Zangge Mining Co., Ltd.

Chemical Safety Management Policy

藏格矿业
ZANGGE MINING COMPANY LIMITED

Chemical Safety Management Policy of Zangge Mining Co., Ltd.

Chapter I General Provisions

Article 1 Purpose

In order to carry out chemical safety management in a scientific and systematic manner, and to strictly comply with applicable laws, regulations and administrative requirements related to harmful chemicals management — including but not limited to the *Law of the People's Republic of China on Work Safety*, the *Law of the People's Republic of China on the Safety Management of Hazardous Chemicals*, the *China's Inventory of Hazardous Chemicals*, the *Regulation on the Safety Management of Hazardous Chemicals(2011 Revision)*, and the *Regulation on the Administration of Precursor Chemicals (2018 Revision), Measures for the Public Security Management of Explosives Precursors* — as well as relevant internal management systems such as *Hazardous Chemicals Safety Management* and *Precursor Chemicals Management System*, this Policy is hereby formulated.

This Policy establishes a standardized management framework for all stages of the chemical lifecycle, including identification, procurement, storage, use, transportation, testing, and disposal, etc. Taking into account the Group's operational context, the Policy aims to prevent safety incidents and environmental pollution and to ensure consistent and effective chemical management across the Group.

Article 2 Definitions

For the purpose of clarifying the definitions of entities at different levels, the following terms are defined as follows:

- "Group" refers to Zangge Mining Co., Ltd. and its affiliated entities.
- "Group Headquarters" specifically refers to Zangge Mining Co., Ltd.
- "Affiliated Entities" refers to entities directly or indirectly controlled by the Group Headquarters, both domestically and overseas.

Article 3 Scope of Application

This Policy applies to all chemical management activities under the Group's operational control. All controlled entities — including salt lake operations, mining areas, exploration sites,

and production bases over which the Group exercises operational control — are required to strictly comply with the principles and requirements set forth in this Policy, and to implement management controls across all stages of chemical identification, procurement, storage, use, transportation, testing and disposal, etc., with the objective of preventing environmental pollution and safety incidents.

The Company extends its chemical management expectations to suppliers, contractors, and other business partners, promotes compliance with applicable laws and regulations, and support establishment of sound chemical safety management systems, thereby facilitating safe, standardized, and compliant operations across the value chain.

Chapter II Implementation Provisions

Article 4 Fundamental Principles

When carrying out chemical safety management and promoting chemical reduction and substitution initiatives, the Company shall adhere to the following principles:

1. Regulatory Compliance

Ensure compliance with applicable laws, regulations, and standards related to chemical safety management in the jurisdictions where projects are located.

2. Risk Prevention and Control

Strengthen the identification, assessment, and monitoring of environmental and health risks to prevent incidents such as hazardous waste leaks, fires, explosions, and related health and safety impacts.

3. Full Lifecycle Management

Cover all stages of chemical identification, procurement, storage, use, transportation, testing and disposal, etc. to achieve closed-loop management.

4. Accountability

Define clear management responsibilities and establish transparent mechanisms of decision-making, implementation, and supervision.

5. Continuous Improvement

Regularly assess management performance, enhance management systems and technical measures, and continuously improve the effectiveness of chemical safety management.

Article 5 Management Structure and Responsibilities

The Company has established a clear three-tier organizational structure to ensure the effective formulation, implementation, and coordination of chemical management strategies.

Highest Decision-Making Level: Board of Directors and the Strategy & Sustainability (ESG) Committee

Responsible for reviewing and approving the Company's overall chemical safety management policies, action plans, and medium- to long-term risk prevention and compliance objectives. They oversee management reporting on harmful chemicals management, including the monitoring of critical risk points, risk assessments, and emergency management arrangements, and, where legally required, the monitoring and control status of major hazard sources identified by affiliated entities. They assess significant chemical safety risks faced by the Company, review major risk mitigation measures and improvement plans, and oversee the effectiveness and accountability of the Company's harmful chemicals management performance.

Coordinating Management Level: Safety, Environmental Protection, Public Security, Fire Safety & ESG Committee

Responsible for coordinating the establishment and effective operation of the Company's harmful chemicals management system, and for reviewing the medium- and long-term objectives and action plans for harmful chemicals management.

Leading Execution Department: Safety, Environmental Protection & ESG Office

Responsible for translating the Company's harmful chemicals safety strategy into actionable implementation plans and management systems. This role includes establishing and continuously improving chemicals management systems, operational standards, and emergency response plans, as well as developing annual supervision and assessment indicators, objectives, and evaluation criteria for committee review.

The Office organizes the implementation of a dual prevention mechanism covering risk classification and hidden hazard inspection, oversees risk identification, monitoring of critical risk points, and ensures that risk prevention and compliance objectives are effectively cascaded to production bases and business units. It also provides guidance to all units of the Group and its affliated entities on conducting risk identification and assessment across the full chemical lifecycle, including identification, procurement, storage, use, transportation, testing and waste disposal, etc.

Each production base, as the implementation entity, shall fulfill the requirements of "Whole-process, All-elements, and Everyone involved", and shall specifically carry out procurement review, graded storage, work permit management, on-site control, testing and monitoring, and emergency response management, to ensure effective implementation of the Company's management requirements on harmful chemicals at the operational level.

Chapter III Management Measures

Article 6 Management Strategy

The Company strictly complies with national and local laws, regulations, and standards on chemical management, establishes a unified chemical safety management system, and ensures effective control of chemicals of concern throughout identification, procurement, storage, use, transportation, testing and disposal. Guided by the management principles of "safety, compliance, prevention, and innovation," the Company continuously improves its chemical safety management level and promotes safe production and green development.

