

Forge a Strategic Bulwark  
for National Critical Mineral Resource Security

# 2025 Sustainability Report

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# About This Report

This is the fourth Sustainability Report published by Zangge Mining Company Limited (the first two were Environmental, Social and Governance (ESG) reports), which aims to comprehensively explain the principles, concepts, management methods, and performance upheld by the Company in sustainability, and to systematically respond to the expectations and demands of stakeholders.

## ◆ Reporting Scope

Unless otherwise specified, the content of this Report covers Zangge Mining Company Limited and its three wholly-owned subsidiaries<sup>1</sup> (Golmud Zangge Potash Fertilizer Company Limited, Golmud Zangge Lithium Company Limited, and Zangge Mining Investment (Chengdu) Company Limited). The financial data in this report is consistent with the annual consolidated financial statements of Zangge Mining Company Limited. This is an annual report for the period from 1 January 2025 to 31 December 2025 (the "reporting period"). Its publication cycle is synchronized with the fiscal year, and to enhance comparability and forward-looking relevance, some content has been moderately extended to cover preceding and subsequent years.

## ◆ Basis of Preparation

This report was prepared with reference to the following relevant standards, frameworks, principles, and requirements:

- The *Guidelines on Self-Regulatory Supervision of Listed Companies No.17 - Sustainable Development Reports (Trial)* issued by the Shenzhen Stock Exchange
- The *Guidelines on Self-Regulatory Supervision of Listed Companies No.3 - Preparation of Sustainable Development Reports (Revised in 2026)* issued by the Shenzhen Stock Exchange
- The *Guidelines for Sustainable Corporate Disclosure - Basic Guidelines (Trial)* issued by the Ministry of Finance of the People's Republic of China
- The *Guidelines for Sustainable Corporate Disclosure Standards No. 1 - Climate (Trial)* issued by the Ministry of Finance of the People's Republic of China
- International Sustainability Standards Board (ISSB) *IFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information* and *IFRS S2 Climate-related Disclosures*
- Global Reporting Initiative (GRI) Sustainability Reporting Standards 2021
- Sustainability Accounting Standards Board (SASB) Chemicals Industry Standard
- United Nations Sustainable Development Goals (UN SDGs)
- The Ten Principles of the UN Global Compact

<sup>1</sup> Entities that are under the actual control of Zangge Mining but are still in the construction phase and have not yet entered the operational cycle have not been included in the core disclosure scope of this Report. The main reason is that the ESG data for these entities do not yet have a complete and stable statistical basis, and thus cannot meet the full-scope disclosure requirements for this reporting period. Based on the Company's ESG management and disclosure planning, key information for these entities will be selectively disclosed this year; starting from the next reporting year, the Company plans to formally include them in the full disclosure scope of the Sustainability Report to align with the entities disclosed in the financial report.

## ◆ Data Notes

The data, management mechanisms, and case studies in this Report are derived from the original records of the Company's actual operations or its financial reports. The financial data in this Report is denominated in RMB and is consistent with the annual consolidated financial statements of Zangge Mining Company Limited. In case of any discrepancy between the financial data in this Report and the Company's annual consolidated financial statements, the latter shall prevail.

## ◆ Definition of Terms

For ease of expression and reading, the terms "Zangge Mining", "Zangge", "the Company" and "we" in this Report all refer to "Zangge Mining Company Limited". "Zangge Potash Fertilizer" refers to "Golmud Zangge Potash Fertilizer Company Limited"; "Zangge Lithium" refers to "Golmud Zangge Lithium Company Limited"; "Zangge Mining Investment" refers to "Zangge Mining Investment (Chengdu) Company Limited"; "Julong Copper" refers to "Xizang Julong Copper Company Limited"; and "Zijin Mining" refers to "Zijin Mining Group Company Limited".

## ◆ Reliability Commitment

This Report has been reviewed and approved for publication by the Board of Directors of Zangge Mining. The Company undertakes that this Report contains no false records, misleading statements, or material omissions. The Company's Board of Directors assumes individual and joint responsibility for the truthfulness, accuracy, and completeness of its contents.

## ◆ Access to the Report

This Report is prepared and published in both print and electronic formats and in both Chinese and English. In case of any conflict, contradiction, or discrepancy, the Chinese version shall prevail. The print version of this Report is available at the Company's Board of Directors Office and the Safety, Environmental Protection and ESG Office. The electronic version can be downloaded from the website of the Shenzhen Stock Exchange ([www.szse.cn](http://www.szse.cn)) or the Company's official website ([www.zanggekuangye.com](http://www.zanggekuangye.com)).

## ◆ Contact Information

Zangge Mining encourages all stakeholders to provide suggestions or feedback on the Company's sustainability work. We also encourage reporting of "greenwashing" and fraudulent activities by relevant parties such as those in the supply chain. Please use the following channels for related matters:

### Suggestions and Feedback on Sustainability Work

Contact Department: Safety, Environmental Protection and ESG Office

Email: [sustainability@email.zanggekuangye.com](mailto:sustainability@email.zanggekuangye.com)

### Reporting Fraud, "Greenwashing", and Other Activities

Contact Department: Supervision and Audit Office

Tel: +86-028-89992276

Email: [jc@email.zanggekuangye.com](mailto:jc@email.zanggekuangye.com)



# Foreword

## Message from the Chairman

The year 2025 marks a pivotal year for Zangge Mining as we set a new course and embark on a new journey. Amidst the global wave of supply chain restructuring and accelerating green transformation, we have welcomed a milestone partnership with Zijin Mining's strategic controlling investment, injecting powerful synergistic momentum into our long-term development. We adhere to our development philosophy of "resources as the foundation, synergy as the wings, and sustainability as the soul", remaining firmly anchored in our core business, continuously enhancing our ESG ecosystem, and promoting the co-creation and sharing of value, thereby writing a new chapter of high-quality development through practical action and commitment.



Chairman of the Board,  
Zangge Mining Company Limited

Wu Jianhui

### Adhering to Our Strategic Direction and Building a Solid Foundation for Development Through Synergy

As an enterprise dedicated to the development of strategic mineral resources on the Tibetan Plateau, we have consistently upheld the development philosophy of "basing our operations on salt lake resources for comprehensive and rational utilization" and have remained committed to a business layout driven by the three pillars of potash, lithium, and copper. In 2025, we achieved breakthroughs in resource expansion: the mining rights for Mamucuo Salt Lake were successfully secured, the transition from exploration to mining for the Laotian potash project proceeded in an orderly manner, and the development of associated minerals at Qarhan Playa received legal support, all of which have laid a solid resource foundation for the Company's long-term growth. Leveraging the world-leading resource integration capabilities and sophisticated management experience of Zijin Mining, we have promoted the deep integration of technology, resources, and management systems to continuously improve production and operational efficiency. This has resulted in a stable and efficient supply of potassium chloride, and the second-phase expansion and renovation project of Julong Copper, in which we hold a stake, was successfully commissioned<sup>1</sup>, further highlighting the synergistic effects of our "three-horse chariot" approach. At the governance level, we have continued to optimize our ESG governance structure, which is "led by the Board of Directors, coordinated by multiple departments, and covering the entire process". We have deeply embedded ESG principles into all aspects of strategic decision-making and business management, solidifying the foundation for standardized corporate operations through institutional development and genuinely creating long-term, stable value returns for all shareholders.

### Upholding Our Green Commitment and Building Ecological Harmony Through Low-carbon Development

The synergy between resource development and ecological conservation is a core principle that Zangge Mining has

always upheld in its operations. In 2025, we continued to reduce our energy consumption and carbon emission intensity per unit of output through initiatives such as green electricity procurement, upgrading high-energy-consumption equipment, and optimizing production processes. In the area of Green Mine construction, the Company invested a total of RMB 79.4049 million in environmental protection, of which RMB 28.3175 million was dedicated to the comprehensive ecological management of mining areas, with a cumulative managed area exceeding 1,000 hectares. Both Zangge Lithium and Zangge Potash Fertilizer successfully passed cleaner production audits and dynamic management reviews for green factories, and our resource "three rates" indicators remain at an advanced level within the domestic industry. Concurrently, our industry-academia-research collaboration with Qinghai University has focused on advancing research into vegetation restoration technology for high-altitude saline-alkali lands. We have also continued to enhance our biodiversity protection system, strictly adhering to the ecological protection principles of "avoidance, mitigation, and restoration" throughout the entire lifecycle of resource development, ensuring that mining operations coexist and thrive in harmony with the ecosystem of the Tibetan Plateau.

### Adhering to Our People-centric Philosophy and Fostering Development with a Human Touch

The humanistic philosophy that "For the People, by the People, of the People" is the fundamental strength behind Zangge Mining's steady and long-term progress. In 2025, we continued to cultivate a diverse, inclusive, and empowering talent ecosystem by establishing a multi-track career development system for management, professional, and operational roles. We conducted specialized training in areas such as AI technology application and safety skills for over 6,300 participants. Through practical initiatives like our employee shareholding plan and differentiated welfare benefits, we have aligned corporate growth with employee development, fostering a relationship of mutual

prosperity. In our social engagement, we have deepened our involvement in the "Hundred Enterprises Revitalize Hundred Villages" targeted assistance program, donating approximately RMB 6.34 million to support various fields, including rural revitalization, educational aid, and charitable medical treatment for children, thereby giving back to local communities through tangible actions. In supply chain development, we have co-initiated the Supply Chain ESG Management Initiative (SCSI), embedding ESG requirements into the entire lifecycle management of our suppliers. This promotes the joint practice of responsible principles across the upstream and downstream industry chain, building a sustainable collaborative ecosystem based on mutual trust, shared success, and synergistic progress.

### Embarking on a New Journey and Demonstrating Our Mission Through Determined Action

Standing at a new starting point for development, Zangge Mining's mission has become clearer, and our responsibilities have grown heavier. In the future, we will continue to deepen the implementation of our ESG strategy, empowering and enhancing production and operations with digitalization and smart technologies, and constantly pursuing breakthroughs in areas such as the iteration of lithium extraction from salt lakes technology, comprehensive resource utilization, and green, low-carbon development. We will strictly adhere to the bottom line of compliant operations, improve our risk prevention and control systems, and actively respond to the concerns of stakeholders with higher standards of information disclosure. Upholding a development philosophy of openness and mutual success, we will join hands with shareholders, employees, partners, and local communities. We are committed to moving forward with courage and determination on our journey to ensure the security of the nation's key mineral resources and promote the green transformation of the industry, thereby injecting a continuous stream of Zangge's strength into high-quality social development through the creation of long-term value!

<sup>1</sup> Phase II of the Julong Copper renovation and expansion project will be commissioned in January 2026.

# About Zangge Mining

## Company Profile

Zangge Mining Company Limited, founded in 1996, is a comprehensive mining enterprise based on the Tibetan Plateau that focuses on the development and utilization of strategic mineral resources such as potassium and lithium salts. The Company was listed on the Main Board of the Shenzhen Stock Exchange in 2016 under the stock code 000408. Its core business is the production and sale of potassium chloride and lithium carbonate, with products widely serving key sectors such as agriculture, new energy vehicles, energy storage, and consumer electronics. The Company has always adhered to the development philosophy of "basing its operations on salt lake resources for comprehensive and rational utilization". It has established a dual-headquarters operational structure in Chengdu, Sichuan, and Golmud, Qinghai, with key subsidiaries including Zangge Potash Fertilizer and Zangge Lithium under its control. Concurrently, it has strategically laid out high-quality resources such as the Mamucuo Salt Lake in Xizang and the potash mine in Laos, forming a dual-driver mineral resource development model that integrates domestic and international operations. After years of strategic planning and steady growth, the Company has achieved a stable supply of potassium chloride and battery-grade lithium carbonate. It also holds a 30.78% stake in the Xizang Julong Copper Mine, gradually evolving into a stable growth model supported by the three pillars of potash, lithium, and copper, making it one of the leading enterprises in the development of these resources in China.

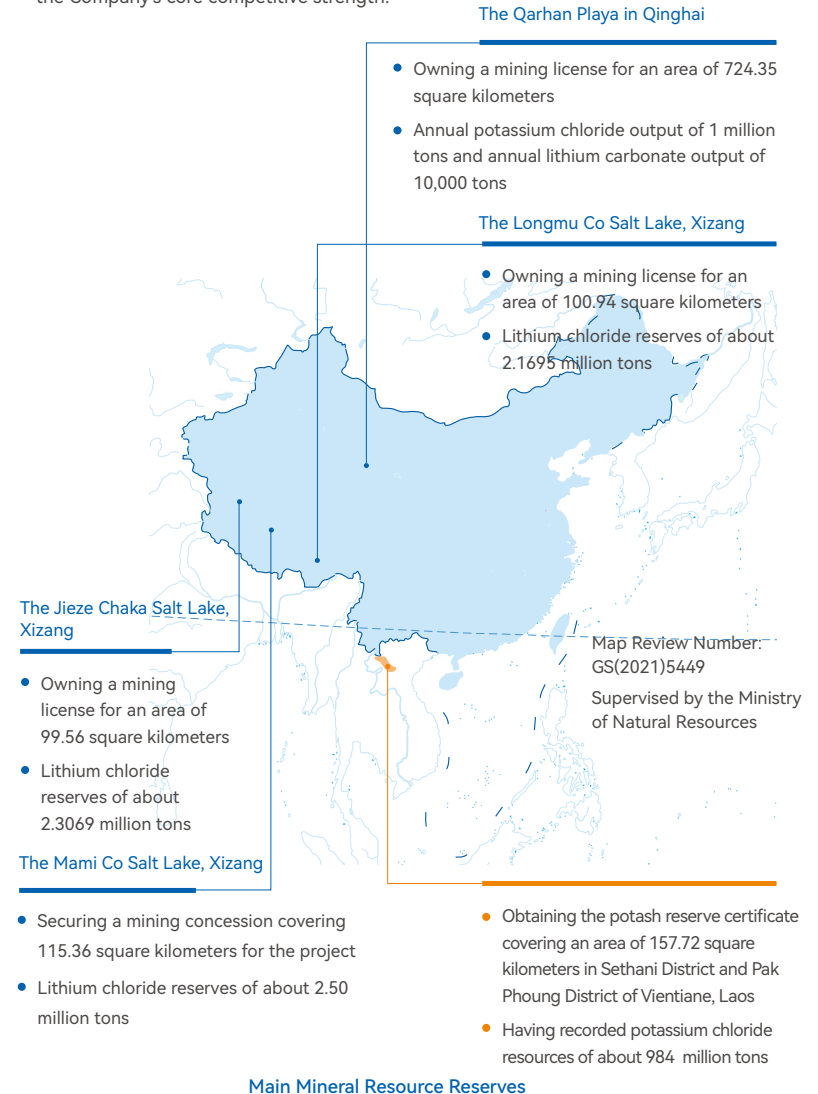
In early 2025, Zijin Mining completed its strategic controlling investment in Zangge Mining for RMB 13.7 billion, creating

a milestone collaboration in China's mining industry. Leveraging Zijin Mining's world-class resource integration capabilities, capital strength, and international platform, Zangge Mining will gain strong support for the development of strategic mineral projects globally. The deep integration of both parties' technologies, resources, and management systems will significantly enhance operational efficiency, establishing a strategic barrier for the security of the nation's key mineral resources.

## Resource Reserves and Development

Zangge Mining understands that mineral resources are vital to national strategy and the Company's sustainable business development. Guided by national strategy, the Company focuses on its core potassium and lithium business. While ensuring stable potassium and lithium production at the Qarhan Salt Lake in Qinghai, the Company has advanced key projects and achieved phased results, utilizing diversified methods such as independent exploration, equity participation, and mergers and acquisitions to expand its global reserves of potassium, lithium, and other mineral resources, thereby continuously strengthening its core competitiveness. In July 2025, Xizang Ali Mamucuo Mining Development Co., Ltd. received a physical copy of the *Mining License of the People's Republic of China* from the Department of Natural Resources of the Xizang Autonomous Region. This officially granted Mamucuo Mining the legal right to exploit salt lake resources, facilitating the orderly development of lithium and boron resources at the Mamucuo Salt Lake as planned. In October 2025, its subsidiary, Zangge Potash Fertilizer, received the *Real Property Rights Certificate (Mining Rights)* and the *Mining Permit* from the Ministry of Natural Resources. In addition to its primary mineral, potash, the permit now includes

associated minerals such as mineral salt, magnesium salt, lithium ore, and boron ore. This development secures the long-term extraction of potash resources and a stable supply of potassium chloride, while also enabling the comprehensive utilization of associated minerals, promoting their integrated development, maximizing their value, and reinforcing the Company's core competitive strength.



## ◆ Corporate Culture

Zangge Mining adheres to the business philosophy of "Integrity and people-orientation, with character first; quality and efficiency, with safety as the priority; speed and scale, with risk as the foundation". Upholding the corporate spirit of "Unity and fraternity, honoring credibility and commitments, practicality and efficiency enhancement", the Company has established the core corporate values of "Scientific and compliance, progressive and innovative, fair and transparent, professionalism and trustworthy, cooperation and win-win". These principles empower high-quality, sustainable corporate development and the comprehensive enhancement of ESG value, helping accelerate the achievement of its strategic goal of becoming a world-class mining group.



### Business Philosophy

Integrity and People-orientation, with Character First;  
Quality and Efficiency, with Safety as the Priority; Speed  
and Scale, with Risk as the Foundation



### Corporate Spirit

Unity and Fraternity, Honoring Credibility and  
Commitments, Practicality and Efficiency Enhancement



### Core Values

Scientific and Compliance, Progressive and Innovative,  
Fair and Transparent, Professionalism and Trustworthy,  
Cooperation and Win-win

### Development Philosophy

Based on Salt Lake Resources, Comprehensive Development,  
Rational Utilization

### Marketing Philosophy

Integrity in Operations, Scientific Development, High Quality and Efficiency, Service  
to Society, Creating Value for Society, Maximizing the Interests of the Company,  
Shareholders, and Employees



### Service Philosophy

Customer First, Quality and Reputation Foremost

### Humanistic Philosophy

For the People, by the People, of the People.

## Business Overview

Zangge Mining actively responds to national strategic deployments, remaining committed to the deep cultivation of its core businesses. The Company efficiently leverages the synergistic effects of its "three-horse chariot"—potassium, lithium, and copper—to develop a unique growth model and competitive advantages, as it advances toward becoming a diversified mining group.

### ◆ Potassium Business Segment

As the second-largest potash fertilizer producer in China, Zangge Mining takes concrete actions to "ensure sufficient supply and effectively stabilize prices", providing potash resource support to strengthen China's food security. The Company's potassium business segment primarily produces potassium chloride, with production volume of 1.0332 million tons and sales volume of 1.0843 million tons in 2025. The Company holds a 70% equity interest in Laos Development and Laos Sethani and is responsible for the exploration and development of the potash deposits in Xaythany and Paknguem counties, Vientiane, Laos. As of the date of this Report, Laos Development has obtained the *Resource Reserve Certificate*, with registered potassium chloride resources amounting to approximately 984 million tons within a 157.72 km<sup>2</sup> potash concession in Xaythany and Paknguem counties. Currently, key tasks for Phase I of the Laos potash project, such as feasibility studies, environmental impact assessments, and permit applications, are being advanced. The Company is also continuing to advance backfilling technology research and conduct old brine solidification tests.



### ◆ Lithium Business Segment

Building on its core potassium business, Zangge Mining applies advanced salt-lake lithium extraction technology to produce battery-grade lithium carbonate. These products are widely used in industries including new energy vehicles, energy storage, and consumer electronics. In 2025, the Company produced 8,808 tons of lithium carbonate and sold 8,957 tons. Leveraging lithium resources at the Qarhan Salt Lake in Qinghai, the Company has an installed lithium carbonate capacity of 10,000 tons per year, with a utilization rate of 88.08%.

The Mamicuo Salt Lake, held through look-through ownership, contains approximately 2.1774 million tons of lithium carbonate equivalent resources. The project was approved by the Development and Reform Commission of the Xizang Autonomous Region in June 2025, and subsequently obtained the *Construction Project Construction Permit* and the *Mining Permit* in July 2025. The Zang-Qing Fund completed its capital increase in January 2026, with part of the proceeds allocated to the construction of the Mamicuo project. The main plant building has been enclosed and is currently in the equipment installation phase, with the project advancing according to its construction plan. Based on the Company's 2026 production and operation plan, the first phase of the Mamicuo project, with a capacity of 50,000 tons, is expected to be completed and commissioned in the third quarter of 2026.

The Jieze Chaka Salt Lake and Longmu Co Salt Lake, held through look-through ownership, contain combined lithium carbonate reserves of approximately 3.9 million tons.



### ◆ Copper Business Segment

In 2019, the Company acquired an equity stake in Xizang Julong Copper Company Limited, becoming its second-largest shareholder and officially incorporating it into the copper business segment. Julong Copper has continued to expand its copper concentrate production capacity. The mining area has cumulative identified copper metal resources of 25.88 million tons, making it the copper mine with the largest registered resources in China. Phase I of the project was officially commissioned in 2022, producing 193,800 tons of copper and selling 193,700 tons in 2025. On January 23, 2026, Phase II of the Julong Copper Mine's renovation and expansion project was completed and put into operation. Once Phase II reaches full production, it will add a daily ore processing capacity of 200,000 tons. At that point, the combined daily processing capacity of Julong's Phase I and II will reach 350,000 tons, establishing the production scale of this world-class, super-large copper mine.



## Industry Participation

Active industry participation helps the Company integrate into the industrial development ecosystem, deepen upstream and downstream supply chain collaboration, and build a shared consensus on sustainable development values with industry partners. Zangge Mining is currently a member of the China Inorganic Salts Industry Association. It is also a member of the China Chemical Mining Association and the Corporate Anti-fraud Alliance; an ISSB Sustainability Disclosure Standards Pioneer Partner; a TCFD Supporter; a Corporate Member of the Zero Carbon Promotion Association; and a Member Unit of the 50 Forum of Pioneer Partners for Sustainable Development Innovation and Practice. The Company is also one of the co-initiators of the Supply Chain ESG Management Initiative (SCSI).



中国无机盐工业协会  
CHINA INORGANIC SALTS INDUSTRY ASSOCIATION



中国化学矿业协会



Supply Chain ESG Stewardship Initiative

# Sustainability Governance and Strategy

As a leading enterprise in the salt lake resources sector, Zangge Mining is committed to building a sustainability and ESG management system that meets advanced international standards. The Company promotes responsible resource development and environmental governance to foster mutually beneficial growth for the Company, its employees, communities, and host countries. At the same time, the Company drives the green transition through technological innovation, reinforces safety, environmental protection, and social responsibility, and strives to achieve a harmonious coexistence between mining development and the ecological environment, aiming to set a benchmark for the industry and benefit future generations.

## Sustainability Governance Structure

Zangge Mining is committed to integrating sustainability and ESG concepts into its corporate strategy, governance structure, corporate culture, and business processes. At the organizational level, the Company has established corresponding decision-making and executive bodies, relying on strategy, organization, and processes to create a long-term mechanism for sustainability and ESG management.

