholders to discuss regional management strategies.

Over the past decade, as the process water reuse rate has continuously increased, the daily intake of raw water has decreased from approximately 21 megaliters to 12 megaliters. To further consolidate water conservation achievements, we will install approximately 20 additional electronic flow meters in 2026 to enable real-time monitoring of water usage. Concurrently, we will advance the installation of on-demand water supply flow meters to effectively eliminate flowing, bubbling, dripping or leaking in areas such as changing rooms.

Resource recycling

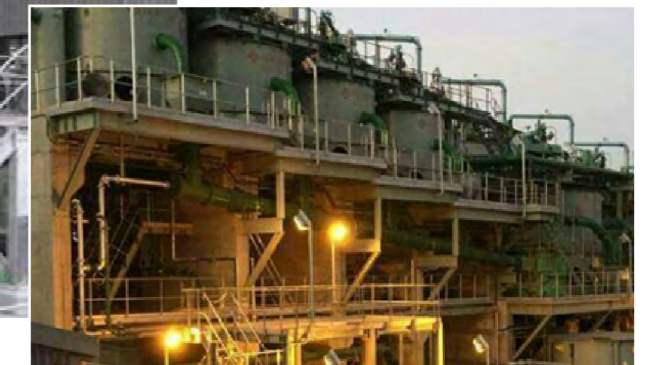
The Company has been continuously improving its residual ore recovery system. For the concentrator, we are exploring the recovery of copper from low-grade materials through grinding liberation and froth flotation; for the magnetite business, we are performing magnetic separation of materials from stored magnetite, increasing the iron grade up to 65%. In 2025, we implemented multiple improvements for the concentrator to address issues such as overly fine ore and metal debris, including converting the autogenous mill to a semi-autogenous mill, installing belt magnets and introducing froth sensors and an advanced process control system; we also continuously improved separation efficiency and recovery rates in the magnetite business through measures such as reuse, constructing a new grinding plant, increasing magnetic separation capacity, and adopting counter-current magnetic separators.

The flotation tailings, rich in magnetite, are pumped to the magnetic separation plant for further recovery, achieving effective utilization of coexisting (associated) mineral resources. Relying on the SHEQ management system, we can track key performance indicators of concentrator daily through the online instruments and metallurgical statistics system to ensure the continuous and controlled efficiency of comprehensive resource utilization.

In 2025, the mining recovery rate was 85%, the mineral processing recovery rate was 90%, and the comprehensive utilization rate of associated mineral resources was 80%.

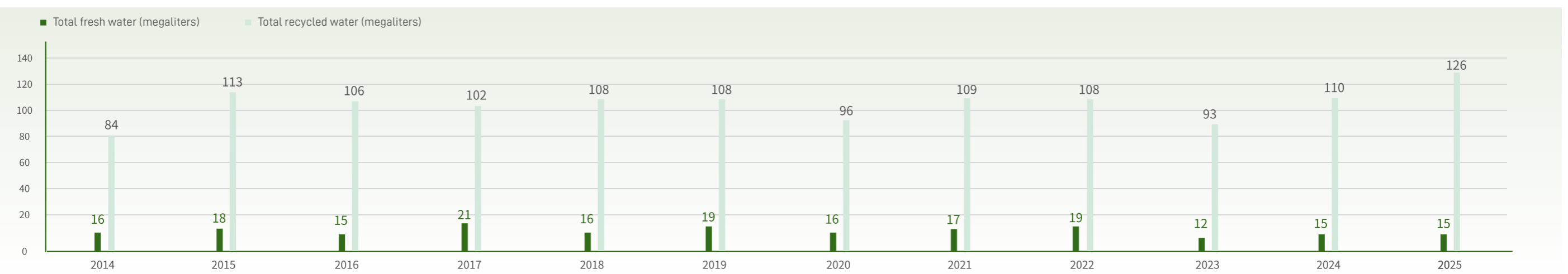


Autogenous Mill Unit in Concentrator



Flotation Cell System in Concentrator

Average Total Water Use per day of PMC





Ecological restoration to reshape the mining area landscape

Under the country's *National Environmental Management Act*, *Mineral and Petroleum Resources Development Act* and other relevant laws and regulations, The Company prioritizes ecological conservation as a core sustainability proposition based on the special location of the mining area adjacent to the Kruger National Park, and strictly abides by the ecological protection red line. Focusing on critical areas such as biodiversity protection, vegetation restoration, and land rehabilitation, we continuously advance the harmonious coexistence of mining activities and nature protection, striving to achieve a unified balance between industrial development, community well-being, and ecological equilibrium.



Results of Vegetation Rehabilitation Work in the Mining Area

Green office

The Company integrates green concepts into daily operations, actively promoting energy-saving, consumption-reducing, and low-carbon office practices. We post electricity saving and water conservation signs in office areas, encouraging employees to turn off lights and conserve water, embedding environmental awareness in everyday actions. We vigorously promote electronic and paperless office work, reduce the printing of paper documents, strictly control the use of disposable office supplies, and lower resource consumption from the source. In daily communication, we encourage employees to prioritize online methods such as conference calls to reduce unnecessary travel and energy consumption. Through continuous publicity, guidance and atmosphere-building, the Company gradually cultivates green and low-carbon office and living habits among employees, truly integrating environmental concepts into daily work.

Biodiversity protection

The company integrates biodiversity protection throughout the entire mining operation process. We strive to achieve a balance between mineral resource development and ecosystem protection through systematic monitoring, scientific management and proactive restoration, safeguarding biodiversity in the mining area and surrounding regions.

Governance

The company strictly complies with South Africa's *National Environmental Management: Biodiversity Act (NEMBA)*, the International Finance Corporation Performance Standards and other relevant regulations, and systematically identifies and manages the impacts of mining activities on ecosystems based on the *Biodiversity Action Plan*, comprehensively implementing management measures including avoidance, reduction, restoration and compensation. On this basis, we continuously improve mine closure management. The land use management plan review has been completed, and the mine closure cost assessment and rehabilitation standard revisions were carried out in 2025. To ensure the effective implementation of all conservation commitments, we are committed to promoting the continuous improvement of the ecosystem in the mining area and its surroundings, ultimately achieving the goal of a "Net Positive Impact" (NPI) on biodiversity.

Strategies

The company is dedicated to seeking a balance between mining operations and ecological protection, and it develops targeted response strategies by systematically identifying and assessing the impacts of mining activities, climate change and other factors on the ecosystem.

Risks	Risk description	Measures
Challenges posed by extreme weather	The unstable rainfall in the area leads to an increase in droughts and extreme weather events, which harm biodiversity.	Formulates corresponding strategies, which are to optimize water resource management, improve water use efficiency, strengthen the cultivation and protection of drought-resistant plants, and enhance the ecosystem's adaptability to climate change.
The challenge of substantial funding requirements	Significant investment in funds, technology and human resources is required for biodiversity conservation.	Actively seeks external cooperation, and establishes partnerships with government departments, scientific research institutions, non-governmental organizations, etc. to jointly carry out biodiversity conservation.
The complexity challenge of monitoring and evaluation	The monitoring and evaluation of biodiversity is complex and challenging.	Explores and adopts advanced monitoring equipment and technical means to improve the accuracy and reliability of monitoring data, and establishes a scientific evaluation system to regularly evaluate the effectiveness of conservation efforts and adjust conservation strategies and measures in time.

Impact, risk, and opportunity management

To comprehensively identify and address the impacts of mining operations on the ecosystem, The Company has established a multi-dimensional monitoring system covering vegetation, insects, mammals and predatory animals. Based on this system, we can systematically track ecological trends, assess the potential impacts of climate and operational activities, and optimize management measures accordingly to ensure the effective achievement of biodiversity protection goals.

Ecosystem dynamic monitoring



Dynamic monitoring of vegetation

- Establish a vegetation monitoring project to systematically understand the current status and change trends of natural vegetation resources in the mining area;
- Monitor the plant species composition, coverage, standing biomass and community structure;
- Conduct correlation analysis between vegetation indicators and management practices such as grazing density;
- Track the dynamic changes of vegetation in the mining area throughout the entire process, and conduct comparative analysis with ecological changes in regional nature reserves.



