

Zangge Mining Co., Ltd.

Sustainability and ESG Management Measures



Sustainability and ESG Management Measures

Chapter I General Provisions

Article 1 Purpose

To support the Company's global strategic development, fully identify and manage environmental, social and governance (" ESG ") risks, meet stakeholder expectations, and continuously enhance management capability and performance, these Measures are formulated.

These Measures are intended to guide the conduct of the Company's personnel and business activities and to establish a common understanding of sustainability across the Company, ensuring that all entities act in accordance with the Company's vision, mission and values and pursue sustainable development.

Article 2 Definitions

For the purposes of these Measures:

"The Group" means Zangge Mining Co., Ltd. and its subsidiaries.

"Subsidiaries" means enterprises directly or indirectly wholly owned or controlled by the Company, whether domestic or overseas.

"Sustainable Development" means development that meets the needs of the present without compromising the ability of future generations to meet their own needs. It emphasizes the coordinated development of economic, environmental and social dimensions and is an important factor in the Company's long-term development.

"Corporate Social Responsibility" means the proactive fulfillment of responsibilities toward stakeholders and the protection of their legitimate rights and interests, which is central to sustainable corporate development.

" Environmental, Social and Governance (ESG) " means the collective term for environmental, social and governance issues within the broader concepts of sustainability and corporate social responsibility.

" Stakeholders " means groups or individuals that have an interest in the Company's

operations, can influence the Company's decisions or activities, or are affected by such decisions or activities. The Company's key stakeholders include shareholders, governments, employees, business partners, non-governmental organizations, communities, media and industry associations.

"Material Issues" means the Company's significant economic, environmental and social impact areas that are of greatest concern to stakeholders and significantly affect their rights and interests, and that also represent the Company's principal sustainability and ESG risks and opportunities. Key material issues may include corporate governance, business ethics, responsible supply chains, environmental protection, occupational health and safety, labor management, human rights protection, security management and community engagement.

"Supply Chain" means the system composed of activities, organizations, actors, technologies, information, resources and services involved in the process from mineral extraction to the final products delivered to end consumers.

Article 3 Principles

The Company's sustainability and ESG management is an ongoing process aimed at improving operational efficiency, mitigating internal and external risks, and pursuing sustainable development from a long-term perspective.

In implementing sustainability and ESG management, the Company shall adhere to the following principles:

(1) Strategic Principle

Sustainability and ESG objectives shall be aligned with the Company's strategic objectives to ensure coordinated development between business growth and responsibility fulfillment.

(2) Comprehensive Principle

Sustainability and ESG management shall cover all aspects and processes of the Company's operations and management and shall take into account the interests and expectations of stakeholders.

(3) Systematic Principle

Sustainability and ESG management shall be integrated into the Company's operational management system and implemented through standardized management processes across departments, professional functions and organizational levels.

(4) Participatory Principle

Through stakeholder engagement, sustainability and ESG management shall incorporate stakeholder concerns into decision-making and continuous improvement processes.

Article 4 Scope of Application

These Measures apply to the Company and all subsidiaries within the Group.

Subsidiaries may formulate operational guidelines in accordance with applicable laws on the basis of strict compliance with these Measures, provided that such guidelines shall not conflict with these Measures.

Operational guidelines formulated by subsidiaries shall be submitted to the Safety, Environmental Protection & ESG Office of the Company for filing.

Chapter II Sustainability and ESG Strategy

Article 5 Overall Strategy

As a leading enterprise in the salt-lake resources sector, Zangge Mining is guided by the United Nations Sustainable Development Goals (SDGs) and adheres to the principles of green development, innovation, high-quality development and sustainability.

The Company shall continuously improve its sustainability and ESG strategic framework and establish a management system aligned with recognized international standards. Through responsible resource development, environmental protection and social responsibility practices, the Company seeks to promote mutually beneficial development among the Company, employees, communities and host countries.

Guided by technological innovation, the Company shall promote green transformation, strengthen safety and environmental management, and advance responsible corporate practices in support of long-term sustainable development.