The Company's Board of Directors, as the highest decision-making body, assumes overall responsibility for sustainability and ESG governance. The Board is responsible for reviewing and approving the Company's sustainability and ESG development strategies and major policies; overseeing the effectiveness of related risk management; ensuring the completeness and authenticity of information disclosure; and promoting the integration of sustainability and ESG risks into financial decision-making and internal control systems. It also reviews and approves relevant reports and disclosures to ensure compliance with regulatory requirements; promotes the deepening of sustainability and ESG knowledge and capacity building for the Board

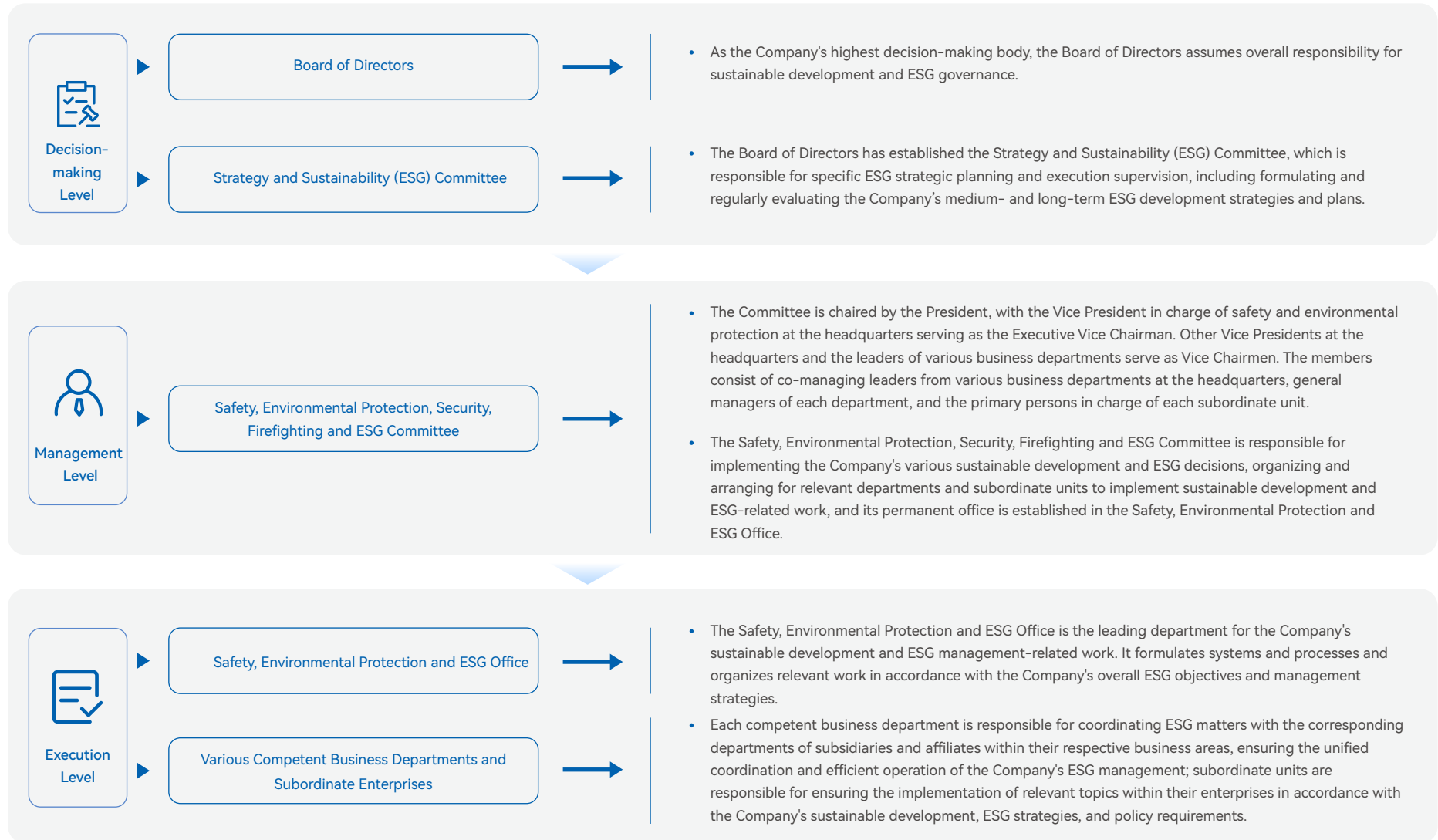
and senior management; evaluates sustainability and ESG performance, incorporating it into executive performance assessments and incentive mechanisms, including establishing a performance clawback mechanism to address management failures. Concurrently, the Board leads the Company in implementing the "dual carbon" strategy and sustainable development goals, driving the industry's green transition.

The Board has established a Strategy and Sustainability (ESG) Committee, which is responsible for specific strategic planning and execution oversight. The Chairman of the Board serves as the committee's chair, with the remaining members being directors. The committee considers the macroeconomic environment, industry trends, and the Company's specific circumstances on the Company's medium- to long-term development strategy, sustainability goals, and material ESG issues, providing strategic and policy recommendations to the Board. During strategy formulation, it incorporates ESG factors

into the review scope of the Company's medium- to long-term development plans, major operational strategies, and sustainability policies. The committee also tracks and evaluates strategy implementation and ESG performance, proposing optimization suggestions to support continuous strategic improvement.

Furthermore, the Company's Safety, Environmental Protection, Security, Firefighting and ESG Committee (the "Safety Committee") is responsible for implementing the Company's sustainability and ESG decisions, with the Company's President serving as its chair. The permanent office of the Safety Committee is located in the Safety, Environmental Protection and ESG Office, which serves as the lead department for the Company's sustainability and ESG management-related work. All competent business departments and subordinate enterprises fulfill their respective duties to ensure the coordinated planning and execution of all ESG management tasks, thereby fulfilling corporate social responsibilities and civic duties.



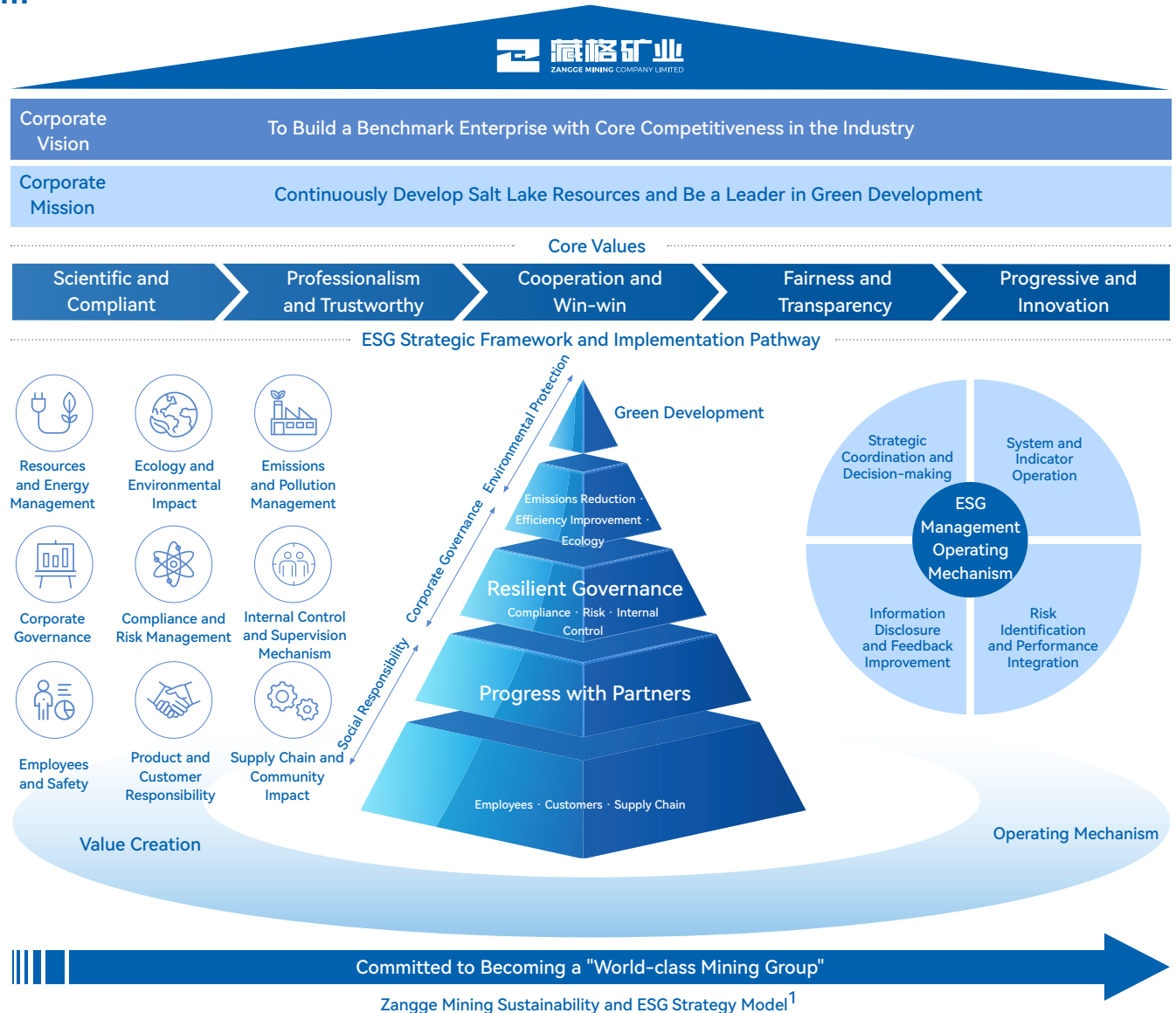


**Zangge Mining Sustainability and ESG Management Structure**

Concurrently, the Company continuously strengthens the institutionalized management of sustainability and ESG, forming a management mechanism that includes key processes such as material issue identification, risk management, planning and target management, indicator system maintenance, information disclosure, and performance monitoring and assessment. This enhances corporate decision-making and strives to achieve the organic integration of sustainability and ESG management with the Company's daily operations.

## Sustainability Strategy System

Zangge Mining is firmly guided by the United Nations Sustainable Development Goals and upholds the principles of green, innovative, high-quality, and sustainable development as it continuously advances the construction of its sustainability and ESG strategy system. The Company deeply integrates stakeholder concerns with its own business operations, using ESG risks and opportunities as a core entry point and orienting itself towards sustainable value creation. The strategy revolves around three main ESG pillars: green development, resilient governance, and shared progress with partners. Supported by a scientific and comprehensive management framework, this approach drives the continuous enhancement of social value and contributes to the achievement of global sustainable development goals through tangible actions.



<sup>1</sup> Specific key ESG topics are dynamically identified and adjusted based on the annual double materiality analysis.

Based on the *Zangge Mining Five-Year (2022-2027) Development Strategic Plan* issued in 2022, we have adopted the ESG management "Tree-planting Theory" as the core concept for our sustainable development and strategic planning. Progressing from simple to complex, we systematically carry out various management activities through the deep integration of theory and practice. During the year, we focused on enhancing our ESG governance system and institutional framework, strengthening our low-carbon management initiatives, and promoting the deep integration of these concepts into our corporate culture and entire operational management process by conducting multi-themed ESG training activities. Through these multiple measures, we have solidified the foundation for our sustainable development, aiming to align with world-class standards.



**Phase I**

► 2022-2023

Review the Company's current ESG management status to prepare for system construction.

**Phase II**

► 2023-2024

Build the ESG management system and establish a foundation for ESG management.

**Phase III**

► 2024-2026

Optimize the ESG management system, enhance ESG management performance, and expand the scope of ESG impact.

**Phase IV**

► 2026 Onwards

Deeply integrate ESG into daily management and benchmark ESG performance against global best practices.

# Stakeholder Communication

Zangge Mining's approach to stakeholder communication is built on a foundation of clear communication, transparency, and mutual trust. Our goal is to enhance trust between the Company and all sectors of society and to build a favorable external development environment by strengthening communication and collaboration with stakeholders and increasing the transparency of public information.

In accordance with regulatory guidelines from the Shenzhen Stock Exchange, IFRS S1, and other requirements and standards related to stakeholder communication, the Company has established diverse communication channels. We regularly invite stakeholders to participate in discussions and collaborative management on issues that directly affect their interests. Based on the feedback, requests, and diverse perspectives collected, and in conjunction with our operational realities, we have formulated and publicly released several targeted sustainable development systems and policies<sup>1</sup>. These are fully integrated into the Company's strategic planning and practical actions, systematically transforming stakeholder expectations into a continuous driving force for sustainable development. During the reporting period, we implemented stakeholder engagement plans at 100% of our operational sites.

## Zangge Mining Stakeholder Communication in 2025

Stakeholders	Government and Regulatory Authorities	Shareholders and Investors	Employees	Customers	Suppliers and Other Partners	Community and the Public	Industry Associations, Media Organizations, and ESG Experts
Key Issues	<ul style="list-style-type: none"> <li>Regulatory Compliance</li> <li>Tax Compliance</li> <li>Economic Development</li> <li>Job Creation</li> </ul>	<ul style="list-style-type: none"> <li>Corporate Governance</li> <li>Economic Returns</li> <li>Risk Management</li> <li>ESG Performance</li> <li>Business Ethics and Transparency</li> </ul>	<ul style="list-style-type: none"> <li>Labor Rights</li> <li>Remuneration and Benefits</li> <li>Development and Training</li> <li>Safety and Health</li> </ul>	<ul style="list-style-type: none"> <li>Product Quality</li> <li>Customer Service</li> <li>R&amp;D and Innovation</li> <li>Stable Supply</li> </ul>	<ul style="list-style-type: none"> <li>Contractual Integrity</li> <li>Business Ethics</li> <li>Sustainable Procurement</li> <li>Intellectual Property Protection</li> </ul>	<ul style="list-style-type: none"> <li>Environmental Protection</li> <li>Philanthropy</li> <li>Rural Revitalization</li> <li>Community Development</li> </ul>	<ul style="list-style-type: none"> <li>Product Responsibility</li> <li>Technological Innovation</li> <li>Industry Development</li> <li>ESG Performance</li> </ul>
Communication Channels and Frequency	<ul style="list-style-type: none"> <li>Work Reports (Ad Hoc)</li> <li>Government Meetings (Ad Hoc)</li> <li>Supervision and Inspections (Ad Hoc)</li> <li>Public Consultations (Ad Hoc)</li> </ul>	<ul style="list-style-type: none"> <li>General Meeting of Shareholders (Annual)</li> <li>Results Announcements (Annual)</li> <li>Information Disclosure (Ad Hoc)</li> <li>On-site Visits (Ad Hoc)</li> <li>Investor Relations Platform (Real-time)</li> </ul>	<ul style="list-style-type: none"> <li>Employee Representative Congress (Annual)</li> <li>Employee Satisfaction Surveys (Annual)</li> <li>Employee Activities and Training (Ad Hoc)</li> <li>ESG Questionnaires (Annual)</li> </ul>	<ul style="list-style-type: none"> <li>Customer Service Hotline (Real-time)</li> <li>Customer Follow-up Visits (Ad Hoc)</li> <li>Routine Customer Communication (Ad Hoc)</li> <li>Customer Satisfaction Surveys (Annual)</li> </ul>	<ul style="list-style-type: none"> <li>Supplier Conferences (Ad Hoc)</li> <li>Supplier Training (Annual)</li> <li>On-site Audits (Annual)</li> <li>Routine Business Visits (Ad Hoc)</li> </ul>	<ul style="list-style-type: none"> <li>Environmental Activities (Ad Hoc)</li> <li>Philanthropic Activities (Ad Hoc)</li> <li>Community Activities (Ad Hoc)</li> <li>Project Briefings (Ad Hoc)</li> </ul>	<ul style="list-style-type: none"> <li>Industry Conferences (Annual)</li> <li>Company Website (Real-time)</li> <li>Social Media Platforms (Real-time)</li> <li>Sustainability Report (Annual)</li> </ul>
Why It Is Important	Government and regulatory authorities are the core guides for a company's compliant operations. Their policies and oversight regulate the direction of corporate ESG practices, ensuring the legality and orderly progression of sustainable development.	Shareholders and investors are core stakeholders in corporate development. Their focus on ESG performance drives the Company to optimize its management systems, providing sustained momentum for long-term, stable growth.	Employees are the backbone of a company's sustainable development. Their deep engagement allows ESG principles to be practiced in daily operations, building a solid foundation for creating long-term value.	Customers are the key vehicle for a company to realize its value. Their demand for ESG value drives the Company to enhance its capacity for responsible supply, helping to build a stable competitive advantage in the market.	Partners such as suppliers are a vital guarantee for the resilience of the corporate industrial chain. Their collaborative implementation of ESG principles can fortify Supply Chain security and support the development of a sustainable corporate operational ecosystem.	The community and the public form the environmental foundation for a company's survival and growth. Their recognition and support can create a favorable atmosphere for corporate ESG practices and enhance the social compatibility of operations.	Industry associations, media organizations, and ESG experts are professional enablers of corporate ESG improvement. Their guidance and oversight help the Company optimize its practical frameworks and enhance its professional standards in sustainable development.

<sup>1</sup>For details on relevant systems and policies, please visit the Company's official website: [www.zanggekuangye.com](http://www.zanggekuangye.com).

# Double Materiality Assessment

Zangge Mining prioritizes stakeholder concerns within its sustainability framework to systematically advance strategic planning, manage risks and opportunities, and consistently enhance the quality of information disclosure. In 2025, the Company conducted an in-depth analysis of national policies and industry trends. Strictly adhering to the latest international disclosure standards including the *Shenzhen Stock Exchange Guidelines on Self-Regulatory Supervision of Listed Companies No.17 - Sustainable Development Reports (Trial)*, *Self-Regulatory Guideline No. 3 for Listed Companies - Preparation of Sustainability Reports (2026 Revision)*, the *International Financial Reporting Sustainability Disclosure Standard No.1 - General Requirements for the Disclosure of Sustainability-related Financial Information (IFRS S1)*, and the *GRI Sustainability Reporting Standards (GRI Standards)*, the Company comprehensively analyzed the impact of 22 ESG issues on the Company's finances as well as on the economy, environment, and society through interviews and surveys. This report provides targeted disclosures on 5 identified double materiality issues, addressing the core expectations of stakeholders regarding the Company's sustainability governance.

## Methodology and Process for Double Materiality Assessment

In accordance with the *Shenzhen Stock Exchange Self-Regulatory Guideline No. 3 for Listed Companies - Preparation of Sustainability Reports (2026 Revision)*, the Company follows the steps below to conduct its double materiality assessment and disclosure:

### Step 1: Analyze the Company's context and map the affected stakeholders.

- Identify the Company's activities and business relationships.
- Analyze the external objective environment.
- Map the key affected stakeholders.

### Step 2: Identify ESG-related impacts, risks, and opportunities.

- Based on the 21 topics in the *Shenzhen Stock Exchange Guidelines on Self-Regulatory Supervision of Listed Companies No.17-Sustainable Development Reports(Trial)*, identify other potential material topics.
- Identify topic-related impacts, risks, and opportunities, and compile them into the Company's list of topics.

### Step 3: Assess and confirm ESG-related impacts, risks, and opportunities.

- Conduct the impact materiality assessment.
- Conduct the financial materiality assessment.
- Integrate the assessment results of impact and financial materiality.

### Step 4: Use analysis results to guide ESG disclosure and practices.

- In accordance with the requirements of the Shenzhen Stock Exchange's sustainability reporting guidelines, this report focuses on disclosing the management and actions related to the identified double materiality topics.

## Step 1: Analyze the Company's Context and Map the Affected Stakeholders

When studying its operating context and sustainability policy requirements, the Company gives full consideration to the following six categories of factors:



### ESG Information Disclosure Standards

- Shenzhen Stock Exchange *Guidelines on Self-Regulatory Supervision of Listed Companies No. 17 – Sustainable Development Reports (Trial)*
- Shenzhen Stock Exchange *Self-Regulatory Guideline No. 3 for Listed Companies – Preparation of Sustainability Reports (2026 Revision)*
- Ministry of Finance *Sustainability Disclosure Standards for Business Enterprises – Basic Standard (Trial)*
- ISSB IFRS S1 *General Requirements for Disclosure of Sustainability-related Financial Information and IFRS S2 Climate-related Disclosures*
- GRI Sustainability Reporting Standards (2021 Version)
- SASB *Sustainability Accounting Standard (SASB Standard) for the Chemicals industry*



### ESG Rating Requirements

- MSCI ESG Ratings
- S&P Global Corporate Sustainability Assessment (CSA)
- Hang Seng Corporate Sustainability Index Ratings



### International ESG Initiatives

- United Nations Sustainable Development Goals (UN SDGs)
- The Ten Principles of the UN Global Compact
- Responsible Business Alliance (RBA) Code of Conduct
- *The Paris Agreement* and the annual UN Climate Change Conference (COP)
- Organisation for Economic Co-operation and Development (OECD) *Due Diligence Guidance for Responsible Business Conduct*



### China's Economic and Macro Policy Trends

- *Outline of the 14th Five-year Plan (2021–2025) for National Economic and Social Development and Vision 2035 of the People's Republic of China*
- China's "3060" Carbon Peaking and carbon Neutrality Goals
- *Opinions on Accelerating the Comprehensive Green Transition in Social and Economic Development*
- *Manufacturing Industry Green and Low-Carbon Development Action Plan (2025-2027)*
- *Guiding Opinions on Accelerating the Green Development of the Manufacturing Industry*
- *Notice on Further Strengthening the Construction of Green Mines*



### Market Development Trends

- Customers and consumers are increasingly emphasizing sustainable consumption behaviors, driving the Company to extend its sustainability goals throughout the entire value chain.
- In the context of global sustainable development, corporate users are highly focused on the comprehensive practices of sustainable brands, requiring them to fully implement ESG concepts throughout the production, processing, and usage stages of products.



### The Company's Sustainability Development Needs

- *Zangge Mining Five-year (2022–2027) Strategic Development Plan*
- Zangge Mining's sustainable development strategy model
- Zangge Mining's needs for high-quality development and green transition

In 2025, the Company further refined its mechanisms for stakeholder identification and communication. Based on the impact and significance of each ESG issue to stakeholders, the Company categorized them into two core groups: external stakeholders (including government and regulatory agencies, shareholders and investors, employees, customers, suppliers and other partners, community and the public, and industry associations, media organizations, and ESG experts) and internal stakeholders (primarily the Company's directors and senior management). The Company then specified the type of assessment each would participate in: external stakeholders participate in the impact materiality assessment of ESG issues, while internal stakeholders participate in the financial materiality assessment of ESG issues.

Subsequently, to systematically identify material ESG issues, the Company used the list of issues in the *Shenzhen Stock Exchange Guidelines on Self-Regulatory Supervision of Listed Companies No.17 - Sustainable Development Reports (Trial)* as a foundation and comprehensively reviewed annual macro policies and industry hot topics, and benchmarked against the sustainability disclosure standards of the Ministry of Finance, IFRS S1 and S2 standards, GRI standards, SASB standards, and the focus areas of major ESG rating agencies, while also deeply integrating its own development strategy and business plans, and ultimately formulated the Company's annual list of material ESG issues after a thorough and prudent evaluation.

