

**Zangge Mining Co., Ltd.**  
**Biodiversity Protection Policy**



# **Biodiversity Protection Policy**

## **Article 1 Purpose**

This Biodiversity Protection Policy is formulated to ensure that biodiversity conservation and management are carried out in a scientific, systematic and effective manner, to integrate biodiversity conservation principles throughout the full life cycle of the development and utilization of salt lake resources and related mineral resources, and to effectively advance biodiversity protection.

## **Article 2 Scope of Application**

This Policy applies to the Company and its subsidiaries.

In implementing this Policy, each entity shall take into account the laws, regulations, standards and other applicable requirements of the country or region in which the relevant project is located.

This Policy also applies to the full life-cycle activities of salt lake and related mineral resource development projects that may have an impact on biodiversity, as well as to local communities and other stakeholders that may be affected by such impacts.

## **Article 3 Normative References**

The following documents are indispensable to the application of this Policy.

Where a referenced document is dated, only the dated version shall apply.

Where a referenced document is undated, the latest version, including all amendments, shall apply.

### **(1) International Documents**

Convention on Biological Diversity (CBD);

Kunming-Montreal Global Biodiversity Framework;

Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES);

ICMM Good Practice Guidance for Mining and Biodiversity;

GRI 101: Biodiversity 2024, GRI Standards;

IFC Performance Standards on Environmental and Social Sustainability;

IFC Environmental, Health and Safety Guidelines for Mining.

(2) Chinese Documents

China Biodiversity Conservation Strategy and Action Plan (2023 - 2030), Ministry of Ecology and Environment of the People's Republic of China;

Opinions on Further Strengthening Biodiversity Conservation, issued by the General Office of the Communist Party of China Central Committee and the General Office of the State Council;

Technical Guidelines for Environmental Impact Assessment - Ecological Impacts (HJ 19);

Standard for Regional Biodiversity Assessment (HJ 623).

#### **Article 4 Terms and Definitions**

(1) Biodiversity

“Biodiversity” means the variability among living organisms from all sources, including, inter alia, terrestrial, marine and other aquatic ecosystems and the ecological complexes of which they are part. This includes diversity within species, between species and of ecosystems.

(2) Important Species

“Important Species” means species of significant conservation concern or requiring a high level of protection, including:

species classified as Critically Endangered (CR), Endangered (EN), or Vulnerable (VU) on the IUCN Red List;

species classified as CR, EN, or VU in the China Biodiversity Red List;

species included in national or local lists of key protected wild fauna and flora;

species designated by national or local governments as extremely small populations requiring

rescue and conservation;

endemic species and ancient or notable trees; and

species that have a significant influence on the ecosystems in which they occur.

### (3) Ecosystem

“Ecosystem” means a dynamic and complex functional unit formed through the interaction of plant, animal and microbial communities with their non-living environment.

### (4) Habitat

“Habitat” means the natural environment in which an individual organism, population or community lives, including the conditions necessary for survival and other ecological factors that affect the organism.

### (5) Protected Areas

“Protected Areas” means terrestrial or marine areas legally designated or recognized by governments at various levels for the long-term protection of important natural ecosystems, natural heritage, natural landscapes, natural resources, ecological functions and cultural values.

### (6) Mitigation Hierarchy

“Mitigation Hierarchy” means a framework for managing risks and potential impacts related to biodiversity and ecosystem services.

The mitigation hierarchy consists of four levels:

Avoidance;

Minimization;

Restoration; and

Offsets.

Application of the mitigation hierarchy supports balanced decision-making between conservation and development needs throughout the full life cycle of mining projects.

#### (7) Stakeholders

“ Stakeholders ” means groups or individuals that have an interest in the Company ’ s operations, may influence the Company ’ s decisions or activities, or may be affected by such decisions or activities.

The Company ’ s stakeholders include, but are not limited to:

shareholders;

government authorities;

employees;

business partners;

non-governmental organizations;

communities;

media; and

industry associations.