Establishment of butterfly monitoring and ecological baseline

- Initiate butterfly biodiversity monitoring efforts to establish a baseline for entomological ecological impact assessment;
- Distinguish between natural climate cycle fluctuations and potential ecological impacts from mining operations, fulfilling the monitoring commitments outlined in relevant management plans.



Monitoring of mammal feeding impacts and activity trails

- Conduct annual assessments of herbivore activity trails, monitor the impact of feeding behavior on the ecological environment of the mining area, and record and analyze data with the help of Cybertracker software;
- Control the disturbance of overgrazing to habitats, assess the impact of feeding behavior on vegetation restoration areas, and facilitate the natural recovery of native vegetation;
- Monitor the habitats of endangered species, maintain the ecological integrity of undisturbed areas, and safeguard the survival conditions of wildlife traversing the mining area.



Wildlife protection and management

For large predatory animals within the mining area, The Company has developed specialized management plans that outline management objectives, implementation pathways and operational procedures, covering species such as cheetahs, lions, African wild dogs, spotted hyenas. The initiative aims to achieve a balance between mining operations and species conservation through scientific management, contributing to the achievement of regional metapopulation conservation goals.

Case "Eagle Nesting Project" achieves win-win for ecological protection and production operations

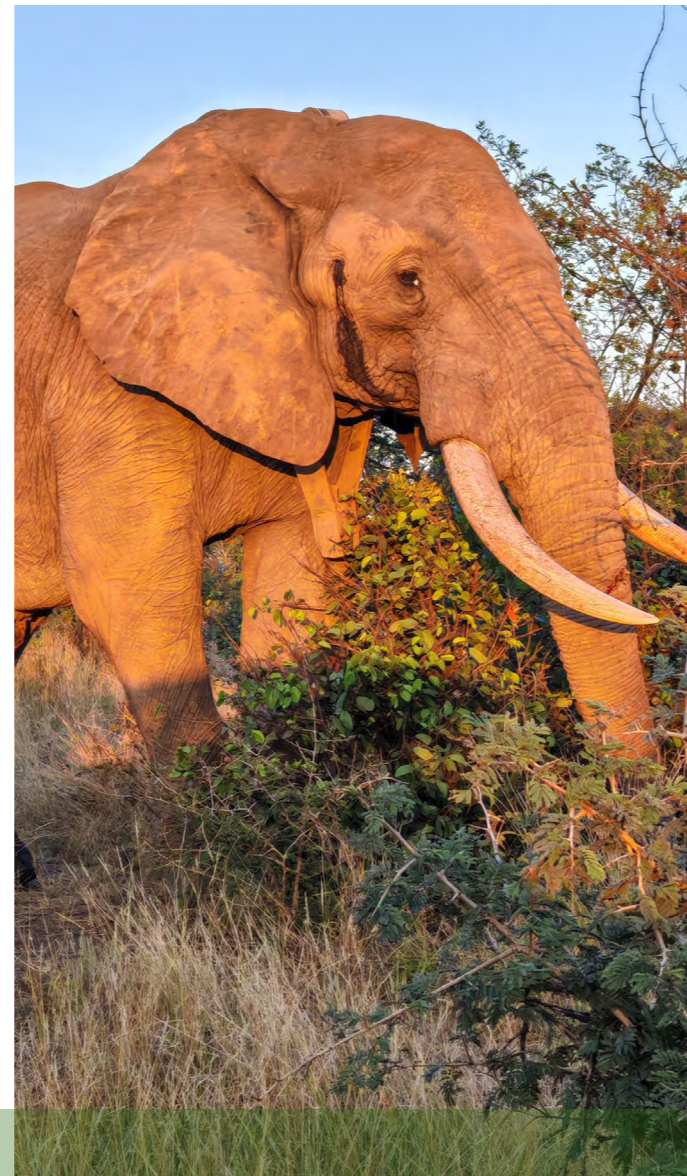
In accordance with South Africa's *Biodiversity Act* and *Nature Protection Standards*, the company innovatively implemented the "Eagle Nesting Project" to address issues of African hawk-eagles nesting on monitoring poles, obstructing camera lenses, and posing threats to employee safety. By constructing artificial eagle nests at strategic locations within the mining area, the eagle population was successfully relocated away from the core facilities. This initiative not only protected a protected species but also ensured the normal operation of the monitoring system, utilizing the territorial awareness of raptors to achieve "natural security", setting an industry example of harmonious coexistence between industrial development and ecology.



Case Innovative distribution of slingshots to prevent and control primate safety risks

In response to the increasing incidents of harassment by primates such as monkeys and baboons within the mining area, which have led to property damage and safety hazards for employees, PMC distributed 50 slingshots to workers in high-risk zones as non-lethal deterrent tools. The initiative aimed to alert the animals and maintain a safe distance by showing the slingshots, rather than causing harm. All recipients underwent standardized training to ensure humane usage. The team also strengthened the management of feeding behavior and safety education, ensuring both the personal safety of employees and harmonious coexistence with wildlife.





Indicators and goals

Indicator

In 2025, The Company identified a 21-hectare area for synchronized ecological restoration, with monitoring projects for vegetation, butterflies, mammals and predatory animals all progressing as planned. The monitoring data shows that biodiversity in the restoration area is gradually improving, with a greater variety of butterfly species than that in natural areas, and the reptile and amphibian communities in good ecological condition; the vegetation coverage and plant species in tailings ponds and waste rocks have significantly increased, enhancing ecosystem stability. With the restoration of ecological functions, connectivity between different ecological areas has been strengthened, providing channels for the wildlife migration and gene exchange, and generating positive spillover effects on surrounding protected areas.

Future plans

The Company will leverage continuously accumulated monitoring data to dynamically optimize management measures, further enhancing the effectiveness of habitat restoration and ecosystem rehabilitation. Additionally, we will enhance exchanges and cooperation with research institutions, industry partners and social organizations, introduce advanced conservation experience and technology, and continuously carry out public awareness campaigns to foster a positive pattern of multi-stakeholder participation in biodiversity protection.



Wildlife in Mining Area

Leading value innovation, sharing and integrating a better society

HBIS Resources continuously improves its scientific and technological innovation system, strengthens the core competitiveness of enterprise development, adheres to creating opportunities for employee development, safeguards employees' fundamental rights and interests, achieves alignment and resonance between the Company and its employees, engages in community building, and joins hands with society to share the fruits of corporate development.

Innovation-driven, stimulating technological vitality	59
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Inclusiveness for a harmonious community	72

SDGs





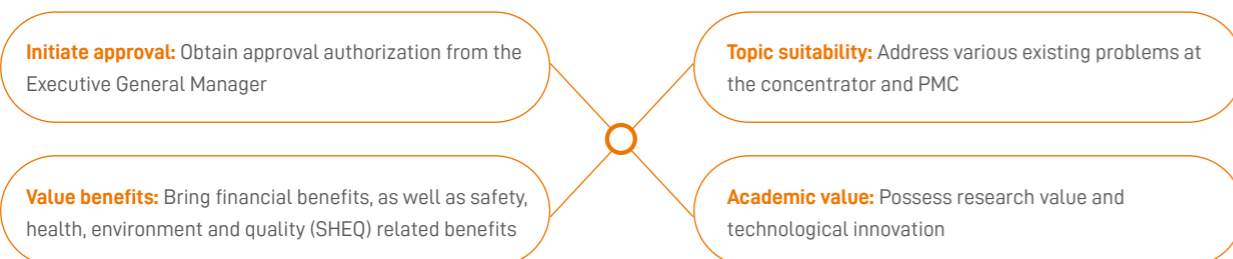
Innovation-driven, stimulating technological vitality

HBIS Resources continuously refines its scientific and technological innovation system, solidifying the foundation for self-reliance and self-improvement in science and technology. It realizes the application of research results through transformation, patent licensing, and media coverage, actively promotes the digital transformation of mining operations, supports high-quality industrial development, and enhances its influence in the mining field.