Issue Dimension	Issue Name	
 <p><b>Environment</b> (8 Issues)</p>	<ul style="list-style-type: none"> <li>• Response to Climate Change</li> <li>• Energy Management</li> <li>• Environmental Management</li> <li>• Water Stewardship</li> </ul>	<ul style="list-style-type: none"> <li>• Pollutant and Waste Management</li> <li>• Biodiversity Protection</li> <li>• Construction of Green Mine</li> <li>• Resource Reserves and Comprehensive Development</li> </ul>
 <p><b>Social</b> (9 Issues)</p>	<ul style="list-style-type: none"> <li>• Occupational Health &amp; Safety</li> <li>• Chemical Safety</li> <li>• Labor Rights</li> <li>• Employee Development and Training</li> <li>• Community Engagement and Contribution</li> </ul>	<ul style="list-style-type: none"> <li>• Responsible Supply Chain</li> <li>• Product Responsibility</li> <li>• Innovate and Develop New Quality Productive Forces</li> <li>• Information Security</li> </ul>
 <p><b>Corporate Governance</b> (5 Issues)</p>	<ul style="list-style-type: none"> <li>• Corporate Governance</li> <li>• Compliance and Risk Management</li> <li>• Business Ethics and Anti-corruption</li> </ul>	<ul style="list-style-type: none"> <li>• ESG Management</li> <li>• Stakeholder Engagement</li> </ul>

## Step 2: Identifying ESG -related impacts, risks, and opportunities

Issue Name	Description of Impacts, Risks and Opportunities	Position in the Value Chain	Affected Stakeholders	Impact Period
Response to Climate Change	<ul style="list-style-type: none"> <li><b>Positive impacts:</b> The implementation of the Company's climate transition plan not only contributes to the mitigation of global climate change but also catalyzes the net-zero transformation across the industry value chain.</li> <li><b>Negative impacts:</b> In its initial implementation phase, the climate transition may involve significant capital investment and operational adjustments, putting pressure on short-term financial performance.</li> <li><b>Opportunities:</b> The climate transition can enhance the Company's climate adaptation and operational resilience, reduce long-term operating costs through energy efficiency optimization, and strengthen brand appeal and competitiveness in sustainable consumption and green finance.</li> <li><b>Risks:</b> Frequent extreme weather events will directly impact assets and the supply chain. Furthermore, stringent regulatory policies may escalate compliance costs, while shifting technological pathways could lead to asset reallocation pressures.</li> </ul>	<ul style="list-style-type: none"> <li>Upstream</li> <li>Internal operations</li> <li>Downstream</li> </ul>	<ul style="list-style-type: none"> <li>Shareholders and investors</li> <li>Customers</li> <li>Communities and the public</li> </ul>	(M) (L)
Energy Management	<ul style="list-style-type: none"> <li><b>Positive impacts:</b> By implementing an efficient and clean energy management model, the Company not only reduces its own operational carbon emissions but also exports green practices and standards, driving emissions reductions among value chain partners and supporting the industry's net-zero transformation.</li> <li><b>Negative impacts:</b> The Company's operations, production, and product use still rely on fossil fuel consumption. Should business expansion outpace the enhancement of energy management, the Company may face a rise in absolute emissions, resulting in adverse environmental and climatic consequences.</li> <li><b>Opportunities:</b> Through systematic efficiency optimization, energy-saving retrofits, and clean energy transition, the Company can lower energy intensity and costs. Furthermore, alignment with policy directives facilitates access to green incentives.</li> <li><b>Risks:</b> Power supply disruptions may cause production outages and delivery delays. Additionally, volatility in energy prices could escalate production costs, thereby compressing profit margins.</li> </ul>	<ul style="list-style-type: none"> <li>Upstream</li> <li>Internal operations</li> <li>Downstream</li> </ul>	<ul style="list-style-type: none"> <li>Governments and regulatory agencies</li> <li>Customers</li> <li>Suppliers and other partners</li> </ul>	(S) (M) (L)
Environmental Management	<ul style="list-style-type: none"> <li><b>Positive impacts:</b> Establishing and strictly implementing an environmental compliance management system can systematically prevent ecological damage, protect biodiversity and ecosystems, and create net positive benefits for communities and the environment.</li> <li><b>Negative impacts:</b> The establishment, maintenance, and upgrading of an environmental compliance system require investment in management and financial costs; business expansion or regulatory updates may put pressure on short-term operational efficiency and cost control.</li> <li><b>Opportunities:</b> A strong environmental compliance record can reduce the risk of operational shutdowns due to violations, enhance corporate reputation and brand value, and facilitate access to policy support such as green procurement and green finance.</li> <li><b>Risks:</b> Management oversights or technological lags can easily lead to non-compliance incidents such as excessive discharge or leakages, resulting in fines, litigation, and mandatory production suspensions; strict and dynamically updated environmental regulations place continuous pressure on existing facilities and processes for technological upgrades and phase-outs.</li> </ul>	<ul style="list-style-type: none"> <li>Upstream</li> <li>Internal operations</li> <li>Downstream</li> </ul>	<ul style="list-style-type: none"> <li>Governments and regulatory agencies</li> <li>Shareholders and investors</li> <li>Employees</li> <li>Communities and the Public</li> </ul>	(S) (M) (L)
Water Stewardship	<ul style="list-style-type: none"> <li><b>Positive impacts:</b> Good water stewardship can reduce the impact of the Company's own water withdrawal and discharge, and can also drive improvements in water use efficiency across the supply chain and local communities through technology sharing and managerial synergy.</li> <li><b>Negative impacts:</b> The Company's production and operations consume water resources; if business expansion is not synchronized with improvements in water withdrawal and use efficiency, it may increase pressure on local water resources and the aquatic ecosystem.</li> <li><b>Opportunities:</b> Systematic water stewardship can reduce water consumption costs and environmental taxation; excellent performance in this area can shape a responsible corporate image, meet the sustainability expectations of customers and investors, and help secure operational permits and social acceptance in water-sensitive regions.</li> <li><b>Risks:</b> Water shortages or substandard water quality could lead to production interruptions and decreased product quality; violations of water withdrawal and discharge requirements or tightening regulations could result in fines, production restrictions, or litigation.</li> </ul>	<ul style="list-style-type: none"> <li>Internal operations</li> <li>Downstream</li> </ul>	<ul style="list-style-type: none"> <li>Governments and regulatory agencies</li> <li>Communities and the public</li> </ul>	(S) (M) (L)

Issue Name	Description of Impacts, Risks and Opportunities	Position in the Value Chain	Affected Stakeholders	Impact Period
Pollutant and Waste Management	<ul style="list-style-type: none"> <li><b>Positive impacts:</b> By establishing and implementing a leading end-to-end management system for pollutants and waste, the Company can significantly reduce its own environmental footprint and also promote collaborative emissions and waste reduction across the industrial chain through green procurement and technology sharing.</li> <li><b>Negative impacts:</b> Various stages of the Company's entire life cycle may generate emissions such as waste gas, wastewater, and solid waste; if controls are inadequate or business expands, total discharge may increase, posing a potential pressure on the local environmental carrying capacity and ecosystems.</li> <li><b>Opportunities:</b> Promoting comprehensive resource utilization can reduce end-of-pipe disposal costs, create new revenue streams, decrease the consumption of primary resources, and gain both market and regulatory recognition.</li> <li><b>Risks:</b> Violations such as excessive discharge or illegal disposal will result in fines, production curtailment, and even criminal liability; rising disposal costs, pollution abatement, and emergency response create significant financial burdens; environmental pollution incidents could damage the corporate image and affect operational permits and social acceptance.</li> </ul>	<ul style="list-style-type: none"> <li>Internal operations</li> <li>Downstream</li> </ul>	<ul style="list-style-type: none"> <li>Governments and regulatory agencies</li> <li>Customers</li> <li>Community and the public</li> </ul>	<p>(S)</p>
Biodiversity Protection	<ul style="list-style-type: none"> <li><b>Positive impacts:</b> The Company reduces operational interference with ecosystems through systematic assessment, avoidance, mitigation, and ecological restoration, striving to achieve a net positive impact on biodiversity in key areas and create long-term environmental and economic value for local communities.</li> <li><b>Negative impacts:</b> During the construction phase, the Company's operations may affect local biodiversity and ecosystem functions due to factors such as land occupation, habitat fragmentation, and obstruction of species migration.</li> <li><b>Opportunities:</b> Leading biodiversity protection practices demonstrate corporate environmental leadership and sustainability resilience, which can enhance reputation and brand value, and gain the trust and support of governments, communities, and responsible investors.</li> <li><b>Risks:</b> Violations of regulations such as ecological protection red lines will lead to project obstruction, fines, or shutdowns; ecological disputes can easily cause construction delays, cost overruns, or supply chain disruptions; and acts of ecological damage harm the corporate image and affect community relations.</li> </ul>	<ul style="list-style-type: none"> <li>Internal operations</li> </ul>	<ul style="list-style-type: none"> <li>Community and the public</li> </ul>	<p>(M) (L)</p>
Construction of Green Mine	<ul style="list-style-type: none"> <li><b>Positive impacts:</b> By leveraging advanced environmental protection technologies, strict ecological restoration, and resource recycling, the environmental disturbance from mining activities can be minimized, achieving synergistic development between resource development and ecological protection.</li> <li><b>Negative impacts:</b> The initial phase of green mine construction requires substantial upfront capital investment in environmental facilities, ecological governance, and technological upgrades, which increases project development costs and operational complexity in the short term.</li> <li><b>Opportunities:</b> Green mine certification can secure policy support, enhance community acceptance, and boost brand reputation, significantly increasing attractiveness for financing in the green finance market and laying a foundation for corporate development and project expansion.</li> <li><b>Risks:</b> Failure to meet green mine construction standards will result in penalties and production restrictions; improper technology selection or rising environmental costs will affect project profitability; and superficial construction or environmental incidents will damage the corporate reputation.</li> </ul>	<ul style="list-style-type: none"> <li>Internal operations</li> </ul>	<ul style="list-style-type: none"> <li>Government and regulatory agencies</li> <li>Shareholders and investors</li> <li>Industry associations, media, and ESG experts</li> </ul>	<p>(M) (L)</p>
Resource Reserves and Comprehensive Development	<ul style="list-style-type: none"> <li><b>Positive impacts:</b> By improving the efficiency and recovery rate of comprehensive resource utilization, the Company can extend the service life of its mines and create greater economic and social value with lower resource consumption.</li> <li><b>Negative impacts:</b> Outdated concepts or technologies in resource development and reserve management can easily lead to resource waste and inefficient extraction, exacerbating the cumulative impacts on the regional ecological environment.</li> <li><b>Opportunities:</b> Realizing the resource utilization of associated minerals, low-grade ores, and production waste through technological innovation can create new profit growth points and reduce unit environmental costs, representing a strategic opportunity to build a circular economy and win dual recognition from both policy and the market.</li> <li><b>Risks:</b> Immature or excessively costly comprehensive resource recovery processes will lead to ineffective resource utilization and hinder the achievement of strategic goals; tightening policies on resource development and comprehensive utilization may result in restricted development permits if mandatory environmental and efficiency requirements are not met.</li> </ul>	<ul style="list-style-type: none"> <li>Internal operations</li> <li>Downstream</li> </ul>	<ul style="list-style-type: none"> <li>Shareholders and investors</li> <li>Government and regulatory agencies</li> <li>Customers</li> </ul>	<p>(M) (L)</p>

Issue Name	Description of Impacts, Risks and Opportunities	Position in the Value Chain	Affected Stakeholders	Impact Period
Occupational Health & Safety	<ul style="list-style-type: none"> <li><b>Positive impacts:</b> A comprehensive and systematic occupational health and safety management system can create a safe and reliable working environment for employees, significantly reducing work-related injury rates.</li> <li><b>Negative impacts:</b> The presence of physical, chemical, or psychosocial hazards in the workplace can directly harm the physical and mental health of employees, leading to decreased production efficiency and talent attrition.</li> <li><b>Opportunities:</b> Good health and safety performance is not only a compliance requirement but also reduces costs associated with compensation, penalties, and operational interruptions by minimizing accidents, thereby enhancing production efficiency and operational resilience, which becomes a key advantage in attracting and retaining talent and shaping a responsible employer brand.</li> <li><b>Risks:</b> Violations of laws and regulations will trigger direct losses such as fines, litigation, and work stoppages; safety accidents can lead to production delays, escalating costs, and employee turnover, causing serious and long-term damage to the Company's reputation and social image.</li> </ul>	<ul style="list-style-type: none"> <li>Upstream</li> <li>Internal operations</li> <li>Downstream</li> </ul>	<ul style="list-style-type: none"> <li>Employees</li> <li>Suppliers and other partners</li> <li>Government and regulatory agencies</li> </ul>	
Chemical Safety	<ul style="list-style-type: none"> <li><b>Positive impacts:</b> A full life-cycle chemical safety management system can fundamentally prevent accidents such as leakages and poisoning, protecting employee health and the ecological environment.</li> <li><b>Negative impacts:</b> Improper management at any stage of chemical procurement, storage, use, transportation, or disposal can trigger safety accidents such as leakages, fires, or explosions, endangering human life and health and causing environmental pollution.</li> <li><b>Opportunities:</b> Governance measures such as source substitution, process reduction, and closed-loop management can lower safety risks and disposal costs, meeting the stringent supply chain safety requirements of upstream and downstream partners and investors.</li> <li><b>Risks:</b> Violating chemical-related regulations will result in heavy fines, product sales bans, or the revocation of operational permits; major safety accidents can lead to production interruptions, supply chain paralysis, and massive remediation and compensation; chemical incidents will destroy public and community trust and damage brand value.</li> </ul>	<ul style="list-style-type: none"> <li>Upstream</li> <li>Internal operations</li> <li>Downstream</li> </ul>	<ul style="list-style-type: none"> <li>Employees</li> <li>Community and the public</li> <li>Government and regulatory agencies</li> </ul>	
Labor Rights	<ul style="list-style-type: none"> <li><b>Positive impacts:</b> By establishing and implementing management systems for employee rights protection, equal employment, and career development, the Company can enhance employee satisfaction, loyalty, and engagement, foster a fair and inclusive work culture, and achieve synergistic development between employees and the organization.</li> <li><b>Negative impacts:</b> Management deficiencies or discrimination in areas such as hiring, compensation, working hours, or promotions can harm the legitimate rights and interests of employees, leading to decreased productivity, talent attrition, and damage to the Company's social image.</li> <li><b>Opportunities:</b> Advanced labor practices can enhance organizational resilience and innovation, help gain social recognition, strengthen the long-term confidence of investors and customers, and build core soft competitiveness.</li> <li><b>Risks:</b> Violations of human rights and damage to labor rights can easily trigger compliance risks and harm corporate reputation; insufficient protection of employee rights and interests will lead to talent attrition and weaken the Company's productivity.</li> </ul>	<ul style="list-style-type: none"> <li>Upstream</li> <li>Internal operations</li> </ul>	<ul style="list-style-type: none"> <li>Employees</li> <li>Customers</li> <li>Suppliers and other partners</li> </ul>	
Employee Development and Training	<ul style="list-style-type: none"> <li><b>Positive impacts:</b> A systematic talent cultivation and career development system can enhance employees' professional skills and overall competencies, strengthen organizational capabilities, transfer core expertise, and provide clear promotion channels for employees.</li> <li><b>Negative impacts:</b> A training system that lacks planning and is disconnected from business operations, or an opaque and unfair promotion mechanism, will lead to skill obsolescence, the attrition of key talent, and weakened team effectiveness and long-term competitiveness.</li> <li><b>Opportunities:</b> Emphasizing employee development can help the Company adapt to technological changes and ensure business resilience, while enhanced employee competencies can translate into higher efficiency, innovation, and safety performance, optimizing operational costs and creating a core advantage in attracting and retaining talent.</li> <li><b>Risks:</b> If employee skills fail to keep pace with technological and model changes, it will lead to reduced efficiency, insufficient innovation, and increased costs; an inadequate reserve of talent for key positions will affect project delivery, technological breakthroughs, and strategic implementation, thereby weakening market competitiveness.</li> </ul>	<ul style="list-style-type: none"> <li>Internal operations</li> </ul>	<ul style="list-style-type: none"> <li>Employees</li> </ul>	

Issue Name	Description of Impacts, Risks and Opportunities	Position in the Value Chain	Affected Stakeholders	Impact Period
Community Engagement and Contribution	<ul style="list-style-type: none"> <li><b>Positive impacts:</b> The Company's long-term, stable operations can create continuous direct and indirect employment opportunities for the local communities and make sustained contributions to local finances.</li> <li><b>Negative impacts:</b> If the Company's operational activities are not fully communicated and properly managed, they may adversely affect the allocation of community resources.</li> <li><b>Opportunities:</b> By building a community of shared development, the Company can obtain a stable social license to operate, optimize its external operating environment, reduce management costs, and ensure the efficient and long-term advancement of projects.</li> <li><b>Risks:</b> The lack of effective communication and participation mechanisms can easily lead to community concerns and misunderstandings, affecting project progress and corporate image, and may also trigger litigation and government scrutiny, jeopardizing long-term operating licenses.</li> </ul>	<ul style="list-style-type: none"> <li>Internal operations</li> </ul>	<ul style="list-style-type: none"> <li>Community and the public</li> <li>Government and regulatory agencies</li> </ul>	<p>(M) (L)</p>
Responsible Supply Chain	<ul style="list-style-type: none"> <li><b>Positive impacts:</b> The Company integrates sustainable development into supplier management, driving upstream partners to improve their ESG performance and helping to jointly control risks through standard-setting, capacity building, and performance evaluation.</li> <li><b>Negative impacts:</b> If supply chain management neglects sustainability requirements, it can easily overlook upstream environmental and social risks, amplifying the negative impacts on the value chain, damaging the Company's reputation, and triggering chain reactions of risk.</li> <li><b>Opportunities:</b> Building a transparent and resilient sustainable supply chain can enhance supply stability and quality, win recognition from high-quality customers, and achieve a win-win situation across the value chain through green collaborative innovation.</li> <li><b>Risks:</b> ESG risks in the supply chain can easily be transmitted to the Company, causing supply interruptions and production delays, violating due diligence regulations, and leading to penalties, customer loss, and brand damage.</li> </ul>	<ul style="list-style-type: none"> <li>Upstream</li> <li>Internal operations</li> <li>Downstream</li> </ul>	<ul style="list-style-type: none"> <li>Suppliers and other partners</li> <li>Customers</li> </ul>	<p>(S) (M) (L)</p>
Product Responsibility	<ul style="list-style-type: none"> <li><b>Positive impacts:</b> Good product responsibility management not only ensures product quality and safety in use and garners positive feedback from the market and customers, but also fortifies the baseline for compliant operations, strengthening customer trust and brand reputation.</li> <li><b>Negative impact:</b> Defects in product quality, safety, or environmental aspects not only cause a waste of raw materials and energy but may also directly harm customer rights and interests, affecting their health and safety.</li> <li><b>Opportunities:</b> Raising quality and safety standards can build a strong brand reputation, meet market demand, open up high-end markets, and enhance customer loyalty.</li> <li><b>Risks:</b> Products that fail to meet mandatory standards will face recalls, penalties, litigation, and substantial compensation; product responsibility issues will trigger customer complaints and negative media coverage, adversely affecting brand reputation.</li> </ul>	<ul style="list-style-type: none"> <li>Upstream</li> <li>Internal operations</li> <li>Downstream</li> </ul>	<ul style="list-style-type: none"> <li>Customers</li> <li>Government and regulatory agencies</li> </ul>	<p>(S) (M) (L)</p>
Innovation and Development of New Quality Productive Forces	<ul style="list-style-type: none"> <li><b>Positive impacts:</b> Developing high-quality, efficient, and environmentally friendly technologies and products can significantly enhance customer satisfaction, and more importantly, lead industry technological transformation and reshape industrial chain value.</li> <li><b>Negative impacts:</b> Insufficient investment in innovation or inadequate intellectual property protection will weaken technological barriers and core competitiveness, leading to dependence on others in key areas and harming the long-term interests of the Company and its investors.</li> <li><b>Opportunities:</b> A forward-looking technological layout to respond to market and policy changes can facilitate early entry into emerging markets and meet sustainable development needs, while also generating excess returns through technology standards and patent ecosystems.</li> <li><b>Risks:</b> If the pace of innovation lags behind industry changes, it will result in outdated technological roadmaps and wasted R&amp;D investment, leading to a loss of market share; issues such as core technology leaks and patent infringement can easily trigger legal and financial risks.</li> </ul>	<ul style="list-style-type: none"> <li>Upstream</li> <li>Internal operations</li> <li>Downstream</li> </ul>	<ul style="list-style-type: none"> <li>Government and regulatory agencies</li> <li>Shareholders and investors</li> <li>Industry associations and media</li> </ul>	<p>(M) (L)</p>

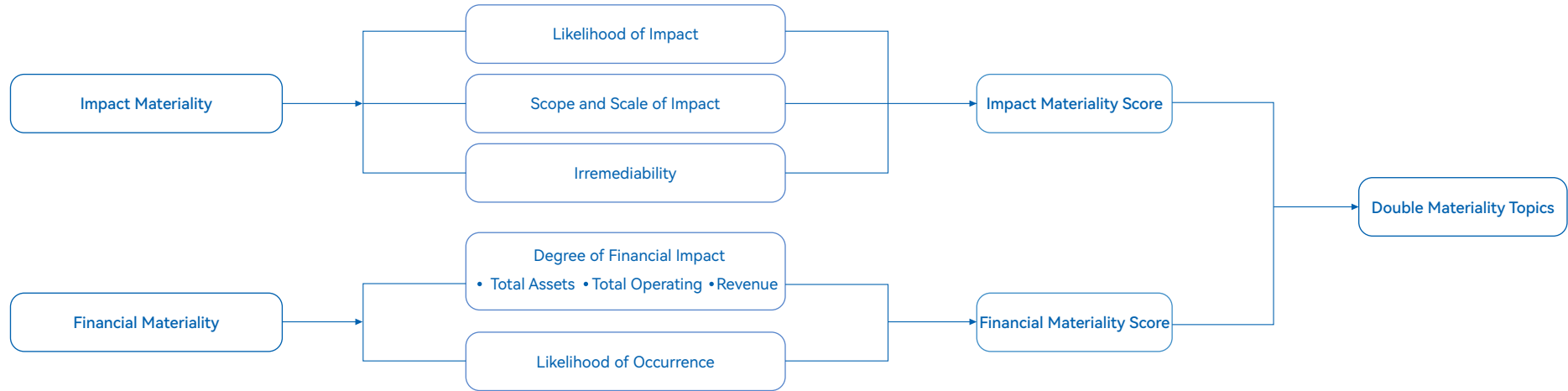
Issue Name	Description of Impacts, Risks and Opportunities	Position in the Value Chain	Affected Stakeholders	Impact Period
Information Security	<ul style="list-style-type: none"> <li><b>Positive impacts:</b> A compliant and comprehensive information security assurance mechanism can systematically reduce the risk of data and privacy breaches for key stakeholders such as customers, employees, and partners.</li> <li><b>Negative impacts:</b> Technical vulnerabilities or management oversights in information security can easily lead to unauthorized access, tampering, or disclosure of sensitive data during its collection, storage, use, and transmission, infringing upon personal rights and causing economic losses and a crisis of trust.</li> <li><b>Opportunities:</b> A sound management system can ensure business compliance and continuity, reduce penalties and remediation costs, and, more importantly, enhance customer loyalty and brand reputation, supporting steady business growth.</li> <li><b>Risks:</b> Violations of data security regulations, data breaches, and other issues will severely damage business credibility, lead to customer loss and partner skepticism, and may also trigger negative media coverage and a public opinion crisis.</li> </ul>	<ul style="list-style-type: none"> <li>Upstream</li> <li>Internal operations</li> <li>Downstream</li> </ul>	<ul style="list-style-type: none"> <li>Employees</li> <li>Customers</li> <li>Suppliers and other partners</li> </ul>	
Corporate Governance	<ul style="list-style-type: none"> <li><b>Positive impacts:</b> A scientific, transparent, and effective governance structure with proper checks and balances is the foundation for strategy implementation and risk control, ensuring the Company's stable operation and fulfilling its responsibilities to shareholders and stakeholders.</li> <li><b>Negative impacts:</b> Deficiencies in the governance structure can easily lead to resource misallocation and operational inefficiency, and may even give rise to fraud and conflicts of interest, thereby eroding company value.</li> <li><b>Opportunities:</b> Sound governance enhances transparency, builds trust among all parties, and provides a mechanism to balance short-term goals with long-term sustainability, thereby avoiding the risk of strategic imbalance and strengthening market competitiveness.</li> <li><b>Risks:</b> Violations of governance rules may lead to regulatory penalties, litigation, and other risks; poor decision-making can weaken competitiveness, undermine investor confidence, and trigger deeper crises related to financing and control.</li> </ul>	<ul style="list-style-type: none"> <li>Upstream</li> <li>Internal operations</li> <li>Downstream</li> </ul>	<ul style="list-style-type: none"> <li>Shareholders and investors</li> <li>Government and regulatory agencies</li> </ul>	
Compliance and Risk Management	<ul style="list-style-type: none"> <li><b>Positive Impacts:</b> Compliant operations protect the legitimate rights and interests of all parties, build a fair and credible business ecosystem, and lay a solid foundation for the Company's long-term steady development.</li> <li><b>Negative Impacts:</b> Establishing a robust compliance and risk control system requires continuous investment of resources, and strict compliance requirements may temporarily affect business flexibility, resulting in short-term adaptation costs.</li> <li><b>Opportunities:</b> Proactive and systematic compliance and risk management can help the Company identify and avoid potential crises in advance, transform uncertainty into manageable factors, and earn a high degree of trust from regulators, partners, and investors.</li> <li><b>Risks:</b> Violations of laws and regulations may result in penalties and suspension of qualifications; major compliance issues can trigger chain reactions in operations and the supply chain, damage the Company's reputation, lead to the loss of customers, investors, and partners, and harm its brand value.</li> </ul>	<ul style="list-style-type: none"> <li>Upstream</li> <li>Internal operations</li> <li>Downstream</li> </ul>	<ul style="list-style-type: none"> <li>Government and regulatory agencies</li> <li>Shareholders and investors</li> <li>Employees</li> <li>Customers</li> <li>Suppliers and other partners</li> </ul>	
Business Ethics and Anti-corruption	<ul style="list-style-type: none"> <li><b>Positive Impacts:</b> Adhering to business ethics protects the rights and interests of all parties, maintains a fair competition environment, and lays a solid foundation for long-term cooperation and sustainable value creation.</li> <li><b>Negative Impacts:</b> Corruption, fraud, or unfair competition practices directly affect the fairness of internal management, disrupt the external market order, and harm the legitimate rights and interests of investors, customers, and business partners.</li> <li><b>Opportunities:</b> Maintaining a high level of business ethics can significantly reduce regulatory and legal risks, earn the long-term trust of customers, investors, and high-quality business partners, and enhance brand resilience and competitive advantages in collaboration.</li> <li><b>Risks:</b> Ethical misconduct may lead to severe penalties, asset losses, and operational disruptions; public exposure of such incidents can severely damage the brand, cause the loss of customers and investors, and easily result in irreversible harm.</li> </ul>	<ul style="list-style-type: none"> <li>Upstream</li> <li>Internal operations</li> <li>Downstream</li> </ul>	<ul style="list-style-type: none"> <li>Government and regulatory agencies</li> <li>Shareholders and investors</li> <li>Employees</li> <li>Customers</li> <li>Suppliers and other partners</li> </ul>	