#### (8) Biodiversity Management Plan

“ Biodiversity Management Plan ” means a practical biodiversity protection plan prepared on the basis of baseline biodiversity surveys conducted in mining development areas, smelting and processing facilities, and other operating areas.

Such a plan shall:

analyze the impacts of project activities on biodiversity;

identify biodiversity protection measures required for the project; and

establish practical and implementable biodiversity management actions.

Biodiversity Management Plans may be prepared on a phase-by-phase basis, including the construction phase, operational phase and mine closure or project exit phase; alternatively, they may be prepared as an integrated plan covering the full life cycle and be subject to regular review.

## **Article 5 Basic Principles**

### **(1) Compliance Principle**

Mining and salt lake resource development activities throughout the full life cycle of a project shall comply with the applicable laws, regulations and regulatory requirements of the country or region in which the project is located.

### **(2) Scientific Principle**

Project activities throughout the full life cycle shall follow the scientific principles governing biodiversity conservation, taking into account the specific characteristics of mining and salt lake resource development.

### **(3) Prevention Principle**

Preventive measures shall be adopted throughout the full life cycle of mining and salt lake resource development projects to avoid or, where avoidance is not feasible, minimize adverse impacts on biodiversity to the greatest extent possible.

### **(4) Practicality Principle**

The technical approaches and methods set out in this Policy shall be practical and implementable.

## **Article 6 Identification of Biodiversity Impacts**

Engineering analysis shall be conducted for each stage of the full life cycle of mining and salt lake resource development activities in order to identify the principal activities at each project stage, the project-related activities that may affect biodiversity, and the pathways through which such impacts may occur.

Particular attention shall be given to activities that have high impact intensity, wide geographic scope, long duration, or involve important species or ecologically sensitive areas.

## **Article 7 Commitment to Biodiversity Protection**

The Company is committed to giving priority to biodiversity protection in the course of

economic development and to integrating biodiversity considerations into project siting, design, construction, operation and maintenance across all business segments.

The Company shall implement effective protection measures for important ecosystems, biological species and genetic resources, and safeguard ecological security.

The Company shall strictly comply with biodiversity protection requirements in the regions where it operates and shall endeavor to avoid or minimize ecological impacts. Without government approval, the Company shall not carry out projects within World Heritage Sites or IUCN Category I – IV protected areas.

Throughout project implementation, the Company shall follow the environmental management principles of protection first, prevention as the priority, integrated management, public participation, and accountability for environmental damage, with a view to protecting ecosystems and minimizing potential adverse impacts of business activities on biodiversity to the greatest extent possible.

The Company is committed to the sustainable use of natural resources and raw materials, the improvement of green processes, the reduction of pollutant emissions, and the promotion of ecological restoration.

The Company encourages employees to actively participate in biodiversity protection activities and strengthens cooperation with relevant stakeholders, including government authorities, regulators, suppliers, contractors and industry associations, in order to enhance biodiversity awareness and support related initiatives and actions.

**Table 1. Potential Biodiversity Impacts at Different Stages of the Full Life Cycle of Mining and Salt Lake Resource Development**

Stage	Key Activities	Potential Biodiversity Impacts
Exploration and	Geological surveys Drilling	Habitat loss / fragmentation Damage to surface vegetation

Feasibility Study Stage	Blasting Salt lake hydrological surveys Salt lake chemical sampling	Ecosystem disturbance Changes in water salinity Water quality pollution
Design and Construction Stage	Road construction Construction of mining facilities Pipeline installation Brine pond construction Brine channel construction	Habitat isolation and fragmentation Land-use change Disruption of water bodies and ecological corridors Soil erosion and soil salinization Salt intrusion and changes in plant communities
Production and Operation Stage	Ore extraction Mineral processing and tailings management Brine extraction from salt lakes Salt lake processing Wastewater treatment Air emissions	Habitat degradation Heavy metal pollution Changes in hydrological conditions and increased salinity Discharge of salts and other pollutants Abnormal salinity and water quality disturbance Air pollution and indirect ecological impacts
Mine Closure / Exit Stage	Facility dismantling Land reclamation / ecological restoration of mining areas	Temporary habitat disturbance Incomplete ecosystem recovery

### **Article 8 Biodiversity Protection Measures**

In accordance with the biodiversity mitigation hierarchy framework, this Policy implements biodiversity protection measures in the following order: avoidance, minimization, restoration and offsets, with a view to reducing the impacts of mining activities on biodiversity in a systematic and scientific manner.