Improve innovation system

The Company adheres to an innovation-driven approach, institutionalizing and normalizing innovation mechanisms as a core part of the daily operational system, and includes them as KPI indicators for all managers, clarifying responsibilities and work priorities. It has established a comprehensive innovation management system, setting up an innovation management organizational structure led by the value enhancement practice department and involving project principals, chief researchers, and tailings and storage facility research managers to systematically review innovation and R&D work. The Company has formulated the Value Enhancement Practice System, specifying operational procedures for innovation projects and using standardized templates and evaluation criteria to ensure uniform assessment and standardized management of employee innovation ideas. A comprehensive innovation incentive program is implemented to recognize employees who submit innovative ideas, teams that successfully implement innovation solutions, and individuals who publish results in internal or external publications. A knowledge-sharing platform has been established to promote the sharing, recognition, and publication of innovative technologies and practices both internally and externally. A multidisciplinary "SWAT" team composed of graduates, apprentices, interns, and contractors has been formed to assist various departments in implementing their own innovation solutions. The Company regularly compiles research quarterly reports and research journals to document its research activities, which are included in monthly reports sent to senior management, fostering an innovation culture within the Company that values creativity and embraces learning. In 2025, the Company invested CNY 120 million in R&D, had 225 technical personnel, completing certification for ISO 56001:2024 and ISO 56002:2019 standards; successfully held 6 innovation challenge competitions, collecting a total of 949 R&D suggestions.

Innovation project operating guidelines/principles



Transform innovative achievements

Leveraging its own business characteristics, the Company directly solves current operational problems through innovative solutions with diverse value and long-term implementation, driving the transformation of innovative achievements into tangible benefits. Encourage employees to participate in innovation-themed challenge projects, promote business development by proposing innovative solutions, and foster an inclusive innovation environment; actively showcase the Company's innovation and research achievements through conferences/seminars/technical activities/academic journals, completing core mining technology upgrades such as the installation of the Southern Hemisphere's largest underground crusher, magnetite mill modifications, and intelligent underground ventilation control; collaborate with universities like the University of South Africa and the University of Limpopo on research projects, conduct graduate projects oriented towards industry needs, solve existing PMC problems through in-depth theoretical research, and comprehensively enhance the added value of the mining and processing value chain; establish an intellectual property management mechanism, formulate a written filing system for ownership of innovative achievements, emphasize intellectual property creation and outcome transformation, establish cooperation with the patent-holding company, Mintek, assist PMC in patent application, patent registration and patent commercialization, and strengthen the standardized management of intellectual property.

By the end of 2025, the value improvement practice (VIP) department had collected and organized a database of over 2,200 creative proposals from various disciplines.

Innovative achievements for mining operations



Innovation: Upgraded old synchronous switches in the production shaft.

Result: Reduced maintenance time from 4-6 hours to 30 minutes.



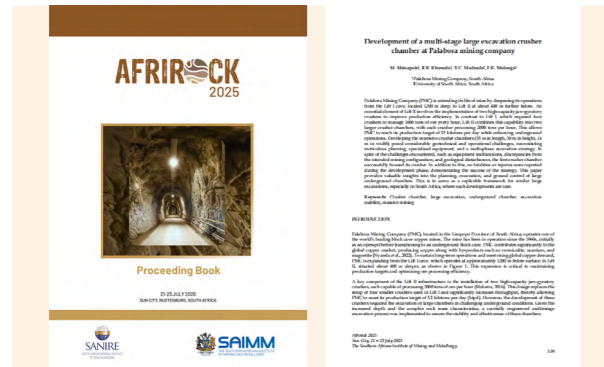
Innovation: Independently retrofitted a decommissioned engine.

Result: extending the service life of the equipment.



Innovation: Optimized the usage method for lifting beam slings.

Result: Reduced time for removing the steel rope from the reel, improving production efficiency.



The Company employee research findings were presented at the AfriRock 2025 conference and selected for publication in the SAIMM journal.



The Company Smelter Cooling Tower Structural Assessment and Repair Plan Project received a nomination for the Annual Engineering Excellence Award of the Consulting Engineers South Africa (CESA).



Representatives from the University of South Africa and the Company participated in a project application seminar.



The Company has established a technical collaboration with professors from the University of Witwatersrand (WITS) for tailings pond development.

Innovative technology support

The Company seizes the digital wave, strengthens digital infrastructure, enhances governance efficiency, data integrity, operational resilience, and real-time decision-making capabilities; utilizes digital and intelligent technologies to innovate, research & develop, and upgrade mining technologies, effectively improving equipment production efficiency, enabling efficient resource utilization, and building a solid technological foundation for corporate innovation; emphasizes digital talent cultivation, actively implements basic digital skills training programs to fill the Company's digital skills gap, and helps employees enhance their digital skills.

Development of database

PMC has developed two research databases. Database (I) aims to list information related to employee research interests, and Database (II) aims to summarize all research work conducted by internal employees in collaboration with external institutions. The research database has been utilized on the portal of the Mine Health and Safety Council (MHSC) to assess the impact of research and innovation adoption.

Development of database

Installed high-speed froth sensor cameras in flotation cells to collect real-time visual data of the froth surface and monitor key parameters such as bubble size, color and flow rate, and enabling real-time visual control of mineral processing.

Deployed the Schaeffler Optime wireless vibration/temperature sensor system, leveraging AI machine learning to predict potential equipment failures, and achieving real-time feedback on the health status of critical and non-critical equipment.

Equipped the reliability engineering and condition monitoring team with CAT S62 pro rugged phones, supporting thermal imaging and real-time data collection, and enabling on-site identification of equipment hot spots and overheating components.

Conducted Windows 11 system migration for equipment, implemented SysAid cloud upgrade to modernize IT service management, upgraded LIMS system, HP Nimble storage system, Barn Owl system to enhance workflow efficiency and compliance, and installed UPS devices to ensure operation of critical systems during power outages.



The company launches the "Basic Digital Skills Program" Vocational Education and Training Project



The company attends the 4th Mining Digital Transformation Conference in 2025



The magnetite technology team purchased multiple monitoring screens for the new process control room, upgrading the equipment for the process control facility.



Completed surface ventilation shaft fans.



Mutual benefit and win-win cooperation, building a responsibility chain

HBIS Resources strictly adheres to supply chain management laws and regulations, builds a secure and stable responsibility chain, strengthens contractor safety collaboration and incentive/elimination mechanisms, collaborates with industry partners to deepen industry-academia-research cooperation, actively participates in industry exchanges, and works with supply chain partners to jointly build an industrial ecosystem for collaborative development.

Supplier management

HBIS Resources strictly adheres to relevant regulations in its operating locations, such as the *Broad-Based Black Economic Empowerment Act* (B-BBEE) and the *Mineral and Petroleum Resources Development Act*. Guided by the *Operating Procedures for Procurement and Material Management*, *Code of Ethics and Mine Health and Safety Standards*, the Company has established a supplier evaluation committee, continuously improves its supplier management mechanism, systematically identifies, assesses and monitors supply chain risks, ensures the security and continuity of key goods and services supply chains, promotes supplier development and cooperation, and ensures suppliers align with the Company's sustainable development goals.

In 2025, PMC was awarded the South African B-BBEE Level 2 Compliance Contributor Certificate, signifying its compliance practices under the requirements of B-BBEE and the *Mining Charter* have reached a high level. This significantly enhances the Company's recognition within the local procurement system and creates favorable conditions for expanding cooperation with government, mining, and large enterprises.

Supply chain risk management

Integrate risk assessment throughout the entire supplier lifecycle, including supplier eligibility and contract signing. Systematically implement identified risk mitigation and monitoring through measures such as developing corrective action plans, creating alternative procurement strategies, implementing contract controls, and formulating contingency plans.

Review the effectiveness of risk management measures through management oversight, regular supplier performance evaluations, supplier audits and internal review activities.