Issue Name	Description of Impacts, Risks and Opportunities	Position in the Value Chain	Affected Stakeholders	Impact Period
ESG Management	<ul style="list-style-type: none"> <li>• <b>Positive Impacts:</b> The Company deeply integrates ESG management into its strategic operations, builds a platform for stakeholder communication and participation, controls its environmental and social footprint, and guides value chain partners in practicing responsible business.</li> <li>• <b>Negative Impacts:</b> Inadequate ESG management capabilities can lead to an inability to effectively respond to the reasonable concerns of stakeholders, potentially resulting in uncontrolled negative impacts on the environment and community.</li> <li>• <b>Opportunities:</b> Strengthening ESG management can optimize governance, reduce overall risks, enhance brand value and employee identification, attract responsible investment, and build a competitive market advantage.</li> <li>• <b>Risks:</b> A lack of ESG governance can lead to delayed problem identification and improper responses; poor performance can affect ratings, trigger negative public sentiment, and result in the loss of customers and investors.</li> </ul>	<ul style="list-style-type: none"> <li>• Upstream</li> <li>• Internal operations</li> <li>• Downstream</li> </ul>	<ul style="list-style-type: none"> <li>• Shareholders and investors</li> <li>• Customers</li> <li>• Industry associations, media, and ESG experts</li> </ul>	<p>(M) (L)</p>
Stakeholder Engagement	<ul style="list-style-type: none"> <li>• <b>Positive Impacts:</b> A systematic stakeholder communication mechanism allows for the timely identification of and response to the concerns of all parties, integrates diverse perspectives into decision-making, helps formulate more inclusive sustainability strategies, and enhances operational recognition and management effectiveness.</li> <li>• <b>Negative Impacts:</b> A breakdown in the communication mechanism can disrupt information flow and lead to misjudgment of social risks; biased decisions can easily infringe upon the rights and interests of stakeholders and erode the foundations of the Company's operations.</li> <li>• <b>Opportunities:</b> Sincere and efficient communication can proactively resolve conflicts, uncover opportunities for collaboration, continuously optimize ESG performance, enhance brand resilience, and attract responsible investment.</li> <li>• <b>Risks:</b> Improper communication may trigger protests, disputes, and boycotts, affecting normal project operations; failure to meet disclosure and participation requirements could lead to regulatory inquiries or penalties.</li> </ul>	<ul style="list-style-type: none"> <li>• Upstream</li> <li>• Internal operations</li> <li>• Downstream</li> </ul>	<ul style="list-style-type: none"> <li>• All Stakeholders</li> </ul>	<p>(S) (M) (L)</p>

Short-term (S) Mid-term (M) Long-term (L)



## Step 3: Assess and confirm ESG-related impacts, risks, and opportunities



### ◆ Impact materiality assessment

In 2025, the Company scored each issue based on three assessment dimensions: likelihood of impact, scope and scale of impact, and irremediability. The specific assessment dimensions and calculation methods are as follows:

Assessment Dimension	Score Calculation <sup>1</sup>	Stakeholder Groups Participating in the Assessment and the Number of Valid Questionnaires
Likelihood	$\text{Impact Materiality Score} = (\text{Weight} \times \text{Likelihood}) \times (\text{Weight} \times (\text{Scope and Scale} + \text{Irremediability})) \div 2$	A total of 183 valid questionnaires were received from stakeholder groups including government and regulatory agencies, shareholders and investors, employees, customers, suppliers and other partners, communities and the public, and industry associations and media.
Scope and Scale		
Irremediability		

<sup>1</sup> The weight is set at 50%.

### ◆ Financial materiality assessment

In 2025, the Company distributed financial materiality questionnaires to members of the Board of Directors, senior management, and internal financial experts. The assessment uses the amount of impact on total assets and/or total operating revenue as the criterion for the degree of financial impact, with the other dimension being the likelihood of occurrence, which assesses the probability of risks and opportunities related to each issue. The specific assessment dimensions and calculation method are as follows:

Assessment Dimension	Score Calculation <sup>2</sup>	Stakeholder Groups Participating in the Assessment and the Number of Valid Questionnaires
Degree of financial impact: A comprehensive quantitative assessment based on the impact on total assets and/or total operating revenue, with the highest score taken.	$\text{Financial Materiality Score} = (\text{Weight} \times \text{Degree of Financial Impact}) \times (\text{Weight} \times \text{Likelihood of Occurrence})$	A total of 9 valid questionnaires were received from stakeholders including members of the Company's Board of Directors, senior Management, and internal financial experts.
Likelihood of Occurrence		

<sup>2</sup> The weight is set at 50%. In addition, given the central role of the Board of Directors members in corporate governance and decision-making, the average assessment weight of an individual Board member is 50% higher than that of an individual non-Board member during the financial materiality scoring process.

## ◆ Double materiality assessment

The Company assesses issues that possess both "impact materiality" and "financial materiality" as this year's "double materiality" issues, and presents the importance priority of each issue in a matrix. This year, the Company identified a total of 5 issues with double materiality.



Double Materiality Matrix of Zangge Mining in 2025

**In 2025, Zangge Mining Identified the Following Issues as Having Both Impact and Financial Materiality:**

- Energy Management
- Occupational Health & Safety
- Pollutant and Waste Management
- Water Stewardship
- Compliance and Risk Management

Based on a comparative analysis of this year's and last year's double materiality assessment results, "Occupational Health and Safety" has become a new double materiality issue for the year. This is primarily because its substantive impact on the Company's sustainable development, employee rights protection, and operational stability has become increasingly prominent, reflecting the operational characteristics of the mineral resources development industry, the practical needs of frontline work scenarios, and the core concerns of stakeholders. Conversely, "Product Responsibility" and "Corporate Governance" are no longer included in this year's scope of double materiality issues, mainly because the Company has already established a mature and comprehensive routine control system for these topics. The related risks are fully controllable, management effectiveness remains stable, and the priority of these issues has been adjusted accordingly.

The adjustment of these issues does not mean the Company has lowered its related management standards and requirements. The Company will continue to implement full-process control measures, strengthen routine supervision, and pursue continuous optimization and improvement to solidify the foundation of compliant operations and risk management.

## Step 4: Use analysis results to guide ESG disclosure and practices

The Company deepens internal management for issues of high double materiality, implementing special policies and measures to effectively control the impact of these issues on business operations and various stakeholders. The direct financial impact accounts, specific GRI Standards topics, related SDGs, and disclosure chapters for management actions corresponding to the double materiality issues are summarized below for comprehensive understanding and content navigation.

Issue Dimension	Double Materiality Issue	Financial Impact Account	Specific GRI Standards Topic	SDGs	Corresponding Disclosure Chapter
Environment	Energy Management	<ul style="list-style-type: none"> <li>Operating Cost</li> <li>Fixed Assets / Construction in Progress</li> </ul>	GRI 302: Energy		Energy and Carbon Emissions Management
	Pollutant and Waste Management	<ul style="list-style-type: none"> <li>Operating Cost</li> <li>Fixed Assets</li> </ul>	GRI 305: Emissions GRI 306: Waste		Emissions and Waste Management
	Water Stewardship	<ul style="list-style-type: none"> <li>Operating Cost</li> <li>Operating Revenue</li> </ul>	GRI 303: Water and Effluents		Water Stewardship
Social	Occupational Health & Safety	<ul style="list-style-type: none"> <li>Operating Cost</li> <li>Administrative Expenses</li> </ul>	GRI 403: Occupational Health and Safety		Safety Management System Safety Risk Prevention and Control
					Chemical Management Occupational Health and Safety
Corporate Governance	Compliance and Risk Management	<ul style="list-style-type: none"> <li>Administrative Expenses</li> <li>Non-operating Expenses</li> </ul>	—		Compliance and Risk Management

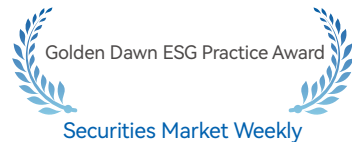
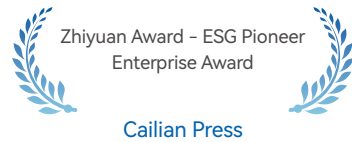
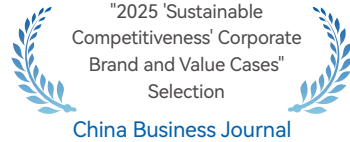
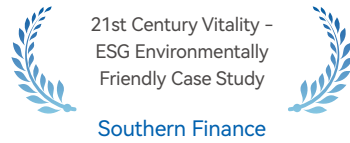
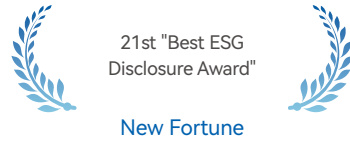
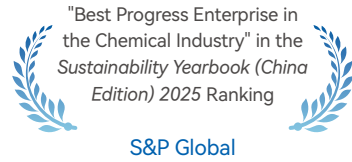


# Sustainability Highlights

## ◆ 2025 Performance Highlights



## ◆ Honors and Awards



## ◆ Rating Performance<sup>1</sup>



CNI ESG Rating

AA



Wind ESG

AA



China Securities  
ESG Rating

A



Sino-Securities  
ESG Rating

A



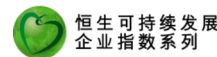
MioTech

A



SynTao Green  
Finance

A-



Hang Seng

BBB

MSCI ESG

BBB



LSEG ESG

2.5 Points



S&P CSA

47 Points

<sup>1</sup> Unless otherwise stated, ESG ratings/scores and their related information are sourced from publicly available information as of 30 April 2026.

# Environmental Commitment and Green Symbiosis

SDGs Addressed in This Chapter:



Material Issues Covered in This Chapter:

- Response to Climate Change
- Environment Management
- Pollution and Waste Management
- Construction of Green Mine
- Energy Management
- Water Stewardship
- Biodiversity Protection
- Resource Reserves and Comprehensive Development

# Progress in Issue Management



Zangge Mining considers environmental management a key pillar for enhancing its long-term competitiveness and resilience, systematically advancing key initiatives such as climate change response, energy and carbon emissions management, and the development of its environmental management system. The Company leverages the characteristics of its resource development to enhance the efficient use and recycling of water resources, enhance its end-to-end control mechanisms for emissions and waste, and continuously reduce environmental risks and resource consumption. Concurrently, we integrate ecological protection and land management throughout the entire project lifecycle, collaboratively promoting green mine development and ecological restoration practices. This provides a solid foundation for achieving efficient resource development, compliant and stable operations, and the creation of sustainable corporate value.



## Materiality

### Risks:

- Ecological issues such as climate change and water scarcity may cause disruptions to production and operations, affecting the continuity and stability of our business.
- The continuous tightening of environmental regulations will increase operational pressures from rising compliance costs, while also posing a risk of administrative penalties for non-compliance.

### Opportunities:

- Advancing energy conservation and carbon reduction efforts to continuously improve resource efficiency, thereby lowering energy consumption costs in production and operations to achieve cost reduction and efficiency gains.
- Deepening green development practices to continuously strengthen the corporate green brand image, further enhancing recognition and trust from customers and investors.

## Targets

- Continuously investing in energy conservation and carbon reduction projects to improve energy efficiency and reduce carbon intensity.
- Continuously reducing resource consumption per unit of output value.
- Achieving 100% compliant disposal of hazardous waste.

## Management

- The Board of Directors is the highest authority on environmental protection matters, with the Executive Vice President directly responsible for environmental management.
- Incorporating key environmental indicators such as carbon emissions, energy consumption, and water consumption into the performance appraisal systems for management and business units.
- Conducting regular internal compliance audits and external management system certification audits.

## Practices

- Promoting green electricity procurement and energy efficiency upgrades for high-energy-consuming equipment to optimize the overall energy structure.
- Improving water recycling efficiency in subsidiary production enterprises by advancing process optimization, equipment upgrades, and operational management improvements.
- Implementing waste reduction at the source, waste segregation and recycling, and resource utilization.
- Conducting necessary investigations and impact assessments of the current ecological environment and biodiversity.

## Stakeholder Engagement

- Governments and regulatory bodies: complying with relevant laws and regulations and strictly adhere to compliance management requirements.
- Communities and the public: regularly communicating with local communities at operating sites regarding water use, waste, and pollutant management measures to address their concerns.
- Employees: enhancing employee capabilities and gather feedback through environmental training and awareness activities.
- Shareholders and investors: transparently disclosing progress on climate risks and environmental performance to shareholders and investors through channels such as the sustainability reports.

# Responding to Climate Change

Facing the uncertainties and transitional challenges posed by climate change, Zangge Mining has systematically integrated climate-related issues into its corporate governance and operational decision-making framework, continuously enhancing its climate governance mechanisms to identify and address physical and transition risks while proactively seizing transition opportunities. The Company strengthens its risk prevention and control capabilities under extreme climate scenarios, reducing the potential impact of climate change on its operations through emergency management, resource efficiency improvements, and enhanced production resilience. Building on this, the Company actively promotes cleaner production audits, research and development of energy- and water-saving technologies, and the construction of green factories, using technological innovation to drive its low-carbon transition and foster the synergistic advancement of resource development, ecological protection, and high-quality development.

## Climate Resilience

Zangge Mining actively aligns with the global temperature control targets set forth in the *Paris Agreement* and the national "30·60" strategy for carbon peaking and carbon neutrality, continuously monitoring climate change trends and related policy developments to progressively enhance its climate change management framework, which covers governance, strategy, risk management, and metrics and targets.

### ◆ Climate Governance

The Company considers climate change a key environmental issue affecting its long-term value creation and operational resilience, and has incorporated climate change response into its sustainability governance system. The Safety, Environmental Protection and ESG Office serves as the daily coordinating department, advancing the planning, coordination, and implementation of climate change-related work, thereby forming a cross-departmental collaborative climate governance mechanism. We continuously identify climate risks and formulate targeted response measures to steadily enhance the Company's overall climate governance capabilities.

### ◆ Climate Strategy and Risk Management

The Company closely follows the national "carbon peaking and carbon neutrality" strategy, integrating climate management throughout the entire business lifecycle. Based on our business characteristics, including salt lake resource development, mining area operations, and overseas project layouts, we continuously identify the potential physical risks, transition risks, and transitional opportunities that climate change may bring to our operations. We focus on factors such as the increasing frequency of extreme weather events, changes in water resources, and the accelerated advancement of low-carbon transition policies. The results of these analyses serve as an important basis for optimizing production operations and enhancing climate resilience. The Company is also progressively incorporating climate risks into its overall risk management process, assessing the impact of risks and opportunities, and implementing corresponding response measures.

## Physical Risks

We reference the Representative Concentration Pathway (RCP) scenarios published by the Intergovernmental Panel on Climate Change (IPCC)—specifically RCP4.5 (low-emissions scenario) and RCP8.5 (high-emissions scenario)—to systematically analyze the potential impacts of climate on our business in the short term (2030), medium term (2050), and long term (2080).

Physical Risk	Risk Level	Potential Impact	Response Measures
<b>Acute Risk</b>			
Extreme High Temperatures	Medium	<ul style="list-style-type: none"> <li>Increased risks to employee health and operational safety under high-temperature conditions</li> <li>Decreased operational stability of key equipment and increased maintenance frequency</li> <li>Increased energy consumption levels, putting pressure on operating costs</li> </ul>	<ul style="list-style-type: none"> <li>Implementing relevant management systems for occupational health and safety</li> <li>Conducting special inspections and preventive maintenance on key production equipment and electrical systems during high-temperature seasons to enhance operational stability under high-temperature conditions and reduce the risk of downtime due to failures.</li> <li>Alleviating pressure on operating costs from increased cooling and production energy consumption during high-temperature weather by implementing energy-saving technological transformations and energy efficiency improvement projects.</li> </ul>
Extreme Precipitation	High	<ul style="list-style-type: none"> <li>Precipitation runoff damages ecological restoration areas in the mining district and exacerbates soil erosion</li> <li>Restricted access to mining area roads and logistics has affected material turnover</li> <li>Increased risk of short-term production suspension or decreased production efficiency</li> <li>Poses a potential safety threat to solid potash mines</li> </ul>	<ul style="list-style-type: none"> <li>Implementing the <i>Response Plan for Environmental Emergencies</i>, the <i>Production Safety Emergency Response Plan</i>, and the <i>Flood Control Emergency Response Plan</i>; establishing a flood control and prevention emergency leadership group; and conducting annual flood control and prevention emergency drills.</li> <li>Implementing the equipment inspection and spot-check system, with a focus on preventing water-related hazards and geological risks.</li> <li>Conducting regular hazard identification and elimination campaigns, and proactively arranging and preparing sufficient flood control supplies.</li> </ul>
<b>Chronic Risks</b>			
Warming Trend	High	<ul style="list-style-type: none"> <li>Extended high-temperature periods lead to a long-term increase in cooling energy consumption and equipment maintenance costs</li> </ul>	<ul style="list-style-type: none"> <li>Incorporating long-term temperature rise factors into project planning and facility retrofits, gradually enhancing the heat resistance and adaptability of plants, pipelines, and key equipment to reduce long-term maintenance costs.</li> <li>Implementing energy conservation, consumption reduction, and cleaner production audits to control the growth of energy consumption caused by extended high-temperature periods through process optimization and equipment upgrades.</li> </ul>
Wet Trend	High	<ul style="list-style-type: none"> <li>Equipment corrosion and aging of electrical systems affect product quality</li> <li>Increased need for flexibility in production planning and resource allocation</li> </ul>	<ul style="list-style-type: none"> <li>Strengthening management of equipment anti-corrosion and electrical system moisture-proofing, and implement targeted maintenance and technological upgrades in key areas to mitigate the impact of humid environments on equipment reliability and product quality.</li> <li>Optimizing production planning and resource allocation to enhance the flexibility of production scheduling and improve adaptability to changing climate conditions.</li> </ul>
Wind Speed Trend	High	<ul style="list-style-type: none"> <li>Strong winds exacerbate dust, affecting the efficiency of resource development</li> <li>Decreased stability of local production environments</li> </ul>	<ul style="list-style-type: none"> <li>Strengthening dust control in mining areas to reduce the impact on the production environment and surrounding ecosystem under strong wind conditions.</li> <li>Conducting risk assessments and reinforcement of open-pit operation areas and key facilities to enhance the stability and safety of the local production environment.</li> </ul>
Water Scarcity	Medium	<ul style="list-style-type: none"> <li>Increased difficulty in securing water for production, affecting process stability</li> <li>Tighter water withdrawal permits lead to compliance pressure</li> </ul>	<ul style="list-style-type: none"> <li>Continuously strengthening water withdrawal and usage management, strictly implement water withdrawal permit requirements, and prevent compliance risks arising from tightening water resource constraints.</li> <li>Improving the level of water resource recycling and alleviate the pressure on securing production water supply by promoting wastewater reuse, optimizing water circulation processes, and implementing water-saving technological transformations.</li> <li>Conducting water resource risk assessments and incorporate water scarcity risks into production and operational decision-making to enhance water use resilience.</li> </ul>

## Transition Risks and Opportunities

In the context of the deepening "carbon peaking and carbon neutrality" strategy and the accelerating global energy transition, the Company's transition process faces multiple structural risks while also embracing key opportunities to upgrade the value of its resources. The climate transition may impose cost and compliance pressures on enterprises through policy, technological, and market changes, but it also brings new development opportunities for clean energy, the development of key mineral resources, and the construction of green mines. The Company actively addresses climate transition challenges and achieves a synergistic improvement of environmental responsibility and economic value by continuously promoting energy conservation and carbon reduction, cleaner production, and comprehensive resource utilization.