Biodiversity offsets shall be considered, where applicable, in light of project circumstances and applicable legal and regulatory requirements.

#### **(1) Exploration and Feasibility Study Stage**

During the exploration and feasibility study stage, the Company shall identify and assess potential biodiversity impacts arising from geological investigation, feasibility assessment and other related project activities, and formulate corresponding protection measures.

##### **1. Avoidance**

#### (1) Review of Laws and Regulations

The Company shall review the national and local laws and regulations applicable in the jurisdiction where the project is located, identify the biodiversity protection requirements relevant to mining activities, and strictly comply with such requirements.

#### (2) Stakeholder Communication

During project planning and implementation, the Company shall, in accordance with the laws and regulations of the project location and the actual circumstances of the project, maintain communication with competent government authorities, indigenous peoples, communities and relevant institutions, pay attention to sensitive ecological and environmental information relating to the project area and surrounding areas, and, in conjunction with relevant national and local plans, identify potentially affected important ecological areas and relevant ecological protection requirements, so as to lawfully and appropriately avoid or reduce adverse impacts on the ecological environment during project siting and development.

#### (3) Conduct Biodiversity Baseline Surveys

Depending on the nature of the project and the requirements of applicable laws and regulations, the Company shall conduct the necessary biodiversity baseline surveys and, where required, related environmental impact assessment work in accordance with the law, in order to identify biodiversity elements and ecologically sensitive areas that may be involved during project implementation. Where necessary, qualified third-party institutions may be engaged to carry out the relevant surveys and assessments.

The scope of such surveys and assessments shall be determined according to the actual circumstances of the project, with a focus on ecosystem characteristics, species and habitat conditions, hydrological conditions, land use and other relevant factors, so as to provide a basis for ecological and environmental management during the planning, construction and operation stages of the project.

#### (4) Identify Ecologically Sensitive Areas and Key Ecological Elements

Based on the ecological and environmental characteristics of the project location and the

requirements of applicable laws and regulations, and in conjunction with environmental impact assessment or other compliance procedures, the Company shall identify ecologically sensitive areas or important ecological elements that may be involved during project implementation. For projects involving ecologically sensitive areas, ecological protection or risk prevention and control measures shall be reasonably developed on the basis of the assessment results and used as an important basis for project planning, construction and operational management.

#### (5) Conduct Biodiversity Impact Assessment at the Exploration Stage

Biodiversity impact assessment at the exploration stage refers to the systematic analysis, prediction and assessment, prior to the implementation of an exploration project, of the possible impacts of the project on biodiversity, together with the formulation of corresponding biodiversity protection strategies and measures.

Through comprehensive and systematic biodiversity impact assessment, the Company shall identify, predict and assess potential biodiversity impacts arising during the geological exploration stage and formulate corresponding protection measures.

## 2. Minimization

### (1) Develop a Green Exploration Plan

Prior to the implementation of exploration activities, the Company shall fully collect existing information and conduct field reconnaissance in order to understand the natural ecological conditions of the work area, and shall formulate a practical and feasible green exploration plan adapted to local conditions.

### (2) Adopt Advanced Technologies and Equipment

The Company shall adopt advanced technologies, advanced environmentally friendly equipment, and appropriate processes and materials. Major equipment and supporting facilities shall be capable of rapid installation and dismantling through modular design, shall be easy to move or transport through lightweight, compact and intelligent design, and shall be suitable for safe and efficient construction.

### (3) Formulate Reasonable Mineral and Salt Lake Resource Development Plans

Taking into account resource occurrence conditions, ecological and environmental characteristics and other relevant factors, the Company shall select appropriate mining sequences, mining modes and mining methods according to local conditions, and shall establish sound production plans and development schemes for mineral resource extraction. Priority shall be given to advanced equipment, technologies and processes encouraged, supported and promoted by the State that provide high resource utilization efficiency, low waste generation, high water reuse efficiency and limited ecological disturbance to mining areas, so as to maximize comprehensive resource utilization.