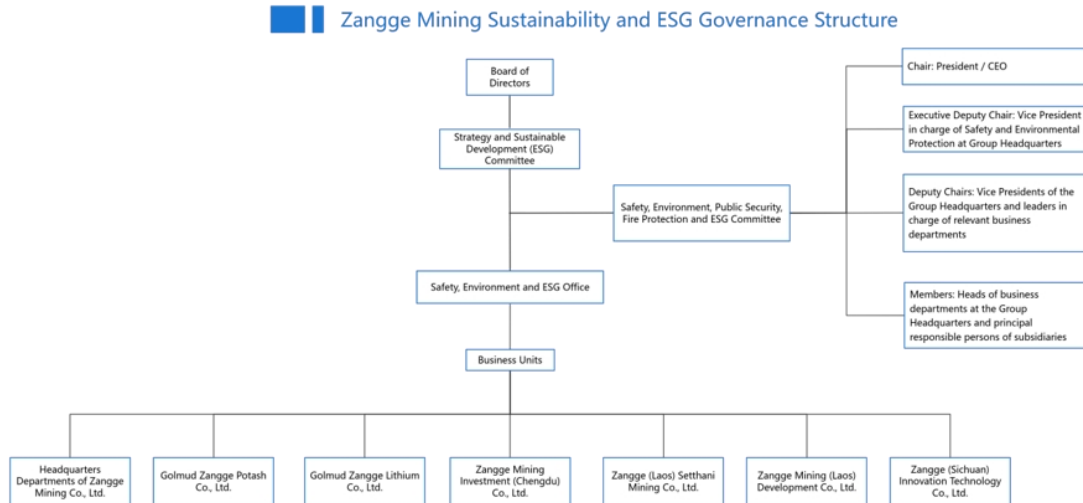
Article 6 Implementation Path

(1) The Company shall integrate sustainability and ESG principles into corporate strategy, governance structures, corporate culture and business processes. At the organizational level, the Company shall establish corresponding decision-making and implementation bodies and develop a long-term ESG management framework supported by strategy, organizational structures and operational processes.

(2) The Company shall strengthen institutionalized ESG management and establish a management mechanism covering material issue identification, risk management, planning and target management, indicator system maintenance, information disclosure, and performance monitoring and assessment. This mechanism shall support management decision-making and ensure that sustainability and ESG practices are integrated into the Company's operations.

Chapter III Organizational Structure and Responsibilities

Zangge Mining Sustainability and ESG Governance Structure



Article 7 Board of Directors

The Board of Directors shall assume ultimate responsibility for the Company's sustainability and ESG management, and shall perform the following duties:

(1) review and approve the Company's sustainability and ESG development strategy and major ESG policies;

(2) oversee the effectiveness of sustainability and ESG risk management, ensure the completeness and authenticity of sustainability and ESG information disclosure, take into account the financial impacts of relevant risks, and promote the integration of ESG risks into financial decision-making and the internal control system;

(3) review and approve sustainability and ESG reports and other related information disclosures, and ensure that such disclosures are complete, accurate and compliant with applicable regulatory requirements;

(4) promote the improvement of sustainability and ESG knowledge and capabilities of the Board of Directors and senior management;

(5) review sustainability and ESG performance and incorporate relevant indicators into the performance evaluation and incentive mechanisms for senior management. Where violations of environmental protection, workplace safety, compliance or other regulatory requirements result in material adverse impacts, performance-based remuneration may be reduced, suspended or subject to clawback in accordance with the Company's remuneration policies and the resolutions of the Board's Remuneration and Nomination Committee;

(6) perform other duties relating to sustainability and ESG management as stipulated by the Articles of Association or authorized by the shareholders' meeting;

(7) lead the Company in implementing its carbon peaking and carbon neutrality strategy and sustainability objectives, and promote the green transformation of the industry;

(8) oversee ESG work relating to business ethics, labor and human rights, water resource management, chemical safety, environmental protection, climate-related risks and carbon targets.

Article 8 Strategy and Sustainability (ESG) Committee

The Strategy and Sustainability (ESG) Committee under the Board of Directors shall assist the Board of Directors in performing its responsibilities for sustainability and ESG management.

The Committee shall operate in accordance with its terms of reference, be chaired by the Chairman, and be composed of directors.

The Committee shall perform the following duties:

(1) formulate and periodically evaluate the Company's medium- and long-term sustainability and ESG development strategies and plans;

(2) study and propose policies and management measures relating to environmental, social and governance matters, and ensure compliance with applicable laws and regulations and relevant international standards;

(3) track the implementation progress of sustainability and ESG strategies and promote the continuous improvement of the Company's governance system;

(4) supervise the implementation of key sustainability and ESG initiatives, including but not limited to business ethics, labor and human rights protection, water resource management, chemical safety management, environmental protection, climate-related risks and carbon management targets;

(5) perform other duties relating to sustainability and ESG management as stipulated by relevant regulations or authorized by the Board of Directors.