Type	Risk/Opportunity	Potential Impact	Response Measures
Risk	Policies and Regulations	<ul style="list-style-type: none"> <li>The implementation of policies such as carbon pricing and carbon tariffs will directly increase compliance and operating costs if the Company is included in the carbon allowance management list.</li> <li>Increased requirements for energy consumption, carbon emissions, and environmental compliance, leading to greater management complexity</li> <li>Stricter compliance reviews for the comprehensive utilization of mineral resources and cross-border projects</li> </ul>	<ul style="list-style-type: none"> <li>Continuously tracking policy changes related to carbon emissions, energy management, and mineral resource development; gradually improving environmental and climate-related compliance management systems; and enhancing the ability to respond to tightening regulations.</li> <li>Strengthening cross-regional and cross-project compliance management, and improving the standardization of mineral resource development and comprehensive utilization.</li> </ul>
	Technology	<ul style="list-style-type: none"> <li>Stricter downstream requirements for product carbon footprints and environmental attributes may lead to the risk of customer loss if existing high-energy-consumption equipment and processes are not replaced in advance.</li> <li>Rapid upgrades in technologies for lithium extraction from salt lakes and green potash mining will weaken market competitiveness if traditional mining techniques are not updated in a timely manner.</li> </ul>	<ul style="list-style-type: none"> <li>Incentivizing the research and application of technologies for comprehensive resource utilization, energy and water conservation, and low emissions to reduce the risk of technological obsolescence associated with high-energy, high-emission processes.</li> <li>Gradually enhancing the green attributes of products and resource utilization efficiency through process upgrades and equipment retrofitting, thereby improving adaptability to changing technological requirements from downstream customers.</li> </ul>
	Market	<ul style="list-style-type: none"> <li>Climate change may affect the speed and quality of mineralization, which in turn could impact the output and quality of potassium chloride and lithium carbonate products, damaging the corporate reputation.</li> <li>Increased demand for low-carbon products from downstream customers and consumers, along with higher expectations for suppliers' ESG performance, may affect the market competitiveness of products.</li> </ul>	<ul style="list-style-type: none"> <li>Monitoring changes in downstream customer demand for low-carbon and green products, and enhancing market competitiveness by improving ESG performance.</li> <li>Continuously optimizing product quality and stability, and reducing the potential impact of climate change on resource development efficiency and product delivery capabilities.</li> </ul>
	Reputation	<ul style="list-style-type: none"> <li>ESG performance is continuously monitored by regulators, investors, customers, and other parties. Insufficient environmental information disclosure or a decline in ESG ratings could lead to a reduction in brand value.</li> <li>Failure to respond promptly to issues of concern to stakeholders, such as climate management and ecological protection, may weaken investor confidence and affect performance in the capital markets.</li> </ul>	<ul style="list-style-type: none"> <li>Continuously improving the ESG information disclosure mechanism, enhancing the completeness and transparency of environmental and climate information disclosure, and responding to the concerns of regulators, investors, and customers.</li> <li>Incorporating climate change, ecological protection, and resource management into the priorities of daily management to reduce reputational risks arising from inadequate management.</li> </ul>
Opportunities	Market	<ul style="list-style-type: none"> <li>Natural disasters and extreme weather caused by climate change will affect the yield and quality of grain. As a core material for food security, the demand for potash fertilizer continues to grow.</li> <li>The new energy vehicle and energy storage markets continue to grow. Coupled with the implementation of emerging applications such as the low-altitude economy and humanoid robots, the long-term demand for lithium resources is experiencing rigid growth, driving an increase in product sales.</li> </ul>	<ul style="list-style-type: none"> <li>Capitalizing on the growing trend of agricultural modernization and food security needs, leveraging the fundamental role of potash fertilizer products in agricultural production, and consolidating market demand.</li> <li>Seizing the growth opportunities in lithium resource demand driven by the development of industries such as new energy and energy storage, and continuously enhancing resource security capabilities and product supply stability.</li> </ul>
	Technology	<ul style="list-style-type: none"> <li>Product technology is iterating towards high efficiency and low carbon, continuously optimizing production energy consumption, improving water recycling, and strengthening product competitiveness.</li> <li>Digital transformation helps improve production efficiency. The Company is promoting control system upgrades and optimizing process parameters to reduce operational risks.</li> </ul>	<ul style="list-style-type: none"> <li>Encouraging the application of energy-saving, water-saving, and cleaner production technologies to enhance overall production efficiency by reducing energy and water consumption per unit of product.</li> <li>Promoting the application of digital and automated technologies in production management, optimizing process parameter control, and reduce operational risks.</li> </ul>
	Policy	<ul style="list-style-type: none"> <li>Favorable national and local policies for the development of salt lake resources have been introduced, supporting the synergistic advancement of technological R&amp;D and ecological protection, providing policy support for the Company's reserve and production increases and acquisition of mining rights.</li> </ul>	<ul style="list-style-type: none"> <li>Actively aligning with national and local support policies regarding salt lake resource development, green mine construction, and ecological protection to create favorable conditions for project construction, technological R&amp;D, and capacity enhancement.</li> </ul>

## Clean Technology Opportunities

Against the backdrop of tightening resource constraints, strengthening environmental regulations, and accelerating the green transformation, cleaner technology has become a significant opportunity for mining enterprises to achieve high-quality development and enhance core competitiveness. Zangge Mining actively expands the application of cleaner technologies, which not only reduces environmental impact but also creates favorable conditions for improving resource utilization efficiency, optimizing cost structures, and enhancing compliance resilience.

### ◆ Clean Production Practices

During the reporting period, the Company used cleaner production audits as a key tool to systematically identify critical links in the production process with high resource consumption and emission intensity. Through measures such as process optimization, equipment upgrades, and management improvements, the Company promoted the coordinated advancement of "source reduction, process control, and end-of-pipe treatment". The continuous implementation of cleaner production audits enables the Company to assess the potential for energy and consumption reduction with more refined data and technical pathways, providing a basis for decisions on the subsequent large-scale application of water-saving, energy-saving, and emission-reduction technologies.

Meanwhile, the Company actively advanced the consolidation and enhancement of its green factory construction achievements. Through green factory reviews, it comprehensively examined its energy structure, water use efficiency, operation of pollution control facilities, and the effectiveness of its environmental management system, continuously benchmarking against advanced national and industry standards.

#### Key Performance

During the reporting period:

- Zangge Lithium successfully completed the filing of dynamic management materials for its national-level green factory.
- The cleaner production audits for Zangge Potash Fertilizer and Zangge Lithium have been reviewed and filed, with acceptance planned for completion in March 2026.

# Energy and Carbon Emissions Management

Zangge Mining integrates energy and carbon emissions management into its overall sustainable development framework, coordinating green production, cost control, and environmental performance. The Company continuously improves its systems, technological upgrades, and data-driven control mechanisms. Focusing on the energy consumption and emission characteristics of its main production subsidiaries, the Company enhances resource utilization efficiency and low-carbon operational capabilities by promoting energy conservation and consumption reduction, optimizing its energy structure, and strengthening carbon emission accounting, thereby supporting stable operations and long-term value creation.

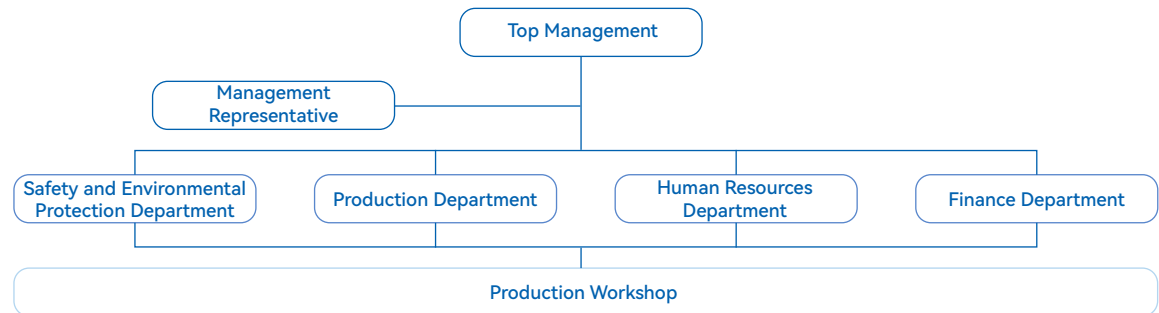
## Energy Management

Zangge Mining adheres to the principles of "safety first, rational planning, and scientific energy use" to build a full-chain energy management system covering organization, systems, technology, and culture. Through systematic control and precise actions, the Company continuously improves its energy efficiency.

### ◆ Governance

The Company strictly abides by relevant laws and regulations such as the *Energy Conservation Law of the People's Republic of China*, and has established and continuously optimizes an energy management system covering the entire process. The Company's subsidiary production enterprises formulate and effectively implement systems and procedural documents such as the *Energy Management Regulations*, *Energy Consumption Measuring Management System*, *Energy Saving Incentive Scheme*, *Energy Performance Parameter Control Procedure*, clarifying the energy management organizational structure and enhancing the level of energy management. During the reporting period, the Company's subsidiary production enterprise, Zangge Potash Fertilizer, revised its *Energy Management Manual* in accordance with GB/T 23331-2020 *Energy Management Systems — Requirements with Guidance for Use* and the industry-specific standard RT/T 112-2023 *Energy Management Systems — Certification Requirements for Fertilizer and Methanol Enterprises*, ensuring the system is adapted to the specific characteristics of the potash fertilizer production industry. As of the end of the reporting period, the ISO 50001 energy management system certification coverage for Zangge Mining's subsidiary production enterprises (Zangge Potash Fertilizer and Zangge Lithium) reached 100%. Additionally, Zangge Mining's subsidiary production enterprises have established a regular audit mechanism, conducting one internal energy management system audit annually and commissioning an external audit by a third-party organization every three years.

In terms of management structure, the Company's subsidiary production enterprises have established and implemented a three-tiered energy management structure of "company-department/workshop-team", which clearly defines the energy management responsibilities and boundaries for each level and department. The production enterprises have an Energy Work Leading Group, which serves as the core leadership and decision-making body for energy management. This group is headed by the General Manager and is responsible for coordinating the advancement of energy strategy planning, goal setting, major decision-making, and implementation oversight.



Organizational Structure of Energy Management of Production Subsidiaries of Zangge Mining

## ◆ Management of Impacts, Risks, and Opportunities

Energy consumption is a significant environmental impact factor in the Company's production and operation processes. The use of energy sources such as natural gas and electricity not only affects production cost control but also impacts greenhouse gas emissions and resource utilization efficiency. The Company mitigates the adverse effects of energy use on the environment and its operations by continuously promoting energy-saving renovations and optimizing energy management.

Through regular energy audits and daily energy management, we focus on identifying the following risks and opportunities and have implemented a series of management and response measures to continuously improve energy efficiency and management precision.

Risk/Opportunity		Response Measures
Risk	Energy Supply Instability	<ul style="list-style-type: none"> <li>Enhancing energy use planning and consumption analysis.</li> <li>Reducing energy consumption and dependence on a single energy source through energy-saving renovations.</li> </ul>
	Insufficient Energy Efficiency	<ul style="list-style-type: none"> <li>Promoting equipment updates and process technology upgrades.</li> <li>Conducting regular energy audits to identify potential energy savings.</li> </ul>
Opportunity	Clean Energy Development and Application	<ul style="list-style-type: none"> <li>Optimizing the energy structure by using green electricity.</li> <li>Exploring renewable energy projects.</li> </ul>
	Energy Conservation, Consumption Reduction, and Cost-benefit Enhancement	<ul style="list-style-type: none"> <li>Continuously implementing energy-saving projects and technological upgrades.</li> <li>Strengthening energy consumption monitoring and management.</li> </ul>

## ◆ Strategy

The Company's energy policy is "energy conservation in accordance with the law, continuous improvement, development and innovation, and cost reduction and efficiency enhancement". It focuses on four strategic directions: "technological upgrading, structural optimization, digital control, and full participation" to promote the deep integration of energy efficiency improvement and low-carbon transformation.

Strategic Direction	Strategic Path	Core Actions
 Technological Upgrades	Reduce energy consumption from the source by optimizing production processes and upgrading equipment.	<ul style="list-style-type: none"> <li>Upgrading to high-efficiency equipment to lower electricity consumption per unit of processing volume and reduce maintenance costs.</li> <li>Replacing high-energy-consumption equipment and maintain existing assets to improve overall thermal efficiency and reduce natural gas consumption.</li> </ul>
 Structural Optimization	Actively respond to the national "carbon peaking and carbon neutrality" strategy, continuously optimize the energy consumption structure, and promote the transition of the energy supply towards cleaner, low-carbon sources.	<ul style="list-style-type: none"> <li>Purchasing green electricity to progressively increase the proportion of clean power in total energy consumption.</li> </ul>
 Digital Management and Control	Leverage the advantages of the "Integration of Informatization and Industrialization" management system to build a digital energy management path and use data to drive improvements in energy management efficiency.	<ul style="list-style-type: none"> <li>Establishing a remote control system to enhance the operational efficiency of production systems and maximize the full automation of all processes across all workshops.</li> <li>Upgrading automation systems to reduce energy waste caused by equipment damage.</li> <li>Conducting statistical analysis of the operating status of energy conversion equipment to ensure the authenticity and consistency of statistical data.</li> </ul>
 Full Employee Participation	Extend the concept of energy conservation to all production and office scenarios through training and green office initiatives.	<ul style="list-style-type: none"> <li>The Company's subsidiary production enterprises conduct targeted training on environmental protection and energy conservation.</li> <li>Conducting daily inspections, implement green office energy-saving measures, and prioritize the procurement of low-energy-consumption office equipment.</li> </ul>

Case study

High-efficiency equipment upgrades empower energy conservation and cost reduction

Zangge Potash Fertilizer

In 2025, Zangge Potash Fertilizer focused on energy saving and efficiency improvements in core production links, driving the implementation of energy management through equipment upgrades and process optimization. The Company upgraded its original separation system by dismantling 17 siphon-type scraper centrifuges, retaining 7 as backups, and adding two 72 m<sup>2</sup> belt filter presses and seven two-stage pusher centrifuges, thereby completing a comprehensive optimization of the separation process.

Following the renovation, the processing efficiency and operational stability of the core separation process significantly improved. The separation time was effectively shortened, and electricity consumption per unit of processing volume decreased by 15%–25%, genuinely reducing production energy consumption and operating costs. Concurrently, product separation accuracy was enhanced, material loss was reduced, and simultaneous improvements in production and energy utilization efficiency were achieved.

Zangge Lithium

In 2025, Zangge Lithium focused on improving energy efficiency in core production links, providing key support for the implementation of its energy management strategy by upgrading to high-efficiency equipment and optimizing environmental protection facilities. The Company dismantled the original two flat-plate centrifuges and installed three new horizontal siphon scraper centrifuges, significantly shortening separation time. In addition, to address the acid mist issue in the lithium-sodium separation stage, the Company designed and commissioned a new type of acid mist absorber, which not only reduces raw material waste but also lowers the energy consumption and operating costs of waste gas treatment, thereby promoting simultaneous improvements in production efficiency and energy utilization.

Case study

Zangge Potash Fertilizer's systematic energy management training and practice

During the reporting period, to deeply integrate the concept of energy conservation into production and operations and fully unlock the value of technological upgrades in energy efficiency, the Company established a "stratified, categorized, and precisely empowering" energy management training system. It conducted two rounds of centralized training, achieving full coverage of all workshop positions. The training focused on policies and systems, practical skills, equipment operation, and energy efficiency monitoring, continuously strengthening the energy-saving awareness of all employees and solidifying the foundation for the efficient operation of the energy management system. During the 35th National Energy Conservation Week, the Company organized energy-saving themed activities to enhance employee participation through knowledge dissemination, skill empowerment, and achievement showcases. The results of these activities were incorporated into a long-term mechanism to promote energy and resource conservation as a conscious action for all employees.

In its energy management practices, Zangge Potash Fertilizer successfully implemented a technical modification project for centrifuges in Workshop 1. This project saves approximately 17,700 kWh of electricity per day, demonstrating significant achievements in energy conservation and consumption reduction.



Zangge Potash Fertilizer's Energy Conservation Week Publicity and Training

## ◆ Metrics and Targets

In 2025, the Company established corresponding management targets for energy management and promoted their implementation through institutionalized management and continuous improvement. We have also established an energy-saving target responsibility system and an evaluation and assessment framework, incorporating energy consumption indicators as a key component in the performance assessment of the primary leaders of each unit. The achievement of the Company's energy management targets for the year is as follows:

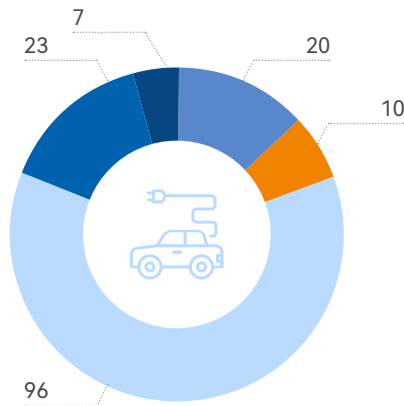
Zangge Potash Fertilizer Energy Management Objectives		Zangge Lithium Energy Management Objectives	
Goal	Achievement Status for 2025	Goal	Achievement Status for 2025
Control the comprehensive energy consumption per unit of potassium chloride product at 55 kgce/t in 2025.	In 2025, the comprehensive energy consumption per unit of potassium chloride product was reduced to 43.33 kgce/t, significantly below the annual target, demonstrating remarkable energy-saving results.	The compliance rate for the provisioning of metering instruments with GB 17167 (General Principles for Equipping and Managing Energy Metering Instruments in Energy-consuming Units) reached 100%.	Achieved a 100% compliance rate in the configuration of metering instruments in accordance with GB 17167. This includes a 100% installation rate for electricity, steam, heat, and fresh water metering at the inbound and outbound points of energy-consuming units, as well as a 100% installation rate for electricity, steam, and heat metering at the inbound and outbound points of major secondary energy-consuming units.
Reduce factory energy consumption by 5% by 2027.	This target has a clear path to achievement through measures such as phasing out old, high-energy-consumption equipment, upgrading the energy efficiency of core production units, and optimizing process operating parameters.	Achieve a 100% qualification rate for energy management personnel training.	The qualification rate for energy management personnel training was 100%.

Zangge Mining Energy Management Goals and Achievements

**Key Performance**

During the reporting period:

- The Company purchased a total of **23,774.20** MWh of photovoltaic green electricity.
- The Company has a total of **156** electric vehicles (including those owned by the Company and its contractors).



- Electric mining trucks
- Other electric engineering vehicles
- Electric shovels (loaders)
- Other electric passenger vehicles
- Electric forklifts

Energy Type	Unit	2025	2024	2023
Natural Gas	10,000 cubic meters	1,099.02	1,543.58	2,051.58
Diesel	10,000 L	261.51	296.48	232.84
Gasoline	10,000 L	33.93	45.27	42.55
Purchased Electricity	GWh	339.17	388.49	425.81
Total Direct and Indirect Energy Consumption <sup>1</sup>	tons of standard coal equivalent	80,160.24	103,064.41	113,460.92



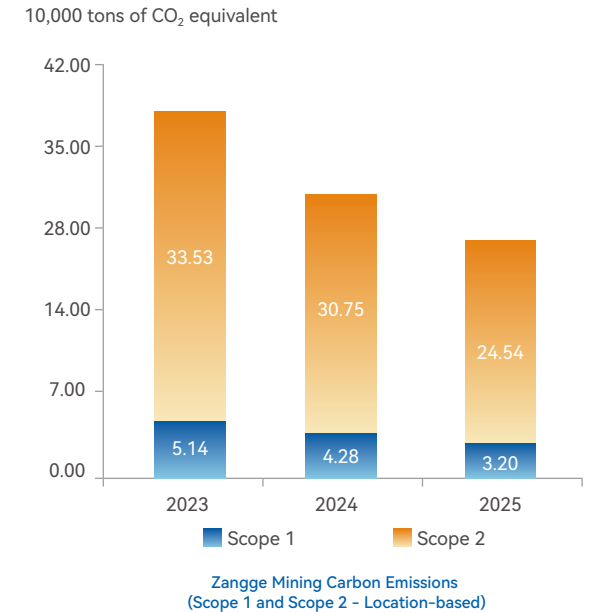
<sup>1</sup>Total direct and indirect energy consumption only covers Scope 1 and Scope 2 energy consumption and does not include data related to Scope 3.

## Carbon Emission Management

Zangge Mining has established and continues to improve its statistical and disclosure mechanism for greenhouse gas emissions and energy management indicators, ensuring that carbon emission management is interconnected with production operations, energy management, and cleaner production through an internal coordination mechanism.

Against the backdrop of increasingly severe global climate change challenges, the deepening of low-carbon industrial transformation, and the continuous strengthening of corporate sustainable development responsibilities, we are comprehensively conducting an inventory of our current Scope 1 and Scope 2 carbon emissions and analyzing carbon emission trends. We are fully advancing carbon reduction efforts through diverse measures such as optimizing our energy structure, iterating core technologies, and building a digital energy platform, continuously promoting a steady reduction in carbon emissions and contributing to the deep synergy and symbiotic development of environmental and economic benefits.

In the process of advancing low-carbon emission reduction, we always strictly adhere to the management standards for greenhouse gas emissions data, continuously ensuring the authenticity, accuracy, and validity of our data disclosures. The Company's greenhouse gas emissions data (Scope 1 and Scope 2) are disclosed as follows; additionally, in 2025, we will further expand the scope of our Scope 3 emissions disclosure, continuously identifying and mapping key emission sources to build a solid data foundation for the scientific formulation and iterative optimization of our reduction strategies.



Category	Scope 3 (Unit: tCO <sub>2</sub> e)
Category 3: Fuel- and Energy-related Activities	39,071.48
Category 5: Waste Generated in Operations	2,106.53
Category 6: Business Travel	314.01
Category 7: Employee Commuting	1,534.28
<b>Total Scope 3</b>	<b>43,026.30</b>

# Environmental Management System

Zangge Mining considers environmental management an important foundation for the Company's sustainable development and standardized operations. Adhering to the environmental management principles of "prioritizing protection, focusing on prevention, implementing comprehensive governance, encouraging public participation, and holding violators accountable for damages", the Company continuously improves its environmental management systems and operational mechanisms, promoting the effective implementation of environmental protection requirements in corporate governance and production operations.

## Management System and Structure

Zangge Mining strictly complies with the *Environmental Protection Law of the People's Republic of China* and relevant local environmental protection laws and regulations where its projects are located. The Company has established an environmental management system based on the ISO 14001 standard and has formulated and implemented environmental protection-related management systems and policy documents, including the *Environmental Protection Management Policy*, *Environmental Protection and Safety System*, and *Operation Management of Environmental-Protection Facilities*. These cover all of the Company's subsidiary production enterprises and major operational activities, ensuring the planned and coordinated development of the Company's production, operations, and basic construction with environmental protection work. As of the end of the reporting period, the ISO 14001 environmental management system certification coverage for Zangge Mining's subsidiary production enterprises (Zangge Potash Fertilizer, Zangge Lithium) reached 100%, and we regularly invite third-party certification bodies to conduct on-site audits of the management system to ensure its continued effectiveness.

To continuously enhance its environmental governance capabilities and ensure the achievement of environmental management goals, the Company has designated the Board of Directors as the highest authority for environmental protection work, with the Executive Vice President directly responsible for environmental management. The chairmen of the subsidiary production enterprises are the primary persons responsible for environmental protection. Relevant functional departments, such as the Safety and Environmental Protection Department, Public Facilities Department, and Production Department, collaboratively handle the specific implementation of environmental protection work, ensuring that environmental management requirements are effectively fulfilled in all business and production processes.



Environmental Management System Certification Certificates for Zangge Lithium and Zangge Potash Fertilizer

Furthermore, the Company's various business units have established an environmental protection target responsibility system, incorporating environmental protection work into the performance assessment of production and operation targets to achieve full-staff, full-process environmental management. Environmental protection work is a key basis for assessing the performance of leaders and employees when tasks are assigned, inspected, summarized, and evaluated. Zangge Mining annually signs the *Letter of Responsibility for Security and Environmental Protection* with its subsidiary production enterprises, which in turn sign them with their respective departments, detailing annual environmental targets and ensuring their achievement through incentive and constraint mechanisms.

#### Zangge Mining's Environmental Management Target Achievement Status:

- 0 occurrence of environmental pollution accidents, target achieved
- 100% compliance rate of outfall discharge, target achieved
- 100% standardized disposal rate of hazardous waste, target achieved

#### Key Performance

During the reporting period:

- The Company's total environmental protection investment was RMB **79.40** million.
- Recorded **0** major environmental pollution incidents.