### 3. Restoration

#### (1) Clean-up

Upon completion of geological exploration activities, on-site construction equipment and temporary facilities shall be dismantled, and all signs, identification plates and similar items shall be removed. Domestic waste, oil contamination, waste liquids, sediment and other solid waste generated during construction shall be disposed of in accordance with relevant requirements. Pollutants that cannot be treated on site shall be transported to specialized treatment facilities for disposal.

#### (2) Site Rehabilitation

During project development and construction, the Company shall, in accordance with restoration plans and applicable laws and regulations and in light of actual site conditions, reasonably carry out site rehabilitation work so as to reduce adverse impacts on the original landform and ecological environment. Temporary land occupation areas and construction-disturbed areas shall, where conditions permit, be leveled and rehabilitated to maintain relative consistency with the surrounding natural environment.

#### (3) Vegetation Restoration

For areas disturbed by project development or construction activities, the Company shall, in accordance with regional ecological conditions and the actual circumstances of the project, carry

out necessary vegetation restoration or ecological rehabilitation in accordance with the law. Such restoration work shall follow the principle of adaptation to local conditions and promote the gradual recovery and improvement of the regional ecological environment.

## (2) Design and Construction Stage

During the design and construction stage, the Company shall, taking into account the project type and regional ecological and environmental characteristics, incorporate ecological and environmental protection requirements into project planning and design management processes in accordance with the law, reasonably coordinate project siting, scale and construction plans, and seek to minimize adverse impacts on the original ecological environment and landforms.

During construction, the Company shall carry out construction activities in accordance with applicable laws, regulations and design requirements, incorporate ecological and environmental factors into design change and construction management processes, take necessary environmental protection and risk prevention and control measures in light of actual circumstances, and reasonably control the potential impacts of construction activities on the ecological environment.

### 1. Avoidance

During project siting and construction, the Company shall, in light of the ecological sensitivity identified at earlier stages and the requirements of applicable laws and regulations, reasonably avoid areas of important ecological value. Where necessary, appropriate protection measures shall be adopted based on actual circumstances to avoid unnecessary disturbance to ecologically sensitive areas.

### (1) Conduct Biodiversity Impact Assessment

Biodiversity impact assessment refers to the analysis, prediction and assessment of the potential biodiversity impacts arising from project activities during the design and construction stage, together with the formulation of corresponding biodiversity protection strategies and measures. On the basis of biodiversity baseline surveys and impact assessments, appropriate methods suited to the project location shall be adopted to predict biodiversity impacts within the assessment area.

## 1. Contents of Biodiversity Impact Assessment

The contents of biodiversity impact assessment shall be determined with reference to the project type and regional ecological characteristics, and shall mainly include analysis of possible direct and indirect impacts on ecosystem structure and the condition of species and habitats, with attention given to land-use change, changes in hydrological conditions, disturbance from human activities and potential ecological risks.

## 2. Biodiversity Protection Measures

On the basis of identified ecological impacts, the Company shall formulate corresponding ecological protection and risk prevention and control measures in accordance with the principle of combining avoidance, reduction and restoration. Such measures shall be determined according to the actual circumstances of the project and incorporated into project construction and operational management processes in accordance with the law.

### (2) Implement Biodiversity Monitoring and Assessment

Based on actual project circumstances, applicable laws and regulations, and environmental management needs, the Company shall conduct the necessary ecological and environmental monitoring and follow-up assessments, pay attention to trends in ecological and environmental change, and provide a basis for the continuous improvement of ecological protection measures.

### (3) Avoid the Introduction of Alien Species

The Company shall seek to avoid the introduction of alien species as a result of project activities, and shall in particular guard against alien species with a high risk of invasiveness.