Access and review of suppliers

Follow written procedures and delegation of authority (DOA) limits to conduct supplier pre-qualification, performance monitoring, periodic evaluations and site visits. Assessment criteria include delivery performance, quality, health and safety, cost and compliance.

Prioritize local African women and suppliers with higher B-BBEE levels.

Conduct ESG review and evaluation of suppliers through the SAP system and ARIBA e-procurement platform, rate suppliers, and use the ratings as criteria for key procurement decisions.

Supply chain security and stability

Before collaboration, assess supplier capabilities, compliance and operational resilience through a due diligence process.

Adopt supplier diversification and strategic sourcing strategies to reduce the risk of supplier dependency.

Utilize digital procurement and contract management systems to promote supply chain traceability and transparency, effectively monitoring and auditing supply chain transactions.

Supply chain ESG management

Integrate sustainable development, ethical standards, and health, safety and environment requirements comprehensively into the supplier selection process and performance evaluation system.

Improve the supplier training system and carry out relevant training through the supplier development program.

For suppliers identified as qualified enterprises or beneficiaries of supplier development, the Company may provide advance payments, business support and other specific support stipulated in supplier development agreements.

Contractor management

The Company conducts double review of contractors' qualifications and personnel capabilities to ensure that contractors involved in projects have the necessary competence and expertise. Together with contractors, it promotes the construction of a safety culture to enhance safety awareness and emergency response capabilities among all parties. Highperforming contractors are rewarded with incentives, while underperforming ones undergo corrective discussions or are phased out. This approach fosters a collaborative and sustainable ecosystem for mutual development with contractors.

Industry communication and cooperation

The Company consistently upholds the concept of open collaboration and mutual development. It deeply engages with higher education institutions, research organizations and industry partners for communication and exchange. It collaborates extensively with top experts in mineral processing, geometallurgy, sustainable mining technology and operational optimization. The Company actively participates in mining industry conferences, technical seminars and professional forums, showcasing its research achievements to promote experience sharing and technological co-creation within the industry, thereby enhancing its influence in the mining field.



The Company participates in the African Rock Engineering Conference



The Company, Mintek and the University of South Africa hold a virtual meeting on research collaboration



Employee representatives of the Company present research work at the 13th International Heavy Minerals Conference (HMC2025)



The employee representatives of the Company attend the SAIMM Limpopo Branch Technical Presentation in Bela-Bela; employee presentation wins first place in overall awards



People-oriented, building a stage for growth

HBIS Resources consistently adheres to domestic and international labor standards, upholds equal employment, improves the compensation and benefits system, strengthens union communication and management, deeply integrates democratic management into modern corporate governance, comprehensively safeguards employee information security, and solidifies the foundation for the fair, healthy growth and development of employees.

Protection of rights and interests of employees

The Company adheres to the principles of fair, just and open recruitment, prohibits any form of discrimination and unfair competition, refrains from differential treatment based on employees' gender, age, ethnicity or religious beliefs, actively promotes employee localization policies, and fosters a fair and equitable employment environment. By 2025, the company had a total workforce of 3,885 employees, with a 100% labor contract signing rate.

In 2025

Total number of company employees

3,885 person

Labor contract signing rate

100%



Adhering to equal employment

The Company complies with local laws and regulations such as the *Constitution of South Africa* and the *Employment Equity Act*, formulates the *Employment Equity Policy* and *Recruitment Policy*, and resolutely opposes any forced labor and child labor, and treats employees with different nationalities, ethnicities, races, skin colors, genders, religious beliefs and cultural backgrounds equally; a job evaluation and grading mechanism ensures that position settings meet reasonable level requirements, maintaining an equal employment environment; it establishes an accessible working environment and employment mechanism, and states in recruitment that prioritize women or disabled in certain posts to help them realize their professional value.



Remuneration and welfare system

The compensation guidelines approved by the PC REMCO set salary standards for position appointments, ensuring that offer letters comply with regulations by clearly defining job responsibilities and authority scopes.

The Company provides employees with various types of leave, including annual leave, sick leave, maternity/paternity leave, study leave and specialist doctor leave.

The Company strictly adheres to the provisions on working hours in the *Mine Health and Safety Law* and the guiding clauses in the *Basic Conditions of Employment Act* regarding total weekly working hours and overtime.



Strengthen labor union construction

In accordance with the *Constitution of South Africa* and the *Labor Relations Act*, all employees have the right to form labor unions, freely establish, join labor unions, and participate in lawful activities without fear of dismissal or discrimination.

The relationship with labor unions is built based on written agreements such as *Recognition Agreements* and collective agreements. All meetings require minutes to confirm the consensus reached.

Maintain regular constructive dialogue with labor unions to jointly address core employee concerns, including job safety, job security, substantive negotiations, improving overall employment conditions, and employee development, promoting a positive work atmosphere across all business units.



Employee localization policy

Strictly comply with the *Employment Equity Policy* and *Recruitment Policy*, formulate and issue the *Employment Equity Implementation Plan*. Uphold the principle of equal opportunity as an employer to build a workforce with a representative composition that fully reflects South Africa's diverse demographic characteristics, thereby promoting the establishment of a transformed and representative workplace environment.



Employee privacy protection

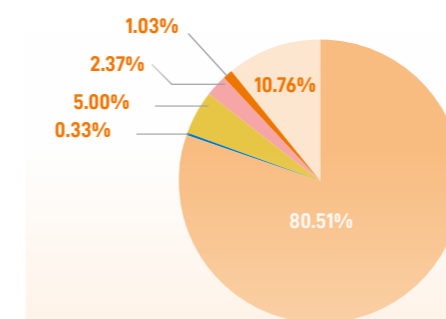
Strictly comply with the *POPI Act*, respect and protect employee personal privacy to ensure their rights are not infringed upon; further enhance the security protection of employee electronic information through IT security systems to prevent data leakage.

The Company PMC employee welfare system

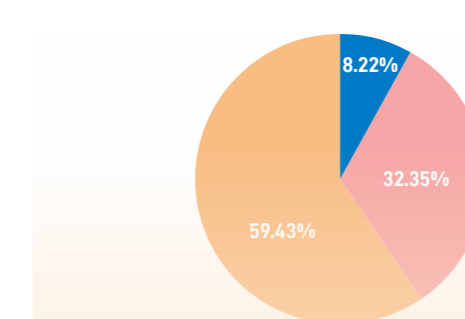
- Provide immediate economic assistance or leave arrangements for employees whose immediate family members have passed away.
- Provide medical subsidies for employees to enable them and their families to enjoy the best medical security services.
- Provide rental subsidies for new employees to settle down in Phalaborwa and purchase housing subsidies for employees to buy properties.
- Provide employees with good pension fund plan.
- Employees who participate in the Company's ownership plan as beneficiaries can enjoy an additional 5 years of welfare after retirement.
- Provide scholarships for eligible employees and family members in need to help them improve their skills.

The Company PMC employee composition

Specialty composition



Education background



- Production personnel
- Management personnel
- Sales personnel
- Administrative personnel
- Financial personnel
- Bachelor degree and above
- Associate degree
- Technical secondary school and senior high school diploma or below



PMC won the "Best Employer" certification, receiving this honor a total of 8 times.

Employee growth support

HBIS Resources continuously strengthens the construction of employee cultivation system, clears career progression paths, transforms talent advantages into development advantages, and provides solid organizational and talent support for the Company's high-quality development.

Governance

The Board of Directors has established a Nomination Committee to select and propose candidates, selection criteria, and procedures for the Company's directors and senior management, fully consider the succession management capability development of the Board of Directors and management and the Company's leadership needs, ensure the Company maintains effective talent competitiveness in the market and ensure all employees can fully utilize their talents through the implementation and execution of human resources work by subordinate team leaders.