## Environmental Risk Management

Zangge Mining strictly adheres to laws, regulations, and normative documents such as the *Emergency Response Law of the People's Republic of China* and the *Guidelines for Emergency Response Drills*. The Company enhances its risk identification, early warning, and response capabilities through system standardization, emergency drills, and training empowerment, thereby strengthening its environmental safety defenses. The Company has formulated and implemented management charters such as the *Regulations on Ecological and Environmental Responsibility System*. During the reporting period, Zangge Lithium further revised its *Response Plan for Environmental Emergencies*, improving content related to environmental risk assessment and emergency plan filing to effectively prevent sudden environmental incidents and ensure that all major and exceptionally serious sudden environmental incidents are handled in a timely and standardized manner.

To identify, monitor, and assess potential environmental risks, Zangge Potash Fertilizer conducts the identification of significant environmental factors. Combining its production process characteristics and regional environmental conditions, it systematically identifies key links that may pose environmental risks and implements targeted control measures to reduce the likelihood and impact of environmental incidents. The Company conducts an internal safety and environmental audit of all production enterprises twice a year and regularly invites third-party organizations to carry out external audits.

In terms of emergency management, the Company has formulated the *Regulations on Emergency Plan Management and Drills*, establishing an emergency management system that covers the headquarters and all subsidiary enterprises to continuously improve its ability to prevent and handle sudden incidents. The Company adheres to the principles of "local-level focus, hierarchical responsibility, classified guidance, comprehensive coordination, and dynamic management". The Safety, Environmental Protection and ESG Office is responsible for supervising, guiding, and inspecting the construction of the emergency plan system, with the safety management departments of each subsidiary enterprise serving as the specific implementing bodies. By conducting risk identification and resource surveys, organizing comprehensive and specialized drills, and strengthening emergency response team building and material support, the Company continuously enhances its capabilities for preventing and responding to sudden incidents, thereby increasing its safety resilience.

Additionally, the Company has integrated environmental protection and environmental risk control requirements into its employee training system. It provides training on environmental protection, compliance requirements, and emergency response for employees in different positions and organizes special environmental protection activities to enhance the environmental awareness and risk prevention capabilities of all staff.

Case study

Zangge Mining launches a series of promotional activities for World Environment Day

On the occasion of the 54th World Environment Day, Zangge Mining actively responded to the requirements of the *Notice on Launching a Series of Promotional Activities for the 2025 World Environment Day in Golmud City* issued by the Office of the Golmud Municipal Ecological Environment Committee. Focusing on the theme "Beautiful China, I Act First", the Company carried out multi-dimensional environmental protection promotional activities to deeply integrate the concept of ecological protection into the work and lives of all employees. The activities, which included hanging promotional banners with environmental themes and conducting specialized training on environmental protection knowledge, focused on key issues such as environmental laws and regulations, water resource protection, and pollution prevention. By combining these with actual production cases from the enterprise, the activities vividly explained the importance and practical methods of ecological protection, allowing the concept of environmental protection to truly take root on the front lines and in the hearts of the people.

Case study

Zangge Lithium's monthly environmental protection knowledge training

To deeply integrate environmental protection concepts into the entire production and operation process and to enhance employees' environmental awareness and practical skills, Zangge Lithium conducted specialized, multi-dimensional environmental knowledge training for its employees, facilitating the effective implementation of the Company's environmental management system. This training focused on key environmental protection points in production and daily life scenarios, establishing a three-dimensional curriculum of "safety and compliance + practical skills + concept dissemination". It guided employees to translate the training content into concrete actions based on their specific workshops and positions, such as strictly implementing standardized management of solid and hazardous waste throughout the entire process on the production side and practicing green habits like waste sorting and conserving water and electricity in daily life.



Key Performance

During the reporting period:

- The Company conducted **11** environmental protection training sessions.
- The Company conducted **877** environmental-related inspections and rectifications, with Zangge Potash Fertilizer achieving a **97%** rectification pass rate and Zangge Lithium achieving a **100%** rectification pass rate.



# Water Stewardship

Water resources are a crucial guarantee for the smooth operation of mining production and a key foundation for regional ecosystem stability and sustainable community development. Zangge Mining deeply recognizes the impact of water resource constraints on the Company's long-term development and has incorporated water resource protection and efficient utilization into its environmental management priorities. The Company strictly adheres to the *Water Law of the People's Republic of China*, the *Water Pollution Prevention and Control Law of the People's Republic of China*, and applicable national and local water use and drainage standards. Integrating resource endowments and production characteristics, the Company continuously optimizes its water use structure and management methods. By enhancing water resource recycling and strengthening control over the entire water intake and discharge process, the Company reduces the pressure of its production and business activities on the surrounding water environment and water resource systems, promoting the coordinated development of resource exploitation and ecological protection.

## Governance

Zangge Mining integrates water resource management into its overall environmental management system. The Board of Directors is responsible for making decisions on major environmental issues, including water resources, while the Safety Committee is responsible for implementing water-resource-related systems. The Company, relying on its environmental management system, clarifies the division of responsibilities for its subordinate production enterprises in terms of water intake, use, discharge, and water environment protection. In 2025, Zangge Potash Fertilizer revised and clarified its water resources management structure, designating the Public Facilities Department as the centralized management body for water resources. This department is responsible for formulating annual water use plans and conservation targets based on annual production indicators and actual production needs, and for supervising the rational use of water resources by all water-consuming departments.

The Company adheres to the principles of "water conservation first, scientific management, recycling, and continuous improvement". In line with national water resource management requirements and industry regulatory trends, it has incorporated requirements for compliant water intake and use, water conservation management, and recycling into its internal management systems and operating procedures, including the *Measures for Water Resource Management*, the *Basic Management System for Water Conservation*, and the *System for Protecting Ecological Water Use*.

## Management of Impacts, Risks and Opportunities

Zangge Mining includes water-related risks within its corporate environmental and operational risk management framework, focusing on risks related to water intake compliance, water scarcity, and the compliance pressure that may arise from stricter water environmental protection requirements. In regions with relatively sensitive water resource conditions, the Company continuously monitors potential impacts from external factors such as climate change and changes in regional water resource patterns. It proactively assesses their effects on water supply security and production continuity in light of actual production conditions, providing a basis for subsequent adjustments to management measures. In 2025, Zangge Potash Fertilizer established a leading group for water balance test management to coordinate and advance its work on optimizing water use efficiency.

The Company continuously conducts water security risk assessments of the water intake situations at all its domestic production enterprises (Zangge Potash Fertilizer, Zangge Lithium) to review water stress in its production and operations. During the reporting period, we continued to use the water risk assessment tool developed by the World Resources Institute (WRI). Based on the location of water intake points, we assessed the relevant water risk levels, identified the potential impacts of water intake activities on local communities and ecosystems, and took corresponding measures. The assessment showed that the water risk at the intake locations for both of the Company's production enterprises is below 3 points, meaning they are not in high or extremely high water risk areas.



Analysis Results from the WRI Water Risk Assessment Tool

Water Intake Location	Overall Water Risk Level	Potential Impacts on Local Communities and Ecosystems
Zangge Potash Fertilizer	Golmud West River, Galatan in Dagele Township, etc.	<ul style="list-style-type: none"> <li>• May lead to a reduction in local water resource reserves, affecting the water levels and flow of rivers, lakes, and groundwater.</li> <li>• Excessive water intake could cause rivers to run dry and wetlands to desiccate, destroying aquatic habitats and impacting biodiversity.</li> </ul>
Zangge Lithium	Zongjia Town, Dulan County, Haixi Prefecture, Qinghai Province	<ul style="list-style-type: none"> <li>• Pollutants might be introduced during the water intake process, thereby affecting water quality.</li> <li>• Water intake activities may compete with local agricultural, industrial, and residential water demands, leading to issues of water resource allocation.</li> </ul>

Zangge Mining Water Risk Assessment

## Strategy

Zangge Mining progressively enhances its water resource use efficiency and management level by strengthening the management of the entire water intake and use process and improving water conservation measures. While ensuring the needs of production and operations are met, we continuously reduce our reliance on regional water resources and environmental pressure, providing support for the Company's stable operation and sustainable development under resource constraints. During the reporting period, the Company's water resource intake and management were standardized and orderly, facing no substantive usage barriers, and no violations related to water resource utilization occurred.

## ◆ Water intake and use management

We implement coordinated management of water intake and use activities involved in our production and business processes. On the basis of legal and compliant water intake and use, the Company continuously monitors water resource constraints to reduce potential impacts on regional water systems.

The Company's subordinate production subsidiaries formulate overall annual water use plans and break them down to the production workshop level. They set water management metrics and targets, establish a ledger for energy-saving and water-saving equipment, compile monthly statistics and analyses of water conservation efforts, and conduct quarterly performance assessments. Additionally, we regularly conduct water balance tests to analyze water usage, install metering equipment to track water consumption, and optimize production processes to reduce water consumption.

## ◆ Water conservation management

Focusing on the goal of improving water resource utilization efficiency, the Company has integrated water conservation management as a key direction for optimizing production and operations. The Company has formulated the *Water Resource Management Policy*, which stipulates that for all new, retrofitted, or expanded projects, the water conservation facilities must be designed, constructed, and put into operation simultaneously with the main body of the construction project. This ensures that water use plans, water conservation targets, water conservation measures, and management systems are all in place.

By integrating production process flows and water use characteristics, we enhance the efficiency of water recycling and continuously reduce water intensity per unit of product by advancing process optimization, equipment upgrades, and improvements in operational management.

**Optimizing the Supernatant Water Recovery Process  
in the Adsorption Workshop**

Implemented technological upgrades to the supernatant water recovery system in the adsorption workshop, enabling automatic switching between recovery and discharge paths based on water quality, which significantly enhanced the stability and efficiency of supernatant water recovery. Following the upgrades, the system's average water recovery rate increased by approximately 6%-8%.

**01**

**Recovering and Reusing Process Water with Low  
Sodium Content**

Quality-based recovery management of centrifuge washing water reduces impurity content, improves the primary lithium recovery rate, and decreases the demand for fresh water replenishment.

**02**

**Recovering Hot Water for the Winter Heating System**

Water use in the heat exchange system is optimized by recovering hot water from plate heat exchangers into heating water tanks for winter heating circulation, which reduces evaporation losses and improves the comprehensive utilization efficiency of both water and thermal energy.

**03**

**Improving Cleaning Methods to Reduce  
Water Use Intensity**

Adopting improved equipment cleaning methods, such as using water-saving tools like high-pressure water guns instead of traditional washing modes, effectively reduces water consumption during the cleaning process while ensuring cleaning effectiveness.

**04**

**Recovering and Recycling Condensate Water**

Condensate water generated from the workshop's soda ash preparation system and heat exchange processes is centrally collected, stored, and then returned to the raw water system for reuse. The residual heat from the recovered condensate is also used to reduce heating energy consumption, thereby enhancing overall production efficiency.

**05**

The Company not only focuses on the precise enhancement of water use efficiency in production but also continuously increases its efforts in the research, development, and application of environmental protection and water-saving technologies. Through technological empowerment, the Company effectively improves the efficiency of water resource recycling, reduces fresh water intake, further optimizes the stability of production operations, and comprehensively enhances the efficiency of integrated resource utilization.

**Case study**

**Zangge Lithium's innovative application of reverse osmosis technology to enhance water recovery efficiency**

Addressing the issue in its existing electro dialysis process where tertiary fresh water is directly discharged without effective recovery of water resources and boron ions, Zangge Lithium has explored innovative environmental protection and water-saving technologies. Leveraging its R&D pilot platform, the Company has advanced the synergistic implementation of process optimization and resource recovery.

Building on its existing production system, the Company implemented centralized management of the tertiary fresh water generated from the second and third-stage electro dialysis. It innovatively upgraded the original nanofiltration process to a reverse osmosis process, achieving graded utilization of water quality through multi-stage concentration and impurity removal. After treatment by the reverse osmosis system, the quality of a portion of the produced water is significantly improved and is reused in the production system, thereby increasing the overall water recovery rate.

At the same time, the Company emphasizes strengthening employees' awareness of water resource protection and compliant water use through water conservation publicity and training activities. In daily operations, the Company regularly inspects water-using equipment, posts water-saving signs, and guides employees to integrate water conservation concepts into their production operations and daily behavior by organizing water-saving themed campaigns, lectures on water regulations, and other methods.

**Case study**

**Zangge Potash Fertilizer conducts water conservation awareness activities**

To promote the implementation of water conservation concepts in production, operations, and daily management, Zangge Potash Fertilizer, in conjunction with the 33rd "World Water Day" and the 38th "China Water Week", organized a water conservation awareness and promotion campaign themed "Empowering Enterprises with Water Conservation for a Greener Future". This campaign continuously strengthened the awareness of employees and the surrounding public regarding water resource protection and conservation.

The Company conducted specialized lectures on water laws and related regulations for its internal employees. Based on the Company's actual water resource usage, it provided a systematic interpretation of water intake permits, water conservation regulations, and water resource management requirements. This helps all departments clarify compliance requirements for water intake, use, and discharge, reducing the risk of non-compliant water use and ensuring the stability of production and operations.



**Zangge Potash Fertilizer Conducts Water Conservation Awareness Activities**



Company Honors

In 2025, the Company's "One-step Lithium Extraction + Water Circulation" case was selected as a 21st Century Vitality · ESG Environmentally Friendly Case at the 3rd "Vitality · ESG" Innovation Forum.



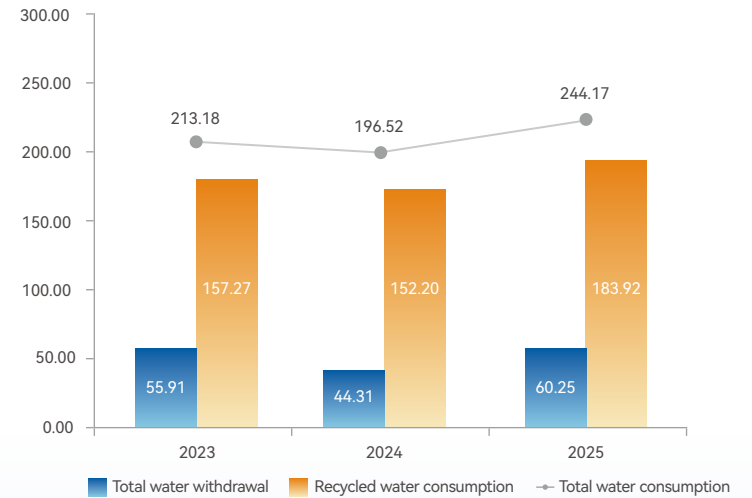
Zangge Mining Was Selected as a 21st Century Vitality · ESG Environmentally Friendly Case at the 3rd "Vitality · ESG" Innovation Forum



## Metrics and Targets

Zangge Mining regularly assesses its water intake and usage, checks the completion status of its targets, and, based on the assessment results, promptly adjusts its water intake and use strategies and measures to ensure targets are achieved.

Million Cubic Meters



Zangge Mining Water Intake and Use

# Emissions and Waste Management

Zangge Mining adheres to the core principles of "source reduction, process control, end-of-pipe treatment, and recycling" and has built a comprehensive management system covering waste gas, wastewater, and solid waste, achieving compliant pollutant discharge and efficient resource recycling through institutional standards, technological innovation, and monitoring empowerment to support green and Low-carbon development. During the reporting period, the Company maintained stable and compliant emissions for all types of pollutants, with no instances of exceeding standards. There were no adverse impacts on employees, surrounding communities, or environmentally sensitive targets, nor were there any major administrative penalties or criminal liabilities incurred due to pollutant emissions.

## Governance

Zangge Mining strictly complies with the *Law of the People's Republic of China on the Prevention and Control of Air Pollution*, the *Law of the People's Republic of China on the Prevention and Control of Water Pollution*, the *Integrated Wastewater Discharge Standard*, the *Solid Waste Pollution Prevention and Control Law of the People's Republic of China*, the *Pollution Control Standards for the Storage of Hazardous Wastes*, and applicable national and local air emission standards and regulations. The Company has formulated a series of related systems and regulatory documents, including the *Pollutant and Waste Management Policy*, the *Solid Waste Management System*, the *Hazardous Waste Management System*, and the *Self-Monitoring Plan*. It has also established management agencies and supervision and assessment mechanisms to ensure the standardized implementation of pollution prevention and control work at all its subsidiary production enterprises.

## Management of Impacts, Risks and Opportunities

Waste gas, wastewater, and solid waste are the main environmental impact factors in the Company's production and operations. Inadequate management could adversely affect the surrounding environmental quality and the Company's compliant operations. Zangge Mining actively identifies related risks and opportunities, investigates pollution sources, and formulates control measures, using this as important support for risk prevention, control, and management optimization.

Risk/Opportunity		Response Measures
Risk	Emissions Compliance Risk	<ul style="list-style-type: none"> <li>Establishing an emissions management system</li> <li>Operating and regularly maintaining supporting pollution control facilities</li> <li>Conducting regular monitoring and internal inspections of key emission sources</li> </ul>
	Waste Management Regulations	<ul style="list-style-type: none"> <li>Formulating and implementing an annual hazardous waste management plan</li> <li>Strictly implementing requirements for classified storage and standardized labeling</li> <li>Entrusting qualified third parties for compliant disposal and establishing a ledger</li> </ul>
	Rising Disposal Costs	<ul style="list-style-type: none"> <li>Promoting source reduction and process optimization</li> <li>Reducing waste generation intensity through process improvements</li> <li>Exploring pathways for resource utilization</li> </ul>
	Public Sentiment Incidents Related to Emissions or Waste	<ul style="list-style-type: none"> <li>Strengthening information disclosure on emissions and waste management</li> <li>Reducing the probability of environmental incidents through institutionalized management</li> </ul>
Opportunity	Waste Reduction and Resource Utilization	<ul style="list-style-type: none"> <li>Actively carrying out recycling to reduce raw material consumption and save production resources</li> </ul>
	Improved Maturity of the Management System	<ul style="list-style-type: none"> <li>Incorporating emissions and waste management into the continuous improvement mechanism for environmental management</li> </ul>

## Strategy

Zangge Mining manages the entire process of pollutant emissions and waste disposal across all business scopes by improving system development, strengthening process control, and implementing responsibility allocation. This ensures that all business segments strictly adhere to compliance management requirements, effectively building a line of defense for environmental compliance and guaranteeing the Company's green and stable operations.



## ◆ Air Emissions Management

The Company manages and monitors major sources of waste gas emissions in accordance with relevant regulatory requirements. In 2025, the Company formulated the *Self-Monitoring Plan*, focusing on pollutants such as total suspended particulates, hydrogen chloride, and dust. It employs treatment technologies like flue gas purification, dust removal, and denitrification to ensure stable, compliant air emissions and to continuously reduce the total volume of atmospheric pollutants.

### Case study

#### Zangge Potash Fertilizer's continuous low-NOx combustion technology upgrades

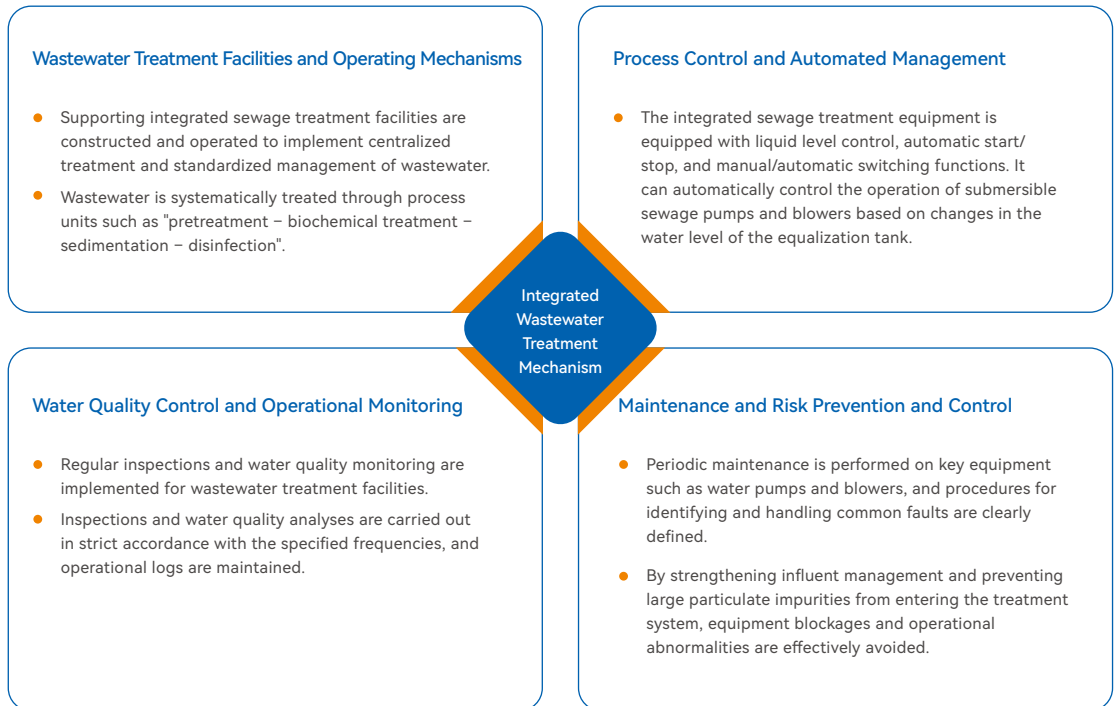
To enhance its air emissions control capabilities and improve operational stability, Zangge Mining has advanced the upgrading and retrofitting of its combustion equipment based on existing emission reduction measures. Following the earlier replacement of low-NOx combustion units in certain production stages to reduce nitrogen oxide emissions, the Company carried out a special technical retrofit of the combustion equipment used in the workshop drying system during the reporting period.

The Company implemented low-NOx combustion technology retrofits on relevant gas-fired boilers, with plans to gradually replace 11 gas-fired boilers with low-NOx burners. Compared to the original conventional combustion equipment, low-NOx burners are equipped with technologies such as external flue gas recirculation, which can effectively inhibit the formation of pollutants like nitrogen oxides and carbon monoxide during combustion, thereby meeting stricter emission control requirements.

## ◆ Wastewater Management

The Company has established and improved its wastewater management system, implementing fine-grained management throughout the entire process for both production wastewater and domestic sewage, and conducts regular wastewater monitoring to test and manage pH value, chemical oxygen demand, ammonia nitrogen, and suspended solids. For domestic sewage and boiler blowdown water, the Company collects it uniformly and directs it to integrated wastewater treatment facilities for centralized processing. The treated water quality meets the requirements of relevant standards such as the *Integrated Wastewater Discharge Standard (GB8978-1996)* or the *Discharge Standard of Pollutants for Municipal Wastewater Treatment Plant*, and is then reused in other production processes or directed to anti-seepage evaporation facilities for natural evaporation, based on production needs, to avoid direct external discharge.

During the reporting period, the Company conducted multiple tests on four monitoring indicators, and all results met the relevant standard requirements. Concurrently, the Company implemented uniform anti-seepage and enclosure measures for temporary wastewater storage facilities on its premises, effectively reducing the risk of leakage and environmental pollution. As of the end of the reporting period, Zangge Mining achieved 100% recycling of industrial wastewater, maintaining zero external discharge.