## 2. Minimization

### (1) Establish a Biodiversity Management Plan

Based on the results of biodiversity baseline surveys and biodiversity impact assessments for mining development areas and other affected areas, the Company shall determine scientifically sound and feasible engineering solutions, put forward strategies and measures to prevent or mitigate adverse impacts, and formulate a corresponding Biodiversity Management Plan.

## (2) Adopt Advanced Technologies and Equipment

Priority shall be given to the use of green construction and intelligent construction technologies, as well as biodiversity-friendly materials and equipment, in order to mitigate impacts.

## 3. Restoration

### (1) Clean-up

Upon completion of construction activities, the project site shall be thoroughly cleaned, and all waste shall be removed. Such waste includes, but is not limited to, construction debris, auxiliary equipment and similar materials generated during the construction process. Waste shall be sorted and handled appropriately during clean-up.

### (2) Vegetation Restoration

For areas disturbed by project construction activities, the Company shall, in accordance with regional ecological conditions and the actual circumstances of the project, carry out necessary vegetation restoration or ecological rehabilitation in accordance with the law. Such restoration work shall follow the principle of adaptation to local conditions and shall be implemented in light of local natural conditions and ecological characteristics so as to promote the gradual recovery and improvement of the ecological environment.

### (3) Production and Operation Stage

During production and operations, the Company shall minimize damage to the ecological environment to the greatest extent possible, reduce or avoid adverse impacts on biodiversity within and around the project area, closely monitor production and operational activities identified in biodiversity impact assessments as affecting biodiversity, and carry out biodiversity protection and monitoring activities as required.

## 1. Avoidance

### (1) Biodiversity Status Survey

Biodiversity baseline surveys shall be conducted with reference to Article 8, Section (1),

Exploration and Feasibility Study Stage, 1. Avoidance, item (3).

(2) Biodiversity Monitoring and Assessment

Based on actual project circumstances, applicable laws and regulations, and environmental management needs, the Company shall conduct necessary ecological and environmental monitoring and follow-up activities and pay attention to changes in ecological and environmental conditions. Relevant monitoring results shall be used to support environmental management decisions and the continuous improvement of ecological protection measures.

2. Minimization

(1) Pollution Prevention and Control

The Company shall select mining methods that are low-pollution and low-disturbance in nature, and shall adopt environmentally friendly technologies and equipment to reduce the generation of wastewater, waste gas, solid waste and noise.

(2) Comprehensive Resource Utilization

The Company shall improve resource utilization efficiency by promoting comprehensive resource utilization from the source. It shall study and apply advanced technologies to increase the recovery of principal elements in ores and salt lake resources, improve the comprehensive recovery of associated and coexisting elements, and minimize the generation of solid waste. For solid waste that has already been generated, reasonable and feasible measures shall be adopted for its recovery and utilization.

(3) Reduce Disturbance

Industrial activities shall, to the extent possible, be concentrated within the project boundary in order to reduce disturbance to the surrounding ecological environment, especially natural areas around the project that have not been affected by human activities. The Company shall also take measures to prevent disturbance to the surrounding ecological environment caused by other persons.

3. Restoration

#### (1) Restoration and Rehabilitation

During production and operations, the Company shall reduce ecological damage to the greatest extent possible and reduce or avoid adverse impacts on biodiversity within and around the project area. Based on the extent of biodiversity and environmental damage arising during project development, restoration and rehabilitation shall be carried out by zone, by section and by batch to ensure that the biodiversity level of restored areas meets the requirements of the mine closure plan.

#### (4) Mine Closure and Exit Stage

Mine closure refers to the process of ceasing mining activities and taking a series of measures to restore mining areas to a state of sustainable use, while consulting with stakeholders on appropriate future land use, so as to protect the environment and society. Following restoration and rehabilitation, the mining site shall achieve the following outcomes: it shall be safe and stable and pose no threat to humans, animals or plants; it shall not cause pollution to the surrounding environment; it shall be coordinated with the surrounding natural environment and landscape; it shall restore the basic functions of the land and enable sustainable land use adapted to local conditions; and the overall ecological functions of the region shall be protected and restored.