Article 9 Safety, Environmental Protection, Public Security, Fire Protection and ESG Committee

The Safety, Environmental Protection, Public Security, Fire Protection and ESG Committee (the "Safety Committee") shall be responsible for organizing and implementing the Company's sustainability and ESG decisions and arrangements.

The Safety Committee shall be chaired by the President / CEO, with the Executive Vice President serving as Executive Deputy Chair. Vice Presidents and leaders responsible for relevant business departments shall serve as Deputy Chairs. Members shall include relevant departmental leaders and the principal officers of subsidiaries.

The Safety Committee shall perform the following duties:

(1) implement and promote compliance with national and local policies, laws, regulations and standards relating to ESG management, and study, deploy, guide and coordinate the Group's

sustainability and ESG work;

(2) organize and coordinate relevant departments and subsidiaries to implement sustainability and ESG work;

(3) review and approve the establishment, updating, allocation and adjustment of the sustainability and ESG indicator system;

(4) review and approve the Company ' s annual sustainability and ESG targets, risk management plans and performance evaluation plans, and promote the achievement of annual targets and the implementation of risk management and performance assessment;

(5) track the progress of key sustainability and ESG issues and report regularly to the Strategy and Sustainability (ESG) Committee;

(6) perform other duties relating to sustainability and ESG management as stipulated by relevant regulations or authorized by the Company.

The office of the Safety Committee shall be established within the Safety, Environmental Protection & ESG Office of the Company.

Article 10 Safety, Environmental Protection & ESG Office

The Safety, Environmental Protection & ESG Office shall serve as the department responsible for the day-to-day management of sustainability and ESG matters within the Company and shall perform the following duties:

(1) formulate and revise sustainability and ESG management systems and procedures in accordance with the Company ' s overall objectives and management strategies, and organize their implementation;

(2) track external regulatory requirements, industry developments and peer practices, and guide, promote, coordinate and supervise sustainability and ESG work across relevant departments and subsidiaries;

(3) establish and maintain the Company ' s sustainability and ESG indicator database, and be responsible for the development, updating, allocation and adjustment of the indicator system;

(4) organize the preparation of annual sustainability and ESG targets and assessment standards, supervise their implementation, and prepare evaluation reports;

(5) organize the preparation, review and release of the Company's sustainability and ESG reports, and coordinate related external communication; and guide subsidiaries, where necessary, in the preparation of standalone sustainability and ESG reports;

(6) regularly report to the Board of Directors, the Safety Committee and the management on progress, key issues and achievements relating to sustainability and ESG management, and provide recommendations;

(7) coordinate sustainability and ESG information disclosure, external ratings and related external communication;

(8) coordinate stakeholder engagement and organize participation in relevant domestic and international forums, conferences and similar activities;

(9) organize sustainability and ESG training and capability-building for the Company and its subsidiaries;

(10) promote the implementation of key sustainability and ESG issues across the Company;

(11) perform other tasks assigned by the Safety Committee.

Article 11 Competent Business Departments

Competent business departments shall, in accordance with their respective responsibilities, implement sustainability and ESG management requirements and perform the following duties:

(1) coordinate sustainability and ESG matters with corresponding departments of subsidiaries within their respective business areas;

(2) organize and implement sustainability and ESG management work within their respective business segments and promote the implementation of relevant systems and procedures;

(3) assist in the development and maintenance of sustainability and ESG indicator systems and performance assessment mechanisms linked with the Company's economic responsibility system;

(4) assist in supervising and evaluating sustainability and ESG performance within their respective business segments;

(5) assist in the preparation of the Company's annual sustainability and ESG reports;

(6) regularly report the implementation of sustainability and ESG responsibilities to the office of the Safety Committee and support information collection, consolidation and reporting;

(7) assist in stakeholder communication and coordination relating to sustainability and ESG matters;

(8) perform other duties relating to sustainability and ESG management as stipulated by the Articles of Association or authorized by the shareholders' meeting.

Article 12 Subsidiaries

Subsidiaries shall serve as the primary responsible entities for the implementation of sustainability and ESG management within their respective operations.