Strategies

Risks	Risk description	Measures
Skill gap risk	Mineral resource development and engineering machinery manufacturing are both technology-intensive fields, and local South African employees may lack the professional knowledge required for high-tech positions, leading to insufficient talent supply for technical roles.	University-enterprise cooperation for targeted training: Collaborate with South African universities to establish targeted classes in mining engineering, mechanical manufacturing, and other fields, with customized courses. "Dual mentorship system for technical talents": Chinese experts are dispatched to pair up with local technical backbones in South Africa, accelerating skill enhancement through on-site practical operations combined with theoretical training.
Mismatch risk between South Africa's education system and industry needs	South Africa's vocational education resources are concentrated in major cities like Johannesburg, making it difficult for employees in remote mining areas to receive systematic skill training, leading to inefficiency in operational positions.	Establish training centers within mining areas, set up satellite training points, and equip them with virtual reality (VR) devices to simulate mining scenarios and address geographical limitations. Collaborate with local vocational colleges to build training bases, such as partnering with Limpopo Technical College to embed training courses into the mining production process.
Cross-cultural management risk	PMC is predominantly staffed by local employees, and cultural differences may lead to low acceptance of training content and disputes over promotion fairness.	Develop "culturally adaptive" training materials to integrate Chinese management experience with South African local culture. Establish a "dual-track" promotion system, with technical and management positions running in parallel, so that employees can choose development paths based on their strengths.

Impact, risk, and opportunity management

Talent acquisition

From the perspective of its own development needs and taking into account the diversity and balance of its staff composition, the Company focuses on targeted recruitment, and through establishing partnerships with organizations that focus on recruiting talents with specific skills and cooperating with special interest groups (e.g. the South African Association of Persons with Disabilities), the Company insists on the openness and transparency of talent recruitment, and searches for specific talents that meet the needs of the Company's development in order to build up a team of comprehensive, professional and enterprising talents.

Talent training

The Company places high importance on creating growth opportunities and platforms for employees. Strictly following employee needs and relevant compliance commitments in the *Social and Labor Plan (SLP)*, it provides training programs covering formal education, technical training, soft skills enhancement and leadership development for different categories of professional positions. It regularly conducts training needs analysis to support the budget application process and training plan formulation. It offers assistance such as bursaries to eligible employees to stimulate their learning potential and support further education. It establishes partnerships with external professional institutions like the University of South Africa to jointly develop specialized training courses. In 2025, the company conducted 33 specialized training sessions, with 2,290 participants.

In 2025

The company organized specialized training

33 terms

Attended the training

2,290 person



The company hosts VIP (Value improvement practice) knowledge sharing and awards ceremony



The company participates in the exciting career day event hosted by Lulekani Full Church

Talent promotion

The Company is committed to creating equal development opportunities for all employees. It has established talent management and succession planning policies, launched a structured career progression system, and adopted a systematic integrated approach to accurately identify, develop and retain key position talent based on current and future business objectives. Following each annual performance management cycle, it conducts annual assessments to prepare for promotions and ensure optimal performance in current roles, providing transparent, fair and diverse career development and advancement paths. In 2025, nine PMC employees of the Company successfully passed the 2025 career promotion process.

Career development paths of the company	
Vertical promotion	Promotion opportunities are provided for employees who excel in their current roles and demonstrate the potential to take on more challenging tasks.
Lateral promotion	There is no significant change in function, but the company rewards hardworking and outstanding employees through salary increases.
Diagonal promotion	Employees are transferred to new positions in other departments or business units, helping employees with quick learning abilities to excel in new roles and learn new skills.
Open promotion	The Company provides promotion opportunities to all eligible employees by posting vacancy information on the employee bulletin board or via email.

Talent selection

The Company regularly conducts best employee selection activities. All employees and management are eligible for nomination. Subordinates, colleagues and superiors can nominate any employee by filling out the best employee nomination form. After the *HR Best Employee Nomination Form* is submitted to the relevant department committee or the HR Service Department, the department committee reviews all nomination materials within the department. The approved nominations are then submitted to the HR Service Department for reward approval. Nominees approved by the department automatically qualify for the annual best employee selection. According to the career promotion policy, being selected as the best employee of the month enhances eligibility for receiving senior or master allowances.

Indicators and goals

Indicator

Indicator	Unit	2025
Investment in employee training	CNY ten thousand	3052.1
Average training duration per person	Hour	39.9
Turnover rate of employees	%	3.4

Goal

The PMC develops a training plan annually to determine the number of employees in various learning programs Prepare WSPs to help employees (especially HDSA candidates) improve their skills.

Field	Unit	Goal for 2026 (HDSA)	Goal for 2026 (Non-HDSA)	Goal for 2026 (Male)	Goal for 2026 (Female)
Bursary program	Person	0	0	0	0
On-the-Job training program	Person	27	1	18	10
Graduate internship program	Person	11	1	8	4
Management development program	Person	0	0	0	0
Study and practice program	Person	0	0	0	0
Total	Person	38	2	26	14

Female employee care

The Company attaches great importance to ensuring the equal rights, personal dignity, privacy, physical and mental health and fair labor rights and interests of female employees, aiming for female employees to account for 25% or more of the workforce. Through the establishment of the "mining female" system, improving female health facilities in the mining area and hosting female leadership forums, the Company empowers the career development of female employees and reshapes the mining workplace ecology.



Pregnancy health week activity



Employee anti-sexual harassment education activity

Note:HDSA stands for Historically Disprivileged South Africans. The planned quotas for the above programs in 2026 have been reduced due to multiple operational challenges currently faced by the Company, including flooding in underground mining operation areas and operational difficulties in other supporting plant areas of the mine affected by the floods. The Company will dynamically review and adjust the planned quotas based on the actual progress of these challenges.

Maternity leave policy

The Company adheres to national regulations by providing special welfare system for female employees during pregnancy, maternity leave and suckling period to effectively safeguard the rights of female employees.

PMC establishes an applicable maternity leave policy to offer up to 6 hours of paid leave per week for eligible female employees.

Anti-sexual harassment

The Company has formulated the *Anti-Sexual Harassment Policy* to create a work environment free from bullying and harassment, and discipline all employees convicted of sexual harassment.

The Company has conducted awareness campaigns on preventing workplace sexual harassment, by vivid case studies to help employees identify different forms of harassing behavior.

The Company has smooth reporting and assistance channels, allowing harassment incidents to be reported through the HR Department or the reporting system.



Honors

Mpho, Chairperson of the PMC Mining Women's Organization, was selected as a semi-finalist for the 2025 South Africa TransUnion Rising Star Award in the category of mining & minerals.

Enrich employee life

The Company organizes diverse cultural, sports, parent-child and holiday activities to promote work-life balance, enhance employee cohesion and create a virtuous cycle of "happy work, healthy life". In 2025, the employee satisfaction survey results at PMC reached 85.2%.



Cooking challenge on Valentine's Day



Healthy walking activity



PMC cycling club members participated in the Capetown annual cycle tour



Family half marathon



Inclusiveness for a harmonious community

HBIS Resources upholds the philosophy of inclusive and equitable development. Leveraging its resource advantages, it focuses its efforts on key areas such as education, healthcare, community governance, environmental protection and public welfare. Through concrete actions, it deeply engages in community co-construction, supports local development, and fosters a harmonious and symbiotic community development ecosystem. In 2025, a total of 35 company personnel participated in public welfare and charitable activities.

Support education development

Establish scholarships, provide local youth with holiday work opportunities to cultivate the professional skills young people need; advance school renovation projects, improve the construction of supporting facilities for campus nutrition programs, donate computer equipment to schools to enhance the level of local educational resources; organize career fairs to provide an interactive platform for career exchange, bridging the gap between education and employment.

Guarantee healthcare

Construct health service centers and provide related diagnosis and treatment services; operate the Marara Medical Center to offer 24-hour medical security for enterprise employees and community residents.

Participate in community governance

Take root locally to strengthen governance, actively participate in maintaining local community security and order; in the face of natural disasters such as fires and floods, actively engage in local rescue and post-disaster reconstruction, and promote the integrated development and shared benefits of the enterprise and the community to provide a safe and stable operating environment for overseas business expansion.

Preserve the community environment

Organize community clean-up and environmental improvement actions for garbage removal, conduct public awareness campaigns on environmental protection concepts, protect community flora and fauna, maintain community biodiversity, and achieve harmonious development between the Company and the community environment.