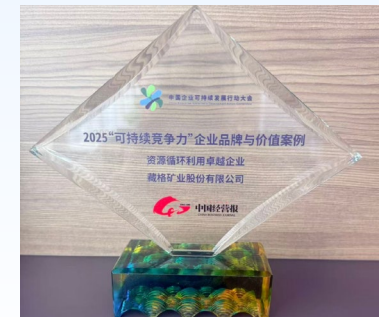
Production Base	Wastewater Type (Including Condensate)	Treatment Method to Enhance Water Efficiency	Outcome
Zangge Potash Fertilizer	Tail liquor, domestic sewage	Wastewater treatment facilities were converted from underground to aboveground	Better align with the Company's wastewater treatment needs, improves treatment efficiency
Zangge Lithium	Mechanical Vapor Recompression (MVR) evaporated condensate	Recycled condensate is sent to the lithium carbonate crystallization and washing process or to the adsorption unit	Reduce demineralized water consumption
	Water from the reverse osmosis process	Reused in steam and hot water systems	Reduce fresh water consumption
	Discharged wastewater, flushing water	Recycle all plant-discharged wastewater and flushing water, plan the water treatment system, and enhance the series use and reuse of water circuits	Optimize the plant-wide water balance and maximize water conservation

Wastewater Management Practices



Company Honors

In 2025, the Company was recognized by China Business Journal for its "Practice of Water Recycling and Zero Industrial Wastewater Discharge in Salt Lake Mining Areas", which was selected as a "2025 'Sustainable Competitiveness' Corporate Brand and Value Case".



Zangge Mining Selected for the "2025 'Sustainable Competitiveness' Corporate Brand and Value Case"



## ◆ Waste Management

The Company implements classified management for non-hazardous and hazardous waste. It has established a waste management system covering the entire process and formulated regulatory documents such as the *Solid Waste Management System* and the *Hazardous Waste Management System*, which specify the classification standards, storage requirements, disposal procedures, and division of responsibilities for both types of waste.

Waste Type	Waste Category	Disposal Method
Non-hazardous Waste	General solid waste (tailings salt)	<ul style="list-style-type: none"> <li>Storage sites and containers are set up according to solid waste categories, and the waste is collected for centralized processing by the Company.</li> <li>Tailings salt is stockpiled and stored for reuse in production.</li> </ul>
	Domestic waste	<ul style="list-style-type: none"> <li>Trash bins are placed and labeled in the living and production areas of each unit to collect and dispose of daily domestic waste.</li> </ul>
Hazardous Waste	Waste engine oil, waste paint, chemical waste reagent bottles, etc.	<ul style="list-style-type: none"> <li>Ledger record forms are completed for the generation, warehousing, and removal of hazardous waste.</li> <li>Qualified third parties are commissioned for compliant transfer and disposal.</li> </ul>

Waste Categories and Disposal Methods

The Company strictly adheres to the *Law of the People's Republic of China on the Prevention and Control of Environmental Pollution by Solid Waste* and relevant requirements from environmental protection departments on the standardized management of hazardous waste. We continuously strengthen full-process control over hazardous waste, focusing on reducing its environmental hazards and promoting its rational utilization and harmless disposal. The Company completes the filing of its hazardous waste management plan annually and reports any major changes to the environmental protection department in a timely manner.

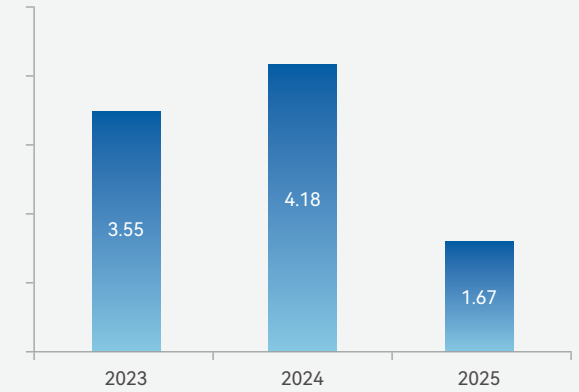
The Company has constructed dedicated hazardous waste storage facilities with standardized identification labels, implementing standardized management throughout the entire process of generation, warehousing, and removal. All hazardous waste is entrusted to units with the appropriate operating licenses for comprehensive recycling and disposal. Furthermore, the construction project for the hazardous waste warehouse has completed the filing of its pollution-related environmental impact report.

Additionally, Zangge Potash Fertilizer has formulated the *Hazardous Waste Personnel Training System*. Under this system, dedicated or part-time hazardous waste administrators are responsible for regularly conducting hazardous waste education and training for new and transferred employees, enhancing the operational and emergency response capabilities of all staff. The Company also continues to explore management approaches oriented toward source reduction and process optimization, integrating the concept of waste reduction into production organization and process improvements.

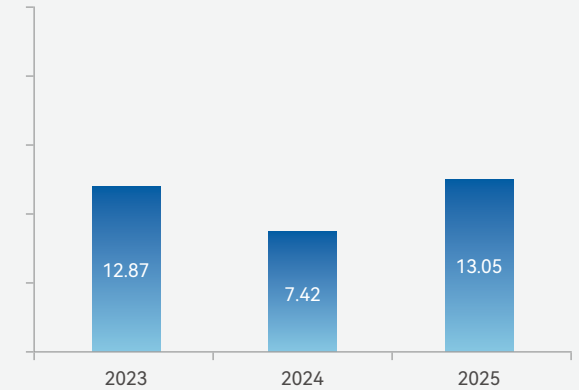
Case study

Zangge Lithium optimizes filtration process configuration to promote waste reduction at the source

To enhance the level of refined management in the production process and reduce the intensity of solid waste generation, Zangge Lithium continued to advance process optimization around key production links during the reporting period. The Company added plate-and-frame filter press equipment to the sodium carbonate configuration system to implement deep filtration management for the sodium carbonate solution. After this equipment was put into operation, the need for filtration, cleaning, and consumable replacement caused by impurities during production significantly decreased, which not only reduced the generation of solid waste such as filter residue but also improved reagent utilization efficiency. Based on project operation calculations, the annual savings in sodium carbonate-related costs are approximately RMB 4.356 million, providing strong support for the Company's cleaner production and waste reduction efforts.



Zangge Mining Nitrogen Oxide Emissions (Tons)



Zangge Mining Particulate Matter Emissions (Tons)

## Metrics and Targets

Zangge Mining sets annual targets for pollutant emissions and waste management. It dynamically establishes and evaluates these management targets in conjunction with actual production and operational conditions to promote the continuous improvement and effective implementation of related environmental management work.

Target	Status
Zero wastewater discharge (100% recycling and reuse of production wastewater)	Achieved
Waste gas meets emission standards	Achieved
100% disposal rate for general solid waste and hazardous waste	Achieved

# Ecological Protection and Land Management

Against the backdrop of placing equal importance on resource development and ecological protection, Zangge Mining continuously advances its work in ecological conservation and land management, focusing on the stability of the mining area's ecosystem and the sustainable use of land. Based on the characteristics of salt lake resource development, the Company systematically considers ecological impacts and land use methods from initial planning to production operations to subsequent restoration. By improving management mechanisms, strengthening process control, and promoting green mine construction, it gradually reduces the disturbance of resource development on the ecological environment and fosters the coordinated development of ecological function restoration and efficient resource utilization in the mining area.



## Ecological Protection

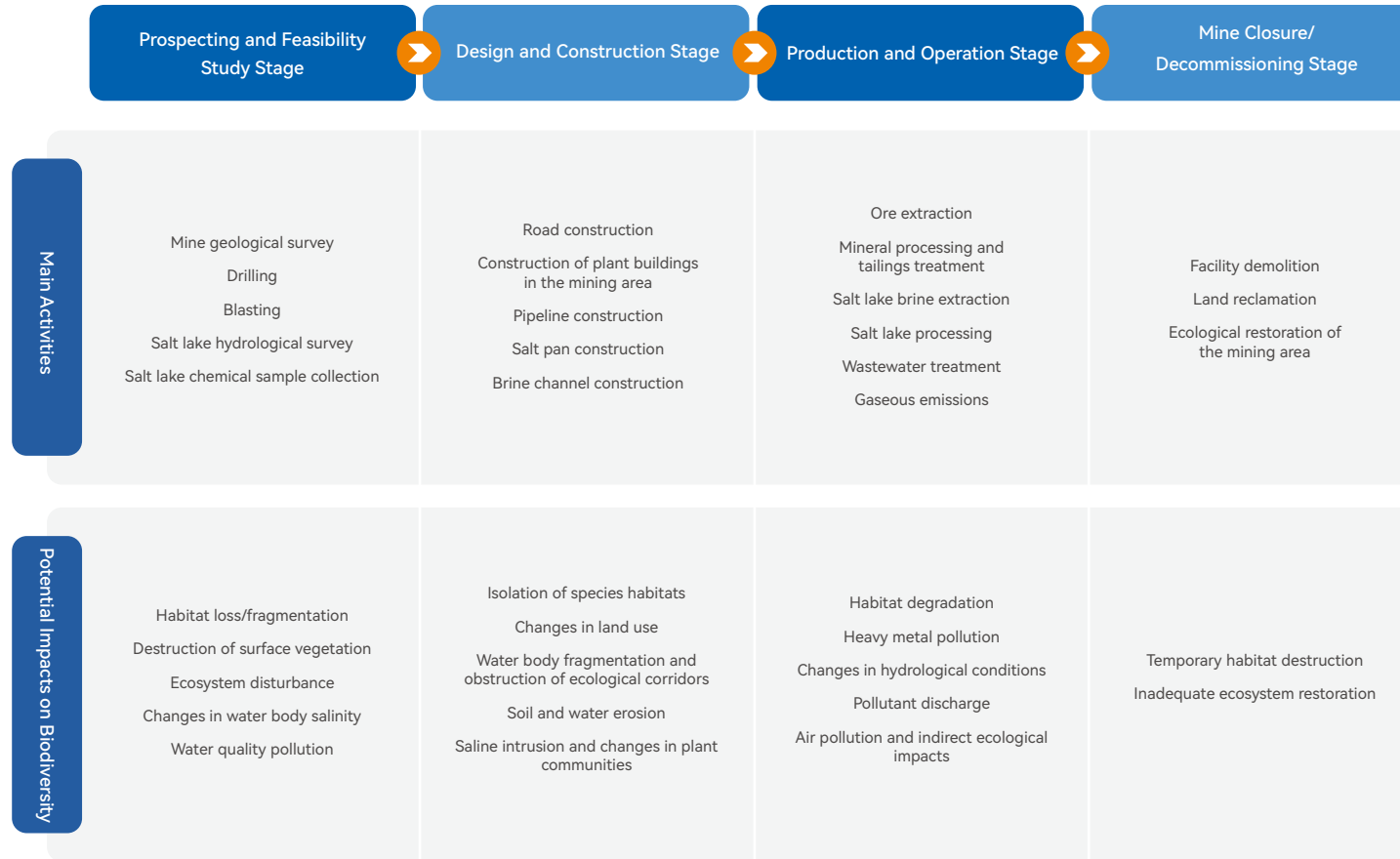
Zangge Mining places great importance on ecological environmental protection and biodiversity conservation during the mineral resource development process. Integrating the natural environmental characteristics of the salt lake resource development area, the Company incorporates ecological protection concepts into the entire process of mine planning, construction, and operation. To protect and manage biodiversity scientifically, systematically, and effectively, the Company has issued its *Biodiversity Protection Policy*<sup>1</sup>. It applies the requirements of authoritative domestic and international documents such as the *Convention on Biological Diversity*, the *Kunming-Montreal Global Biodiversity Framework*, and the *China National Biodiversity Conservation Strategy and Action Plan (2023-2030)* to effectively advance its biodiversity protection work. The Company is committed to strictly complying with the legal and regulatory requirements for biodiversity protection in its operating regions, striving to avoid or minimize ecological impacts. It upholds the environmental management principles of "protection first, prevention-oriented, comprehensive governance, public participation, and liability for damage", focusing on ecosystem protection and reducing the potential adverse impacts of its business activities on biodiversity.

### The Company has clarified the codes of conduct and basic working principles related to land protection:

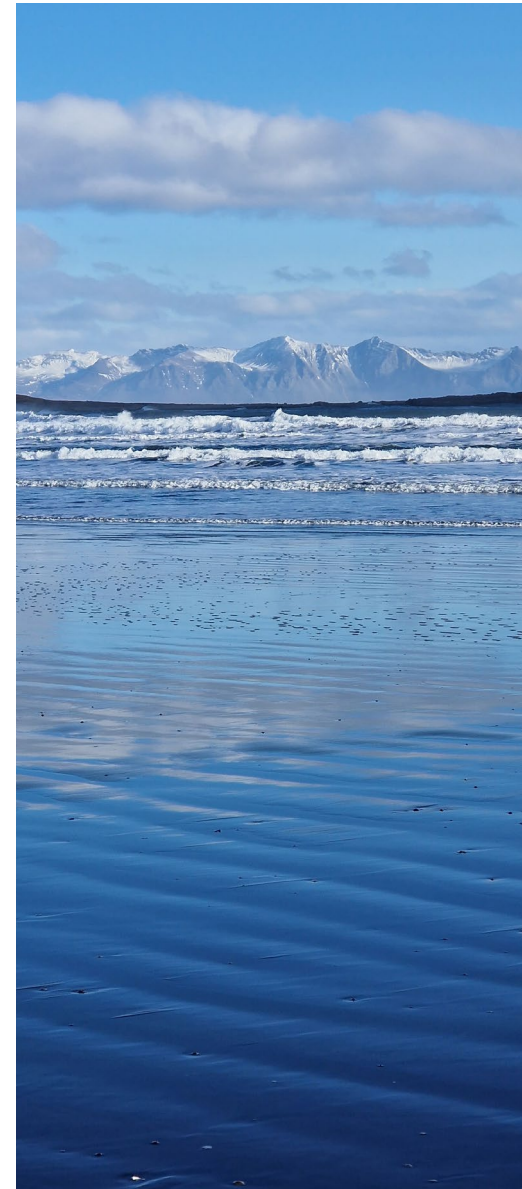
- Rational utilization of land resources, and scientific planning for land development, geological environment restoration, and reclamation;
- Implementation of the principle of minimizing land disturbance to reduce the impact of production and construction on the natural ecosystem;
- Strictly execution of land reclamation and ecological restoration measures to promote the recovery of ecological functions in affected areas.
- Ensuring the legal and compliant use of project land by strengthening land resource management and monitoring.

<sup>1</sup>This policy was approved by the Board of Directors in March 2026.

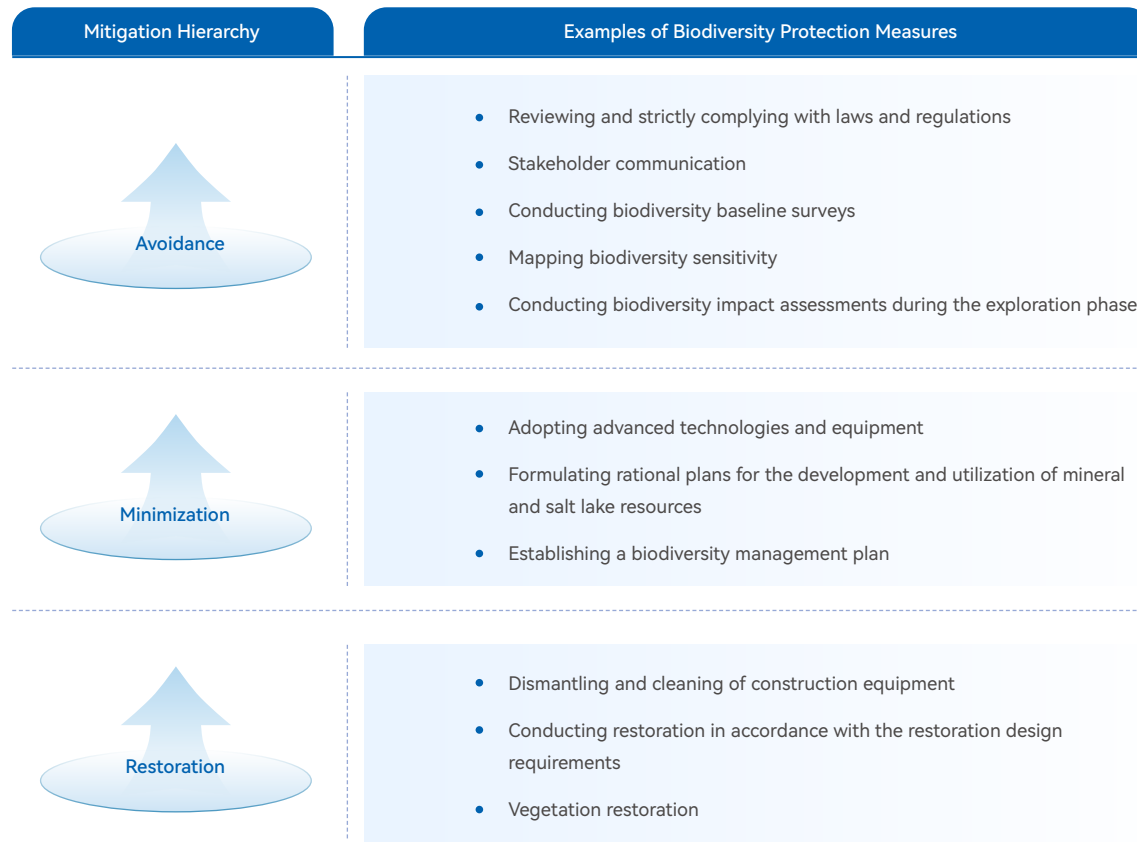
During the process of mineral resource development and production operations, we conduct necessary surveys and impact assessments of the current ecological environment and biodiversity based on project characteristics, and we promote the rational use of land resources and the continuous improvement of environmental quality.



Biodiversity Impacts at Various Stages of the Full Life Cycle of Mining and Salt Lake Resource Development



After identifying the impacts at each stage of mining and salt lake resource development, we will implement biodiversity protection measures according to the mitigation hierarchy of avoidance, minimization, and restoration.



Biodiversity Protection Measures

In addition, we have actively explored ecological restoration, implemented ecological restoration projects in multiple project areas, and actively promoted land reclamation and water resource recycling.

**Case study**

**Zangge Mining continues to advance its saline-alkali land vegetation restoration project in collaboration with Qinghai University**





In 2025, Zangge Mining continued its research collaboration with Qinghai University to advance the study of vegetation restoration and ecological remediation of saline-alkali land in the Qaidam Basin. Building on the cooperative framework and preliminary technical validation completed in 2024, the project deepened research on key issues such as ridge-furrow reshaping, surface mulching, and water-salt migration mechanisms. It systematically optimizes the experimental design, establishing a core technical approach that combines ridging with under-mulch drip irrigation, focusing on investigating the dynamic distribution of soil moisture, patterns of salt migration, and the impact mechanisms of salt stress on the growth of salt-tolerant vegetation like wolfberry (*Lycium chinense*). The continued advancement of this project will help explore synergistic pathways for ecological restoration and resource utilization in high-altitude cold and saline-alkali regions, providing technical reserves and demonstrative support for the integrated management of saline-alkali land and the restoration of biodiversity in the Qaidam area.

## Green Mine Construction

Under the global trends of ecological civilization and sustainable development, green mine construction is a vital measure for promoting the high-quality development of the mining industry. As a national pilot unit for green mines, Zangge Mining deeply recognizes the dual significance of green mine construction for both industrial transformation and ecological protection. The *Mineral Resources Law of the People's Republic of China*, effective from 1 July 2025, establishes systems for the protective exploitation of strategic minerals and ecological restoration responsibilities, driving the green transformation of the mining sector. The Company has revised and optimized its *Administrative Measures for Green Mine Construction* and continues to enhance the related management systems and practical measures for green mine construction, focusing on resource conservation, environmental friendliness, safety and efficiency, and ecological restoration.

Throughout the project lifecycle, the Company strictly implements the *Mine Geological Environmental Protection and Land Reclamation Plan*. This involves avoiding ecologically sensitive areas from the initial planning stage to simultaneously advancing production and ecological restoration during operations, thereby achieving sustainable environmental development.



Key Areas	Green Mine Construction Initiatives
 <p>Cleaner production and energy conservation and emission reduction</p>	<p>Through measures such as improving energy efficiency, applying energy-saving technologies, and optimizing production processes, we reduce resource waste and environmental impact, and enhance the efficiency of comprehensive resource utilization.</p> <ul style="list-style-type: none"> <li>Continuously replacing high-energy-consumption equipment, such as retrofitting low-NOx burners, advancing technological upgrades in the centrifuge workshop, and completing the centralized installation and structural optimization of solenoid valve boxes in the adsorption workshop.</li> </ul>
 <p>Ecological environmental protection and restoration</p>	<p>We have carried out practices in land reclamation and ecological restoration to restore and enhance the ecological functions of mining areas and achieve coordinated development with surrounding ecosystems.</p> <ul style="list-style-type: none"> <li>Avoiding ecologically sensitive areas during the preliminary project stage and simultaneously advancing production and restoration during operations.</li> <li>Conducting water resource risk assessment and natural disaster assessment at water intake points to strengthen ecological security.</li> </ul>
 <p>Pollution prevention and control and risk management</p>	<p>Strengthening the management and monitoring of production-related pollution sources in mining areas by improving safety management, anti-seepage and anti-leakage facilities, and environmental monitoring systems.</p> <ul style="list-style-type: none"> <li>Establishing a management system for solid and hazardous waste, with 100% compliant disposal of hazardous waste.</li> <li>Formulating the <i>Response Plan for Environmental Emergencies</i> and Regularly conducting comprehensive emergency drills for production safety accidents.</li> </ul>
 <p>Integrated ecological and social responsibility</p>	<p>Integrating green mine construction with local community and stakeholder communication, and enhancing social recognition and comprehensive development benefits through ecological protection actions and community engagement.</p> <ul style="list-style-type: none"> <li>Fully disclosing the progress and results of green mine construction through public channels.</li> <li>Actively participating in community service work to foster harmonious local-enterprise relations.</li> </ul>

Green Mine Construction Measures

 Key Performance

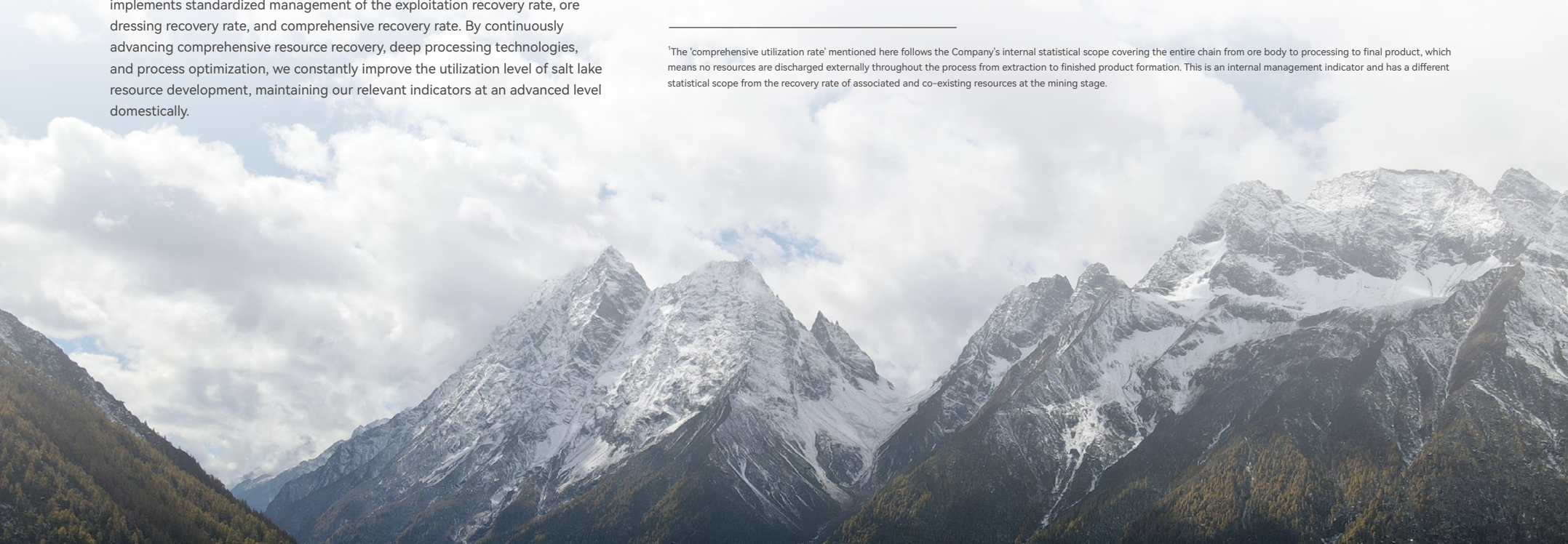
During the reporting period,

Zangge Mining's total investment in environmental protection amounted to RMB **79,404,900**, of which RMB **28,317,500** was invested in environmental management in mining areas, with a cumulative treated area of over **1,000** hectares.