Subsidiaries shall perform the following duties:

(1) designate a leading department for sustainability and ESG management and appoint responsible leaders and personnel, either full-time or part-time;

(2) implement the Company's sustainability and ESG management systems and establish corresponding internal systems, standards, procedures and workflows as necessary;

(3) formulate sustainability and ESG performance targets and implementation plans and organize their execution;

(4) ensure proper management, statistics and reporting of sustainability and ESG information and data;

(5) organize internal communication and training on sustainability and ESG matters and conduct external communication where necessary;

(6) establish regular stakeholder communication mechanisms and respond to stakeholder concerns;

(7) perform other duties relating to sustainability and ESG management as stipulated by the Articles of Association or authorized by the shareholders' meeting.

Chapter IV Sustainability and ESG Risk Management

Article 13 Risk Identification

The Company shall establish a sustainability and ESG risk identification mechanism to promptly identify sustainability and ESG risks arising in the course of its operations.

Risk identification shall take into account the Company's business activities, operating environment and industry characteristics, and shall cover, among others, risks relating to ecological and environmental protection, health and safety, business ethics, labor, human rights, community relations, supply chain management and other sustainability and ESG-related matters.

Article 14 Risk Assessment

The Company shall establish procedures for the assessment of sustainability and ESG risks.

The Company shall compile and maintain a sustainability and ESG risk register to record identified risks and their potential impacts, including direct, indirect and cumulative risks, and shall formulate corresponding mitigation measures.

The Company shall regularly review the effectiveness of its sustainability and ESG risk assessment procedures and mechanisms. Where necessary, the Company may engage third-party professional institutions to assess the effectiveness of the relevant procedures and systems.

Article 15 Risk Response

Based on the results of sustainability and ESG risk assessments, the Company shall classify risks according to their likelihood of occurrence and potential impact.

For identified sustainability and ESG risks, the Company shall formulate corresponding risk response measures to effectively prevent, mitigate or control such risks.

Article 16 Control Activities

The Company shall formulate corresponding procedures and management measures for key

sustainability and ESG risks to ensure the effective implementation of sustainability and ESG risk control activities.

Relevant departments and subsidiaries shall implement corresponding control activities in accordance with the established procedures and management requirements.

Article 17 Sustainability and ESG Risk Management Process

The Safety, Environmental Protection & ESG Office shall be responsible for organizing the preparation and updating of the sustainability and ESG risk list and risk assessment criteria.

Following review by the Safety Committee, such materials shall be distributed to the relevant departments of the Group Headquarters and to subsidiaries for implementation.

Relevant departments and subsidiaries shall conduct sustainability and ESG risk assessments in accordance with the established standards, formulate risk management measures, and submit such measures to the Safety, Environmental Protection & ESG Office for filing.

Relevant departments and subsidiaries shall implement the approved sustainability and ESG risk management measures.

The Safety, Environmental Protection & ESG Office shall organize an annual sustainability and ESG risk self-assessment across the Company. The results of such self-assessment shall be submitted to the Safety Committee for review.

Following review, the results shall be communicated to the senior management of the Group Headquarters and of subsidiaries.

Chapter V Performance Management

Article 18 Indicator System

The Company shall organize relevant departments to establish a Group-level sustainability and ESG indicator system by benchmarking against regulatory requirements and internationally recognized indicator frameworks.

Such indicators shall be allocated to relevant departments and subsidiaries. Relevant departments and subsidiaries may further refine and implement the indicators and incorporate the

relevant requirements into their departmental economic responsibility assessment systems as an important basis for performance evaluation.

Article 19 Performance Evaluation

The Company shall establish an effective sustainability and ESG performance evaluation mechanism to regularly assess the sustainability and ESG performance of relevant departments and subsidiaries.

The evaluation shall focus on the performance of health and safety indicators, including but not limited to the achievement rate of health and safety performance targets, the compliance of contractors with health and safety requirements, and the effectiveness of the implementation of health and safety policies across the Group and among contractors.

Performance evaluation shall be integrated with efforts to improve internal management so as to enhance overall operational and management performance.

Article 20 Assessment Management

The Company shall ensure the effective implementation of sustainability and ESG initiatives through the assessment of sustainability and ESG performance management targets.

Assessment indicators mainly include organizational and personnel arrangements, system implementation, education and communication, and the achievement of sustainability and ESG performance targets.