Engage in public welfare and charity

Focusing closely on local livelihood needs, carry out a series of public welfare activities centered on assisting disadvantaged groups and caring for special populations, integrate the concept of public welfare into daily operations, and interpret the Company's social value through sustained public welfare practices.

Case Two-day public welfare action of the Company on Mandela Day in 2025

On July 17-18, 2025, PMC conducted a two-day public welfare action on Mandela Day at the Tshubje temporary relief center and the Thabelang disability center in the Phalaborwa municipal area. On the first day, winter supplies were donated to the relief center, and doors and windows were renovated; partner Tharama Trading donated paint and repaired a well and toilet doors. On the second day, non-perishable food and clothing were donated to the disability center to support its long-term food project. This action demonstrated PMC's corporate pursuit of deeply integrating social responsibility into its operational philosophy.



Donating winter supplies to the relief center



Donating non-perishable food to the disability center

Case The Company assists community in maintaining street safety and order

July 2025, PMC, through its security services department, donated an old trailer to the local community policing forum for use in emergencies such as fires and floods, enhancing community safety and providing support to the local South African Police Service (SAPS). In recognition of the South African Police Service's (SAPS) tireless efforts in maintaining safety and order on the streets of Phalaborwa, PMC has sponsored three patrol vehicles to enable 24/7 patrols, assisting local communities in combating criminal activities and safeguarding and sustaining their sustainable development.



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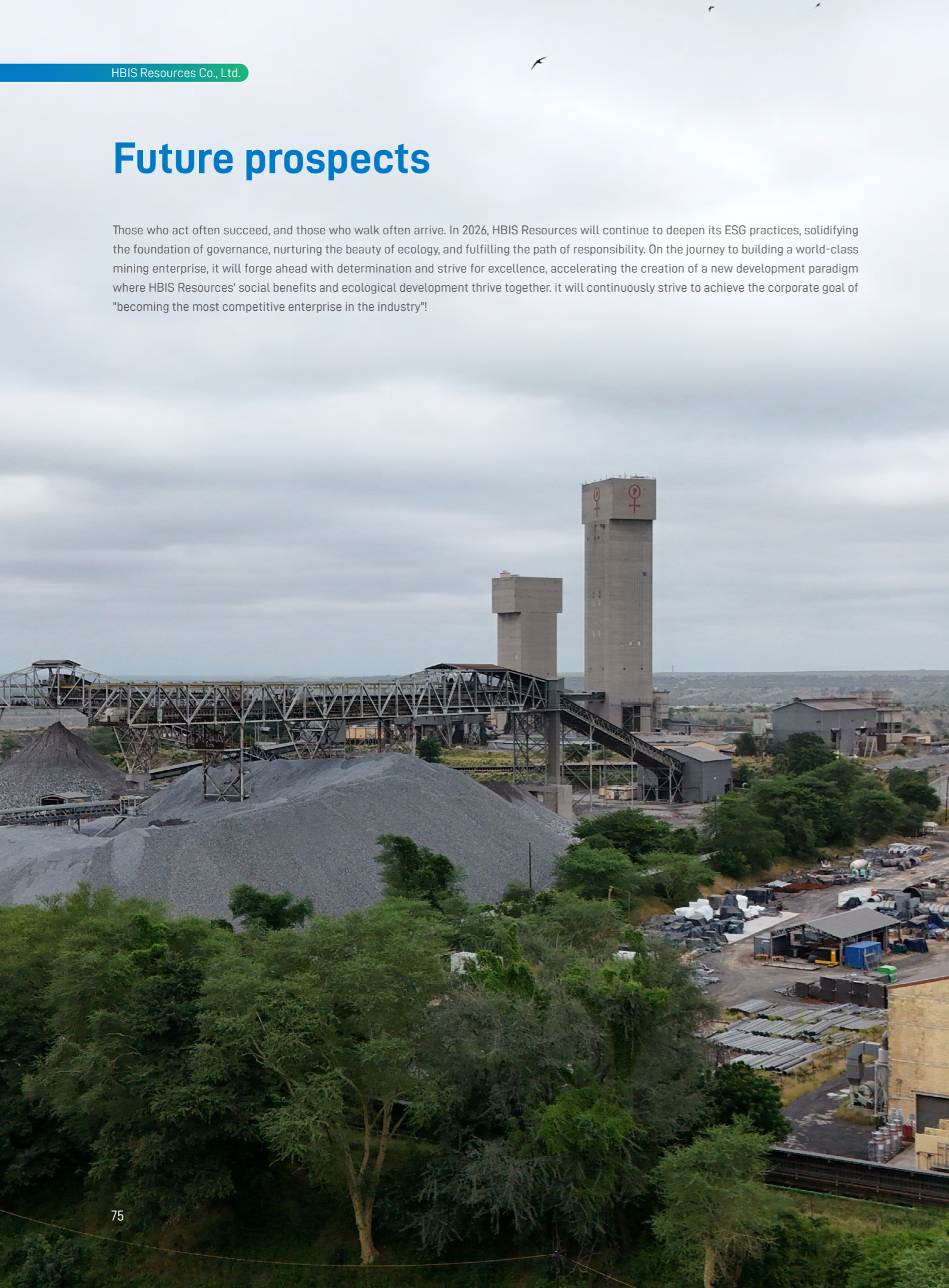


07

- 01 The Company scholarship program propels 31 students towards career success
- 02 The Company contractor donates 825 brand new school uniforms to Wats-Wats Primary School in Ga-Selwane Village
- 03 The Company donates 44 computers and accessories to 11 under-resourced schools in the Phalaborwa area
- 04 The Company partners with Frans Du Toit Secondary School to host a career expo
- 05 The Company conducts community environmental clean-up campaign
- 06 The Company conducts environmental awareness activities in local schools
- 07 The Company launches child protection week public welfare initiative

Future prospects

Those who act often succeed, and those who walk often arrive. In 2026, HBIS Resources will continue to deepen its ESG practices, solidifying the foundation of governance, nurturing the beauty of ecology, and fulfilling the path of responsibility. On the journey to building a world-class mining enterprise, it will forge ahead with determination and strive for excellence, accelerating the creation of a new development paradigm where HBIS Resources' social benefits and ecological development thrive together. It will continuously strive to achieve the corporate goal of "becoming the most competitive enterprise in the industry"!



Annex

Key performance

Environmental performance

Indicator	Unit	2023	2024	2025
Combat with climate change				
Scope 1 greenhouse gas emissions	t CO ₂ e	65,130.8	70,033.1	78,248.6
Scope 2 greenhouse gas emissions	t CO ₂ e	470,871.9	513,960.1	572,048.5
Scope 1 greenhouse gas emissions reduction	t CO ₂ e	-4,708.0	-4,902.1	-8,215.4
Scope 2 greenhouse gas emissions reduction	t CO ₂ e	8,584.0	-430,88.3	-580,88.3
Environmental management				
Environmental investment	CNY ten thousand	522.1	488.8	634.2
Office electricity consumption	Ten thousand kWh	97.1	159.6	394.7
Energy utilization				
Total energy consumption	MWh	670,633.9	765,688.5	831,542.3
Non-fossil energy quantity (power)	MWh	485,742.0	474,357.0	580,759.9
Total energy consumption intensity of the enterprise	MWh/million revenue	114.3	137.2	142.4
Clean energy consumption	MWh	0.0	0.0	0.0
Utilization of water resources				
Annual water consumption	Ten thousand m ³	3,897.9	5,086.8	5,129.1
Fresh water consumption	Ten thousand m ³	425.8	538.4	568.2
Water saving amount	Ten thousand m ³	250.2	-112.6	-29.8
Recycled water Used	Ten thousand m ³	3,472.1	4,548.4	4,560.9
Waste water Discharged	Ten thousand m ³	13.8	12.6	14.0
Recycling rate of mineral processing waste water	%	89.1	89.4	88.9