Article 7 Management Measures and Target Implementation

(I) Chemicals Management

1. Identification

The Company strictly complies with applicable domestic and international laws, regulations, and management requirements, including the *Regulations on the Safety Management of Hazardous Chemicals*, the *Priority Control Chemicals List*, the *EU REACH Regulation*, and the *EU RoHS Directive*.

All substances used in production, operations, and laboratory activities, especially those for regulatory risks are systematically identified, classified, and managed. The Company has established internal management documents, including a *Hazardous Chemicals Inventory* and *Hazardous Chemicals Characteristics Sheets*, which set out information on physicochemical properties, health hazards, emergency response measures, and protective requirements. A graded harmful chemicals management method is maintained to enable differentiated control measures. Hazard and environmental impact assessments on chemicals of concern are continuously conducted, covering **100%** of all products and raw materials used by the Company, to ensure product safety with no potential risks.

2. Procurement

(1) Supplier qualification reviews shall be conducted prior to procurement to ensure suppliers possess legitimate business qualifications.

(2) Chemicals with unknown sources, without Safety Data Sheets (SDS), or without safety labels are strictly prohibited from procurement.

(3) Priority shall be given to harmless, non-toxic, or non-injurious materials to eliminate hazards at the source (e.g., replacing hydrochloric acid, pine oil, and octadecylamine with safer flotation collectors). Comprehensive ledgers for inbound, outbound, and usage management of harmful chemicals shall be established to ensure legal and compliant use. All raw and auxiliary materials shall be fully registered (100%). Precursor chemicals shall be registered with public security authorities as required, and procurement and use shall strictly follow approved items and quantities.

3. Storage

(1) Chemicals shall be stored by category with clear safety signage.

(2) Storage facilities shall be equipped with fire prevention, explosion-proof, leak prevention, anti-static, and ventilation functions.

(3) A storage record system shall be established, with regular verification of quantities and conditions to prevent expiration or mixed storage.

(4) The “Five Dual Controls” for precursor chemicals shall be implemented: dual-person receiving and issuing, dual-person record keeping, dual locks, dual-person transportation, and dual-person use.

4. Use

(1) Operating procedures shall be strictly followed to prevent excessive use or mixing.

(2) Monitoring and alarm systems shall be installed in key areas to ensure operational safety.

(3) Employees shall properly use personal protective equipment and receive job-specific safety training.

5. Transportation

(1) Chemical transportation shall be undertaken by qualified entities in compliance with safety transportation requirements.

(2) Transportation containers shall be properly sealed to prevent damage and leakage.

(3) Waste chemicals and packaging shall be classified and collected, and disposed of safely by qualified entities.

6. Disposal

(1) Comprehensive safety assurance measures shall be formulated, and disposal shall be carried out strictly in accordance with regulatory requirements.

(2) The destruction of precursor chemicals shall be subject to approval by public security and safety supervision authorities.

(II) Chemical Reduction and Phase-out Management

The Company actively promotes chemical reduction and substitution plan to reduce or replace the use of harmful and high-concern substances, and gradually phase out substances for regulatory risk. Through process optimization, improved management practices, and the adoption of less-harmful chemical materials, the Company continuously reduces the usage and storage volumes of regulated substances, thereby lowering environmental and health risks. For products or projects that require the use of high-concern substances, strict risk assessment and approval procedures are implemented to ensure compliance with chemical risk management and regulatory requirements, supporting green, safe, and sustainable production.

(III) Chemical Management at the New Product Design Stage

During the product design and development stage, the Company strictly implements requirements for the management of harmful and regulated substances and integrates chemical compliance into product design reviews and material selection processes. At the research and development stage, the Company conducts identification and compliance reviews of chemical substances contained in raw materials, auxiliary materials, and components to ensure compliance with applicable regulations governing the use of chemicals.

Guided by Green Chemistry principles, the Company carries out life cycle assessments (LCA) to identify environmental impacts throughout the entire product lifecycle, from raw material sourcing to end-of-life disposal. Based on the assessment results, the Company introduces viable alternatives and optimizes design to continuously reduce reliance on substances of concern and environmental impacts.

In addition, for harmful chemicals or other substances subject to fall within regulatory registration requirements, the Company actively develops and adopts safer and more

environmentally friendly alternative materials to mitigate environmental and safety risks.

Chapter IV Safeguard Measures

Article 8 Communication and Training

A chemical safety training mechanism is established, under which regular training is provided to all employees on chemical safety management, risk identification, protective measures, and emergency drills. This ensures that all employees understand the hazard characteristics and safe operating requirements of the chemicals they handle, enhances overall chemical safety awareness and emergency response capabilities, and prevents and reduces safety incidents.

Article 9 Technical and Financial Support

The Company incorporates chemical substitution, facility upgrades, risk mitigation, and information management into its annual budget, and continuously enhances its safety technology capabilities.

Article 10 Information Disclosure

The Company discloses its chemical management practices and all regulatory registrations and use in ESG or sustainability reports to enhance transparency.

Chapter V Supplementary Provisions

Article 11 Language

This Policy is issued in both Chinese and English version. Both versions have equal legal effect. In the event of any inconsistency or ambiguity, the Chinese version shall prevail.

Article 12 Interpretation

This Policy is formulated, amended, and interpreted by the Safety, Environmental Protection & ESG Office of the Group Headquarters.

Article 13 Approval Authority

This Policy shall be reviewed and approved by Executive Meeting of the Group Headquarters and shall take effect from the date of issuance.