The Safety, Environmental Protection & ESG Office shall take the lead in preparing the annual supervision and assessment indicators, targets and evaluation standards, and submit them to the Safety Committee for review. Following review, such indicators and targets shall be distributed to the relevant departments of the Company and to subsidiaries.

Relevant departments and subsidiaries shall formulate annual work plans based on the annual indicators and targets and submit such plans to the Safety, Environmental Protection & ESG Office for filing.

At the end of each year, relevant departments and subsidiaries shall conduct self-evaluations

of their sustainability and ESG work and submit the evaluation results to the Safety, Environmental Protection & ESG Office.

The Safety, Environmental Protection & ESG Office shall evaluate the completion of sustainability and ESG targets by relevant departments and subsidiaries and submit the results to the Safety Committee for review.

Following review, the results shall be submitted to the Human Resources Department.

Chapter VI Information Disclosure

Article 21 Types of Sustainability and ESG Information Disclosure

Sustainability and ESG information disclosure shall include routine disclosure and periodic disclosure.

Routine disclosure refers to the irregular publication of sustainability and ESG-related information through the Company's official website, official social media accounts, media outlets or third-party promotional channels.

Periodic disclosure refers to the regular publication of sustainability and ESG-related information through periodic reports such as ESG reports or sustainability reports, carbon reports and environmental reports.

Article 22 Principles of Sustainability and ESG Information Disclosure

Sustainability and ESG information disclosure shall follow the following principles:

(1) Materiality: where sustainability and ESG issues may have a significant impact on stakeholders, such information shall be disclosed;

(2) Quantifiability: key performance indicators shall be measurable;

(3) Balance: disclosures shall present the Company's performance in an unbiased manner and avoid omissions, distortions or inappropriate expressions that may affect readers' decisions or judgments;

(4) Consistency: consistent statistical methods shall be used to ensure that sustainability and

ESG data are comparable.

Article 23 Responsibilities for Sustainability and ESG Information Disclosure

The Safety, Environmental Protection & ESG Office shall be responsible for organizing and coordinating the Company's sustainability and ESG information disclosure.

Relevant departments shall be responsible for the consolidation of information and professional judgment within their respective subject areas, while subsidiaries shall provide the underlying disclosure content and shall be responsible for the authenticity, accuracy, completeness and timeliness of the information provided.

Article 24 Preparation of ESG Reports and Sustainability Reports

(1) The Safety, Environmental Protection & ESG Office shall formulate the annual ESG report or sustainability report preparation plan and issue the report preparation assignment.

(2) Relevant departments shall submit materials and data in accordance with the preparation plan and sustainability and ESG indicator requirements. All submitted materials and data shall be approved by the responsible department head.

(3) Where financial information is included in ESG reports or sustainability reports, such information shall be based on disclosable financial data.

(4) The Safety, Environmental Protection & ESG Office shall be responsible for consolidating materials and compiling the annual ESG report or sustainability report.

Article 25 Third-Party Assurance

Where necessary, the Company may engage qualified third-party institutions to conduct independent assurance of ESG reports or sustainability reports.

Article 26 Compliant Disclosure

Prior to publication, ESG reports or sustainability reports shall be submitted to the Strategy and Sustainability (ESG) Committee for review and then to the Board of Directors for deliberation.

Following approval by the Board of Directors, the Board Office shall arrange for external disclosure of the report in accordance with the requirements of the relevant regulatory authorities.

Chapter VII Supplementary Provisions

Article 27 Applicable Principles

Any matters not provided for in these Measures, or any inconsistency between these Measures and applicable laws, regulations, normative documents, stock exchange business rules or the Articles of Association of the Company, shall be governed by the applicable laws, regulations, normative documents, stock exchange business rules and the Articles of Association of the Company.

Article 28 Language

These Measures are issued in both Chinese and English, and both language versions shall have equal effect.

In the event of any inconsistency between the Chinese and English versions or any ambiguity arising therefrom, the Chinese version shall prevail.

Article 29 Interpretation

The Safety, Environmental Protection & ESG Office of the Company shall be responsible for the drafting, amendment, interpretation and supervision of the implementation of these Measures.

Article 30 Approval Authority

These Measures were reviewed and approved by the Board of Directors of the Company and shall take effect as of the date of issuance.

Upon the implementation of these Measures, the former Zangge Mining Environmental, Social and Governance Management Measures shall be repealed.