Indicator	Unit	2023	2024	2025
Pollutant emission				
Particulate matter (PM) emission	ton	201.2	196.2	135.7
Sulfur dioxide (SO ₂) emission	ton	2.3	2.3	0.7
Nitrogen oxide (NOx) emission	ton	54.3	53.3	110.2
Waste disposa				
Harmless waste Discharge	ton	756.0	1,177.0	861.0
Harmful waste Discharge	ton	82.1	133.0	429.4
Comprehensive utilization rate of solid waste	%	21.8	11.8	13.6
Recycled waste Used	ton	165.0	145.0	136.0
Consumption of renewable resources and its proportion in total resource consumption	%	0	0	0

Social performance

Indicator	Unit	2023	2024	2025
Protection of rights and interests of employees				
Number of female employees	Person	652	807	798
Proportion of female employees	%	16.5	20.0	20.6
Turnover rate of employees	%	3.3	3.2	3.4
Number of people employed during the reporting period	Person	235	159	26
Physical examination coverage rate	%	100	100	100
Labour contract signing rate	%	100	100	100
Social insurance coverage rate (medical subsidy)	%	100	100	100

Indicator	Unit	2023	2024	2025
Social insurance coverage rate (pension fund)	%	100	100	100
Number of female managers	Person	13	12	14
Percentage of female managers among middle-level managers	%	16.4	19.4	28.5
Average days of paid leave per employee	Day	34	34	34
Investment in employee training	CNY ten thousand	3,669.6	3,256.7	3,052.1
Average training duration per employee	Hour	53.0	32.4	39.9
Occupational health and work safety				
Total duration of safety training	Hour	41,239.0	39,491.0	53,318.0
Coverage rate of training on work safety	%	93.9	92.9	92.8
Number of safety drills	Time	146	122	143
Number of work safety accidents	Time	972	771	770
Number of work-related injuries	Person	5	4	2
Number of work-related fatalities	Person	0	0	0
Lost working days due to work-related injuries	Day	449	502	53
Rate of special operators with corresponding certificates	%	100	100	100
Supply chain security				
Number of supplier ESG assessments	Pcs.	7	10	9
Social contribution				
Charitable donations	CNY ten thousand	1,937.2	1,988.8	2,261.1

Governance performance

Indicator	Unit	2023	2024	2025
Company governance				
Attendance of directors at shareholders' meetings	%	100	100	100
Proportion of female directors	%	11.0	22.0	22.2
Attendance of directors at meetings of Board of Directors	%	100	100	100
Proportion of female executives	%	10	10	9
Customer				
Customer satisfaction	%	100	100	100
Number of customer complaints	Time	1	0	5
Customer complaint resolution rate	%	100	100	100
Number of product loss prevention incidents	Time	1	0	1

Operation performance

Indicator	Unit	2023	2024	2025
Operation performance				
Copper production	Ten thousand t	2.4	2.5	2.5
Magnetite production	Ten thousand t	581.5	932.4	1,125.0
Vermiculite production	Ten thousand t	16.9	16.3	10.6
Total assets	CNY 100 million	158.7	164.0	187.9
Operating revenue	CNY 100 million	58.7	55.8	58.4
Income tax	CNY 100 million	6.1	1.8	3.3
Net profits	CNY 100 million	9.1	5.7	5.7

Index of indicators

First-level heading	Second-level heading	Sustainable Development Report of Chinese Enterprises (CASS-ESG 6.0)
Report preface		P1.1-1.2
Statement of the Board of Directors		-
Address by chairman		P2.1
About Us		P3.1-3.3
ESG governance		G1.1.1-1.1.10,G1.3.1-1.3.2
2025 annual responsibility performance		A2
Responsibility Focus I: Ensuring Supply of High-Quality Ore, Enhancing Global Industrial Resilience		S3.1.2,S3.1.4
Responsibility Focus II: Jointly Building the "Belt and Road", Reaping Fruits of China-Africa Cooperation		S1.2.1
Deepen Overseas Ventures and Build a Solid Foundation for Stable Operation	Standardized operation to improve management efficiency	G1.1.1-1.1.3,G1.3.1-1.3.2
	Abiding the law, being compliant, and preventing operational risks	G1.1.1-1.1.2,G1.1.7-1.1.8 G2.1.1-2.1.8,G2.2.1-2.2.3
	Excellent quality to win customer trust	S3.3.1-3.3.6,S3.4.1-3.4.4
	Upholding the bottom line and fortifying the security barrier	S4.2.1-4.2.5
Practice Ecological Excellence and Create a Green Resource Landscape	Low-Carbon Development, Addressing Climate Change	E1.1.1-1.1.5
	Environmental management to strictly control pollution emissions	E2.1.1,E2.1.3,E2.1.5-2.1.7,E2.2.1,E2.2.3,E2.2.5-2.2.7
	Clean production to reduce resource consumption	E3.1.1,E3.1.4-3.1.5,E3.2.1,E3.2.3-3.2.4,E3.3.2
	Ecological restoration to reshape the mining area landscape	E2.3.1-2.3.3
Leading value innovation, sharing and integrating a better society	Innovation-driven, stimulating technological vitality	S2.1.1-2.1.4,S2.1.6,S2.1.12-2.1.13
	Mutual benefit and win-win cooperation, building a responsibility chain	S3.1.1-3.1.4
	People-oriented, building a stage for growth	S4.1.1,S4.1.3-4.1.5,S4.1.9,S4.1.11-4.1.12,S4.3.1-4.3.6
	Inclusiveness for a harmonious community	S1.2.1,S1.2.3,S1.2.5-1.2.6
Future prospects		A1
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	Index of indicators	A3
	Report rating	A5
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Rating report

One-picture Guide

One-picture Guide to the 2025 Environmental, Social and Governance (ESG) Report of HBIS Resources Co., Ltd. Rating Report

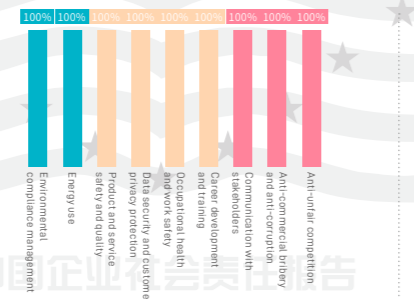
I. Rating Result



The 2025 Environmental, Social and Governance (ESG) Report of HBIS Resources Co., Ltd. (hereinafter referred to as the Report) is awarded a five-star rating. It is an outstanding corporate sustainability report.

Rating Result	Rating Illustration	Development Level
Rating Result	★★★★★ +	Model
Five-star	★★★★★	Outstanding
Four-and-a-half-star	★★★★☆	Leading
Four-star	★★★★	Excellent
Three-star	★★★	Good
Two-star	★★	Developing
One-star	★	Beginning

II. Highlight Performance



The materiality, comparability, readability and innovation aspects of the Report all achieved a five-star rating, while the process, integrity and balance achieved a four-and-a-half-star rating.

The Report systematically discloses 80.34% of the core indicators in the ferrous metal mining and processing industry, with the highest coverage rates of 100% for core indicators in the environmental dimension regarding environmental compliance management and energy utilization; in the social dimension regarding safety and quality of products and services, data security and customer privacy protection, occupational health and work safety, and career development and training; and in the governance dimension regarding communication with stakeholders, anti-commercial bribery and anti-corruption, and anti-unfair competition.

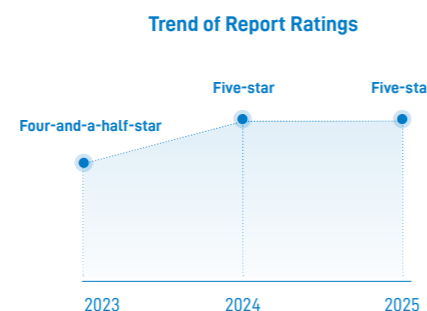
The Report discloses the comparative data of 62 key indicators for 3 consecutive years in detail, with the most comprehensive disclosure of comparable data for 3 consecutive years in the environmental dimension regarding water resource utilization; in the social dimension regarding employee rights protection; and in the governance dimension regarding communication with stakeholders.