Exit refers to the process by which an enterprise or project ceases production or exits the market for various reasons, including, without limitation, economic, policy, technical or environmental reasons, and includes but is not limited to plant closure, cessation of production activities, and the removal of equipment and facilities. During the exit stage, the land occupied by the enterprise shall be restored either to its original use or to another reasonable use agreed with stakeholders.

#### 1. Avoidance

##### (1) Review of Laws and Regulations

The Company shall collect the national and local laws and regulations applicable to the mining area and salt lake where the project is located, identify the biodiversity-related legal and regulatory requirements applicable during mine closure or exit, and strictly comply with such

requirements.

(2) Develop Mine Closure and Exit Plans

The Company shall prepare an overall mine closure or exit plan in advance and seek, to the greatest extent possible, to ensure that fragile ecosystems, habitats and endangered species are not harmed. Stakeholders relevant to mine closure or exit shall be invited to participate in the development of such plans, and the Company shall understand and reconcile competing interests during the process so as to facilitate the smooth implementation of the project.

(3) Biodiversity Status Survey

Biodiversity baseline surveys shall be conducted with reference to Article 8, Section (1), Exploration and Feasibility Study Stage, 1. Avoidance, item (3).

(4) Biodiversity Monitoring and Assessment

Biodiversity monitoring and assessment shall be conducted with reference to Article 8, Section (2), Design and Construction Stage, 1. Avoidance, item (2).

2. Minimization

(1) Pollution Prevention and Control

During mine closure or exit, pollutants that may be generated shall be properly managed and disposed of in order to reduce potential impacts on the surrounding ecological environment and biodiversity, and corresponding risk prevention and control or emergency management mechanisms shall be established in light of actual circumstances.

(2) Comprehensive Resource Utilization

Waste and tailings, including slag, in mine closure or exit areas shall be reasonably utilized or disposed of so as to achieve resource recovery and recycling.

3. Restoration

(1) Clean-up and Dismantling

Equipment, facilities and other related assets associated with mine closure or exit shall be

cleaned up and dismantled as necessary to ensure the overall improvement of site conditions.

## (2) Reclamation

In accordance with the overall mine closure or exit plan, and taking into account regional ecological conditions and actual land-use circumstances, the Company shall carry out land reclamation or ecological rehabilitation in accordance with the law. Restoration measures shall follow the principle of adaptation to local conditions and be implemented in light of local natural conditions so as to promote the gradual recovery of the regional ecological environment. Where necessary, priority shall be given to the use of species adapted to the local environment in order to reduce the potential ecological risks associated with alien species.

## **Article 9 Safeguard Measures**

### (1) Organizational Safeguards

The Company shall strengthen organizational leadership, attach great importance to biodiversity protection, fully recognize its importance, effectively assume biodiversity protection responsibilities, promote the coordinated enhancement of pollution prevention and control and biodiversity conservation, diligently perform biodiversity-related duties, and incorporate biodiversity protection work into performance assessment.

### (2) Publicity and Education

The Company shall make use of important thematic commemorative days such as International Day for Biological Diversity, World Environment Day and Earth Day to carry out public awareness and educational activities on biodiversity for stakeholders including employees and surrounding residents. At the same time, the Company shall actively cooperate with the news media, expand outreach platforms through new media, and innovate publicity models.

### (3) Funding Safeguards

The Company shall attach great importance to biodiversity protection, ensure adequate funding in accordance with the Biodiversity Management Plan, and ensure the effective implementation of all protection measures.

#### **Article 10**

This Policy was reviewed and approved by the Board of Directors and shall take effect as of the date of issuance. Upon implementation of this Policy, the former Biodiversity Protection Policy of Zangge Mining Co., Ltd. shall be repealed.

#### **Article 11**

This Policy is issued in both Chinese and English. In the event of any inconsistency between the two versions, the Chinese version shall prevail.

#### **Article 12**

This Policy shall be interpreted by the Safety, Environmental Protection & ESG Office of the Company.

#### **Article 13**

Any matters not provided for in this Policy, or any inconsistency between this Policy 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 and stock exchange business rules.