III. Improvement Suggestions

Add the disclosure of core indicators under issues such as waste disposal and innovation-driven to further improve the integrity of the Report.

IV Rating Medal

HBIS Resources Co., Ltd. has participated in the report rating for 3 consecutive years, has gained the five-star evaluation for 2 consecutive years, and has been awarded the Bronze Medal.



Rating Report for the 2025 Environmental, Social and Governance (ESG) Report of HBIS Resources Co., Ltd.

Upon the request of HBIS Resources Co., Ltd. for the third consecutive year, the Chinese Expert Committee on CSR Report Rating invited experts to form a rating panel to rate the 2025 Environmental, Social and Governance (ESG) Report of HBIS Resources Co., Ltd. (hereinafter referred to as "the Report").

I. Rating Criteria

- The Corporate Sustainability Disclosure Guidelines - Basic Guidelines (Trial);
- Guidelines No. 17 of the Shenzhen Stock Exchange for the Self-regulation - Sustainability Report (Trial);
- Guidelines for the Sustainable Development Report of Chinese Enterprises (CASS-ESG 6.0) - Ferrous Metal Mining and Processing Industry
- Rating Standards for Corporate Social Sustainability Reporting in China (2026).

II. Rating Analysis

Process (★★★★☆)

The ESG Management Committee takes the lead in coordinating and advancing the report compilation work, supervises the overall direction and key aspects of the report, with the final approval by the Board of Directors; conducts preliminary research for report compilation, constructs a sustainability indicator system, establishes a comprehensive ESG governance architecture and institutional system to enhance sustainable development management; develops a list for collecting existing, quantitative, and qualitative data for the report, holds the report compilation kick-off meeting to comprehensively gather report materials; promotes the establishment by subsidiaries of management systems covering ESG issues related to safety, health, environment, and quality based on the safety, health, environment, and quality (SHEQ) management system, and compiles and releases the annual ESG report to strengthen vertical sustainability management; plans to release the report through channels such as the Company's official website and stock exchange website in formats including Chinese and English versions, printed copies, electronic versions, and a "one-picture guide" version. The performance in the process is leading.

Materiality (★★★★★)

The Report systematically discloses key issues in the ferrous metal mining and processing industry, such as addressing climate change, pollutant emissions, biodiversity and land use, water resource utilization (water scarcity), improving mining recovery and processing efficiency, intelligent mining, sustainable supply chains, safety and quality of products and services, occupational health and work safety, sustainable governance mechanisms, and anti-commercial bribery and anti-corruption. The descriptions are detailed and comprehensive, with the most extensive coverage for biodiversity and land use, occupational health and work safety, and sustainable governance mechanisms, spanning 6 pages, 4 pages, and 4 pages respectively, demonstrating outstanding materiality performance.

Integrity (★★★★☆)

The main body of the Report systematically discloses 80.34% of the core indicators in the ferrous metal mining and processing industry from perspectives such as "Deepen Overseas Ventures and Build a Solid Foundation for Stable Operation", "Practice Ecological Excellence and Create a Green Resource Landscape", and "Leading Value Innovation, Sharing and Integrating a Better Society", with the highest coverage rates of 100% for core indicators in the environmental dimension regarding environmental compliance management and energy utilization; in the social dimension regarding safety and quality of products and services, data security and customer privacy protection, occupational health and work safety, and career development and training; and in the governance dimension regarding communication with stakeholders, anti-commercial bribery and anti-corruption, and anti-unfair competition, demonstrating leading integrity performance.

Balance (★★★★☆)

The Report discloses negative data such as "number of work safety accidents", "employee turnover rate", "number of work-related injuries", and "number of workdays lost due to work-related injuries", and briefly describes situations such as "no incidents of commercial corruption or unfair competition" and "no liability incidents related to products and services", with leading balance performance.

Comparability (★★★★★)

The Report discloses the comparative data of 62 key indicators for 3 consecutive years in detail, such as "total assets", "attendance rate of directors at shareholders' meetings", "employee training investment", "customer satisfaction", "environmental protection investment", "emissions of greenhouse gas in Scope 1", with the most comprehensive disclosures of comparative data for 3 years in the environmental dimension regarding water resource utilization; in the social dimension regarding employee rights protection; and in the governance dimension regarding communication with stakeholders, involving 6, 11, and 2 groups of data respectively. It also conducts horizontal comparisons through indicators such as "Ranked 15th on the 'ESG Pioneer Top 100 Listed Companies in China(2025)", with excellent comparability performance.

Readability (★★★★★)

The Report adopts an ESG-based framework structure, comprehensively elaborating on the company's annual responsibility performance and achievements across three chapters, with a clear framework and highlighted key issues; the cover design highlights the industry characteristics of the company and incorporates elements of its main business, enhancing the report's recognizability; the "2025 Annual Responsibility

Performance" section at the beginning of each chapter allows readers to quickly grasp key data, improving the report's readability; the inclusion of "Knowledge Tips" interprets industry-specific terminology, enhancing the report's communication effectiveness, with outstanding readability performance.

Innovation (★★★★★)

The Report opens with special responsibility sections titled "Ensuring High-quality Ore Supply and Enhancing Global Industrial Resilience" and "Collaborating on the Co-construction of the 'Belt and Road' and Reaping Fruits of China-Africa Cooperation", showcasing the company's actions and achievements in global industrial development and the co-construction of the "Belt and Road", and highlighting its sense of responsibility; the Report presents the company's characteristic responsibility performance in social contributions and biodiversity conservation in South Africa. Rich cases and images are used to present the company's in-depth China-Africa cooperation achievements to the public, demonstrating creativity. It actively responds to international standards and regulatory requirements, and discloses issues such as addressing climate change in accordance with the "governance, strategy, risk and opportunity management, indicators and targets" four-pillar framework, enhancing the standardization of information disclosure and demonstrating outstanding innovativeness performance.

III. Comprehensive Rating (★★★★★)

According to the assessment of the rating panel, the 2025 Environmental, Social and Governance (ESG) Report of HBIS Resources Co., Ltd. is awarded a five-star rating. It is an outstanding corporate sustainability report.

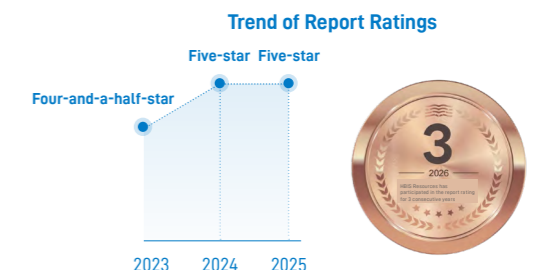
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Scan the code to view the rating file

黄峭慧
Vice Chairman of China Expert Committee on CSR Report Rating
Panel Leader

魏香丽
Panel Expert

Date of Issuance:
April 24, 2026

Feedback

Dear readers:

Thank you very much for reading this report. We highly value and look forward to hearing your feedback on this report. Your opinions and suggestions are an important basis for us to continuously improve our ESG information disclosure and advance our ESG management and practices. We welcome and sincerely appreciate your valuable input!

You can contact us through the following ways:

Address: No. 385 South Tiyu Street, Shijiazhuang, Hebei Province

Tel.: 0311-66500923

Email: xgdsb@sina.com

What is your overall assessment of our performance in fulfilling ESG responsibilities?

Excellent Good Average Poor Very Poor

Your opinion on this report?

Excellent Good Average Poor Very Poor

How do you think we have performed in terms of stakeholder communication?

Excellent Good Average Poor Very Poor

How do you evaluate our performance in product responsibility?

Excellent Good Average Poor Very Poor

What is your assessment of our efforts in environmental protection, safety and occupational health?

Excellent Good Average Poor Very Poor

How do you perceive our performance in employee responsibility?

Excellent Good Average Poor Very Poor

What is your opinion on our community responsibility initiatives?

Excellent Good Average Poor Very Poor

Do you have any comments or suggestions regarding our fulfillment of ESG responsibilities and this report?

HBIS RESOURCES CO.,LTD.

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