Additionally, to continuously improve the efficiency of mineral resource utilization, the Company strictly adheres to national and local requirements for the development and use of salt lake resources. In accordance with policies such as the "Three Rates" Indicator Requirements for Mineral Resources, the Company implements standardized management of the exploitation recovery rate, ore dressing recovery rate, and comprehensive recovery rate. By continuously advancing comprehensive resource recovery, deep processing technologies, and process optimization, we constantly improve the utilization level of salt lake resource development, maintaining our relevant indicators at an advanced level domestically.

Indicator	Zangge Potash Fertilizer			Zangge Lithium		
	2025	2024	2023	2025	2024	2023
Mining recovery rate (%)	80.73	84.63	85.07	/	/	/
Mineral dressing recovery rate (%)	66.55	62.24	65.32	/	/	/
Overall recovery rate <sup>1</sup> (%)	100	100	100	100	100	100

<sup>1</sup>The 'comprehensive utilization rate' mentioned here follows the Company's internal statistical scope covering the entire chain from ore body to processing to final product, which means no resources are discharged externally throughout the process from extraction to finished product formation. This is an internal management indicator and has a different statistical scope from the recovery rate of associated and co-existing resources at the mining stage.



# Occupational Health and Safety Accountability

SDGs Addressed in This Chapter:



Material Issues Covered in This Chapter:

- Occupational Health & Safety
- Chemical Safety

# Progress in Issue Management



Zangge Mining has always considered occupational health and safety a fundamental requirement and core responsibility of its production and operations, firmly upholding the values of "life first, safety foremost" and setting long-term goals of zero work-related fatalities and zero new occupational diseases. The Company adheres to the principles of prevention-first and comprehensive governance, implementing systematic safety management across all processes and dimensions. By continuously improving management mechanisms, strengthening risk prevention and control throughout the entire chain, and implementing robust safeguards, the Company fortifies its occupational health and safety defenses to effectively protect the life, safety, and health rights of all employees.



## Materiality

### Risks:

- Inadequate implementation of occupational health and safety measures can easily lead to safety accidents and occupational health issues, infringing upon the life and health rights of employees while also directly impacting the normal course of business operations.
- Omissions in the implementation of occupational health and safety management measures can lead to compliance risks such as administrative penalties and financial compensation, which in turn can negatively affect the Company's brand reputation.

### Opportunities:

- Improving the occupational health and safety management system and strengthening risk prevention and full-process control can effectively reduce the incidence of work-related injuries and occupational diseases, fortify the safety line for production and operations, and steadily enhance operational efficiency.
- Effectively safeguarding employees' occupational health rights can enhance the Company's ability to attract and retain talent, thereby solidifying the foundation for long-term operational stability.

## Targets

- 0 major and above production safety accidents.
- 0 major equipment accidents.
- 0 instances of exceeding annual noise monitoring limits at the factory boundary.
- Major injury rate from production safety accidents of less than 1%.
- Minor injury rate from safety accidents of less than 5%.

## Management

- Strengthening occupational health and safety governance, with supervision from the Board of Directors, clarifying the President as the primary person responsible for production safety, and reinforcing management responsibilities at all levels.
- Fully integrating occupational health and safety management targets, supervision processes, and evaluation results into the performance appraisal systems for all levels of management.
- Establishing a regular audit mechanism and periodically organizing internal special inspections and external management system certification audits.

## Practices

- Systematically advancing the two-tier risk prevention mechanism of hierarchical risk control and hazard investigation and remediation, and improving emergency management processes and operational standards.
- Strengthening the full-process safety management of hazardous chemicals and enhancing control levels in key risk areas.
- Promoting the optimization and upgrading of production equipment and occupational disease prevention facilities, regularly conducting monitoring and evaluation of occupational hazard factors to reduce occupational health risks.

## Stakeholder Engagement

- Employees: Enhancing safety awareness and capabilities through training, drills, competitions, and warning education; ensuring smooth channels for feedback and hazard reporting.
- Contractors and other partners: Strengthening collaborative management and responsibility implementation through contractual agreements, safety training and assessments, and on-site supervision and inspections.
- Government and regulatory agencies: Actively cooperating with inspections and guidance, strictly adhering to legal and regulatory requirements, and ensuring timely, closed-loop rectification of issues.
- Community and public: Conducting necessary communication and information disclosure on matters such as production safety and emergency response to reduce potential impacts on the surrounding areas.

# Safety Management System

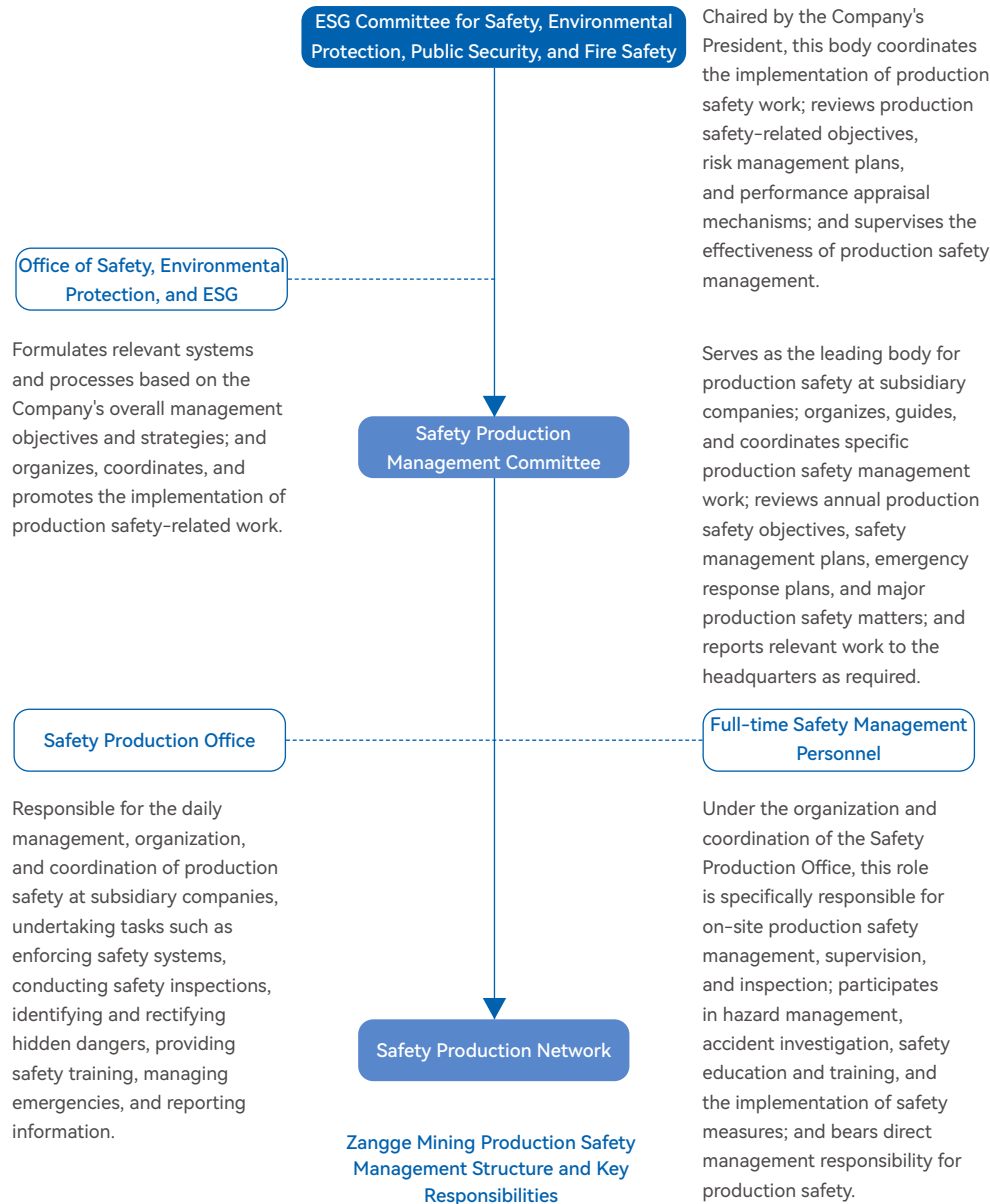
Production safety is the foundation of a company's existence and development. Zangge Mining is committed to continuously improving its safety management system and fostering a safety culture. By enhancing its safety governance structure and strengthening the implementation of safety targets, responsibilities, and full-process control, the Company systematically advances safety education, training, and cultural development. The Company constantly reinforces the foundation of its production safety management, providing a solid guarantee for the safe and stable operation of its production activities.

## Safety System Development

Zangge Mining strictly abides by the *Production Safety Law of the People's Republic of China* and other applicable production safety laws and regulations in its domestic and overseas operating locations, and has established a production safety system that covers all its operations. Its production-oriented subsidiaries have formulated and implemented management systems and supporting documents such as the *Production Safety Management Regulations*, *Safety Responsibility Checklist*, and *Production Management Department Inspection System*. These systems apply to all domestic production subsidiaries and all employees, including contract workers. For overseas operating locations, the Company requires them to formulate and implement production safety management systems that are tailored to local conditions, based on strict compliance with local laws and regulations and in line with the unified requirements of the headquarters' production safety management. During the reporting period, Zangge Potash Fertilizer revised and optimized several documents, including the *Production Safety Management Regulations*, *Transportation Management System*, and *Patrol Inspection System*, to further clarify production safety management responsibilities and work requirements at all levels, strengthen full-process operational control and proactive risk prevention, and enhance the standardization of safety management.

In terms of system construction and certification, the Company further improved its safety management system during the reporting period by establishing the ESG Committee for Safety, Environmental Protection, Public Security, and Fire Safety to strengthen unified coordination and collaborative management of production safety. The President of the Company serves as the primary person responsible for production safety, leading the development of a production safety management system that extends from the corporate headquarters to frontline teams, achieving full coverage of safety management. In addition, as of the end of the reporting period, the ISO 45001 Occupational Health and Safety Management System certification coverage for Zangge Mining's production subsidiaries (Zangge Potash Fertilizer and Zangge Lithium) reached 100%. Both internal and external audits are conducted regularly each year, with any issues identified being rectified in a timely, closed-loop manner.

The Company is also advancing the development of a production safety information management platform. This platform focuses on core functions such as comprehensive safety management, safety behavior development, and safety training, driving the upgrade of safety management towards digitalization and intelligence, and using technology to enhance the precision and efficiency of production safety management.



Occupational Health and Safety Management System Certificates  
for Zangge Potash Fertilizer and Zangge Lithium

**Key Performance**

During the reporting period:

- The Company's Lost Time Injury Rate (LTIR) per million hours worked was **0.83**.
- The Company's Lost Time Injury Frequency Rate (LTIFR) per million hours worked was **0.83**.
- The Company's work safety investment was RMB **29.801** million.

## ◆ Targets and Assessments

To strengthen production safety and occupational health and safety management, Zangge Mining formulates annual occupational health and production safety targets. It requires all employees to sign a *Safety Objectives and Responsibility Letter* and has established a production safety responsibility assessment team to conduct quarterly assessments of personnel responsible for production safety at all levels, including the Chairman and the President. The appraisal results are linked to 10%–30% of their quarterly safety bonus base. The Company's Safety Production Committee holds an annual assessment meeting to implement rewards and penalties for each production unit based on a comprehensive evaluation of the annual safety target completion and the effectiveness of daily safety management, thereby continuously improving safety management performance. Violations identified during various safety inspections, such as unauthorized operations, improper command, breaches of labor discipline, and failure to rectify safety hazards, serve as important bases for interim assessments and are incorporated into the appraisal system, influencing the final results.

During the reporting period, the Company had 0 major or above-level production safety accidents, and its production safety work substantially achieved the established annual targets.



Zangge Mining's Production Safety Targets		Status of 2025 Target Completion
<b>Potash Business Segment</b>		
0 major and above production safety accidents		Achieved
0 major fire accidents		Achieved
0 major equipment accidents		Achieved
Injury rate per 1,000 employees of less than 3‰		Achieved
Compliant emissions for mechanical equipment noise		Achieved
0 instances of exceeding standards in annual boundary noise monitoring		Achieved
Vehicle-related injury incidence rate of 0		Not achieved
100% pass rate for company-level training and education for new employees		Achieved
100% certification rate for three key personnel types (principal persons-in-charge, safety management personnel, and special operations personnel)		Achieved
100% identification, management, and rectification rate for safety hazards <sup>1</sup>		Not achieved
<b>Lithium Business Segment</b>		
0 major or more severe work safety accidents		Achieved
0 major equipment accidents		Achieved
0 fire accidents		Achieved
0 explosion accidents		Achieved
0 major liability accidents		Achieved
100% employee training rate for work safety education		Achieved
100% on-the-job certification rate for special operations		Achieved
100% rectification rate for accident hazards		Achieved

## ◆ Contractor Management

Contractor safety management is a key focus in the development of our work safety management system. The Company fully incorporates contractor safety and occupational health into its overall safety management framework. We have formulated and implemented policies such as the *Regulations on the Safety Management of Outsourced Construction* and the *Safety Production Management Agreement*. This approach enables standardized, end-to-end management of critical stages, including contractor pre-qualification and selection, pre-commencement preparations, safety supervision during operations, and accident reporting and emergency response.

Before commencing any collaboration, both parties must sign the *Safety Production Management Agreement*. Contractor personnel must complete safety training, pass an assessment, sign a safety commitment letter, and submit a health examination report before entering the plant. Only after a review confirms they meet the health and operational requirements for their posts may they apply for a plant entry permit to begin work. During operations, the Company strengthens safety management over contractor activities through on-site supervision, inspections, and hazard rectification. We also organize safety education, training, and assessments for contractors based on the same standards applied to our internal teams. For business outsourcing partners, the Company attaches a letter of responsibility for safety objectives as a contract appendix to reinforce contractual obligations and solidify safety responsibilities.

During the reporting period, the Company signed the *Safety Production Management Agreement* with all contractors, completed the revision and enhancement of its contractor safety management system, and actively advanced the development of a *Safety, Environmental Protection, and Sustainable Development Management Agreement* applicable to contractors to further improve the contractor management framework. As of the end of the reporting period, all of the Company's established contractor safety management objectives had been achieved.

<sup>1</sup>The current hazard rectification rate is calculated based on completion status; some projects require cross-year completion due to their long rectification cycles.

## Safety Culture Cultivation

The Company has established a comprehensive safety education and training system, formulating and implementing policies such as the *Safety Education and Training Management Regulations*. This system covers all personnel, including new hires, current employees, labor service workers, contract workers, and interns. We also conduct stratified and categorized safety training and management based on different job types and career stages.

New Employees and Interns	Must receive systematic, three-level safety education at the company, workshop, and team levels to ensure a comprehensive understanding of basic production safety requirements and job-specific safety standards.
Transferred, Reinstated, and Temporary Employees	Must receive corresponding job-specific safety training before starting their post; in cases involving new processes, new equipment, new materials, or changes in the operating environment, targeted training is organized in a timely manner.
On-the-job Employees	On-the-job employees receive safety education and training at least once a year to continuously strengthen their safety awareness and operational standards.
Training for Personnel in Special Operations	Personnel in special operations, those operating special equipment, and related transport personnel must strictly adhere to training and certification requirements for their roles, while also receiving enhanced training in occupational health and safety protection.

The Company's Safety Education and Training Framework

<h3>Company-level Safety Education</h3> <ul style="list-style-type: none"> <li>• Production safety situation and basic requirements</li> <li>• Laws, regulations, rules, systems, and safety responsibilities</li> <li>• Rights and obligations of employees</li> <li>• Warnings from typical accident cases</li> <li>• Awareness of occupational hazards and protection requirements</li> <li>• Emergency management system and fundamentals of emergency response</li> </ul>
<h3>Workshop-level Safety Education</h3> <ul style="list-style-type: none"> <li>• Characteristics of the operating environment and risk factors</li> <li>• Job-specific risks and common types of accidents</li> <li>• Job safety responsibilities and operational requirements</li> <li>• Self-rescue, mutual rescue, and on-site emergency response</li> <li>• Use of protective equipment and equipment safety</li> <li>• Warnings from workshop accident cases</li> <li>• Other safety management requirements related to workshop operations</li> </ul>
<h3>Team-level Safety Education</h3> <ul style="list-style-type: none"> <li>• Job safety operating procedures</li> <li>• Risk identification and control during operations</li> <li>• Work handovers and on-site safety management</li> <li>• Typical job-specific accident cases</li> <li>• Emergency response and accident reporting procedures</li> <li>• Other safety requirements related to job tasks and on-site management</li> </ul>

Three-tier Education and Training Content for New Employees

Each year, the Company formulates and implements an annual safety education and training plan tailored to actual production conditions. This includes organizing safety education, training for work resumption, and occupational health knowledge sessions. In conjunction with themed events such as "Safety Production Month", we continuously strengthen employee safety awareness and enhance the foundations of our work safety management.

### 2025 Safety Culture Training Activities Showcase



To address safety risks associated with work resumption, Zangge Mining conducted targeted "First Lesson on Safety" training sessions. These sessions covered modules such as accident case warnings, emergency drill assessments, and job-specific risk briefings to effectively reinforce employees' sense of safety responsibility.



The Party Committee of Zangge Potash Fertilizer organized a special study session on work safety. Guided by General Secretary Xi Jinping's important statements on work safety and ecological civilization, the session provided an in-depth interpretation of the Company's primary responsibilities and key tasks in ensuring work safety.



Zangge Lithium held a competition on safety harness usage skills. This hands-on contest aimed to solidify the foundations of safe operations, increase employee emphasis on the correct use of safety harnesses, and enhance their self-protection capabilities during work.



In June 2025, subsidiaries of Zangge Mining held launch ceremonies for "Safety Production Month", mobilizing employees to actively engage in work safety efforts and fostering a safety culture of "full participation, comprehensive coverage, and end-to-end management".

### Key Performance

During the reporting period:

- The Company conducted **126** safety education and training sessions, covering a total of **2,577** employee participants.
- **100** % of new employees receive pre-job safety training.
- **100** % of employees complete work safety education and training.
- **100** % of special operation personnel are on-the-job with valid certificates.

# Safety Risk Prevention and Control

In response to the diverse safety risks across all aspects of production and operations, Zangge Mining continues to advance systematic and forward-looking management of safety risk prevention and control. By strengthening risk identification, graded control, and hazard investigation and management, the Company reduces the probability of accidents. Concurrently, we have established a standardized emergency management mechanism and conduct regular emergency drills to enhance the regularity and effectiveness of incident response, thereby continuously improving our safety risk management capabilities.

## Risk Management and Control System

Zangge Mining has established and continues to refine a two-tier risk prevention mechanism centered on graded risk control and hazard investigation and management. Our subsidiary production enterprises systematically advance safety and occupational health risk prevention and control in accordance with policy documents such as the *Hazard Identification and Risk Evaluation Management System* and the *Hidden Danger Inspection and Rectification Management System*. Each year, these enterprises organize hazard identification and risk assessment activities, producing deliverables like the *Risk Identification and Assessment Form* and the *List of Job Activities for Risk Assessment*. These documents define various risk levels, prioritize control sequences, and are supported by corresponding control measures.



Two-tier Risk Prevention Work Mechanism

Major Risks	Control Measures
Fire	Implement a hot work permit system, conduct hot work safety training and technical briefings, and regularly inspect and confirm equipment and safety facilities
Electric Shock	Strengthen personnel management, implement an approval and permit system for temporary electricity use, and enforce relevant electricity management measures.
Mechanical Injury	Enhance protective measures, ensure the correct use of personal protective equipment, operate in accordance with procedures, and strengthen on-site inspections.
Vehicle-related Injury	Strengthen the operational management of motor vehicles and implement relevant vehicle safety management measures.
Other Injuries	Strictly enforce the approval of work plans and the work permit system, and implement relevant management measures.

Zangge Potash Fertilizer's List of Major Risks and Control Measures (Example)

Potential Accidents	Preventive Measures
Corrosion Hazards	Select appropriate equipment and piping, manage anti-corrosion measures, conduct regular inspections and maintenance, standardize operations and the wearing of protective equipment, improve systems, and ensure stable unit operation.
Burn and Scald Hazards	Strengthen the integrity management of equipment and pipelines, implement anti-corrosion measures and maintenance, standardize the use of protective equipment, and enhance safe operation and operational management.
Dust and Toxic Substances	Strengthen equipment sealing and maintenance management, implement toxic substance monitoring and protection, standardize emergency response and personal protection, and improve ventilation and dust removal systems.
Electrical Injuries	Implement electrical safety protection and inspections, standardize temporary electricity use management, strengthen lightning and static electricity protection measures, and strictly enforce certified electrician operations.
Mechanical Injury	Install mechanical safety guards, standardize maintenance and operational behaviors, ensure the correct use of personal protective equipment, and eliminate non-compliant operations.
Fire and Explosion	Strictly manage ignition sources and hot work, enhance gas detection and lightning protection grounding, strengthen inspection and maintenance of electrical equipment, and implement fire-fighting facilities and measures.
Noise Hazards	Select low-noise equipment, adopt sound insulation and vibration reduction measures, and equip and standardize the wearing of personal protective equipment.
Falls from Height	Standardize the management of work at height, implement protective facilities and personal protection, strictly enforce work regulations, and eliminate non-compliant behaviors.
Vehicle-related Injury	Standardize on-site traffic management, control vehicle speed and overloading, strengthen vehicle maintenance and driver training, and ensure certified personnel are on duty.

Zangge Lithium's List of Risk Assessment Activities (Example)

Based on risk identification and assessment, the Company carries out multi-level and regular hazard investigation work, covering routine inspections, checks during key periods such as before and after holidays, as well as special campaigns like company-wide "major investigations and rectifications" organized periodically. Concurrently, our subsidiary production enterprises have formulated and implemented the *Reward and Punishment System for Safety Hazard Inspection*, rewarding personnel who identify accident hazards and propose reasonable suggestions. The Company also actively cooperates with government departments for inspections and guidance and invites external experts to conduct training and provide technical support. Zangge Potash Fertilizer commissions qualified third-party institutions to conduct safety assessments of major hazard sources (at least once every two years) and has established and continuously improved the archival management of these sources.



Case study

**Zangge Mining conducts hazard investigation and rectification acceptance for its subsidiary companies to strengthen the foundation for safe development**

In October 2025, the Safety Committee of Zangge Mining's headquarters conducted a special acceptance review of safety and environmental hazard investigations and rectifications at Zangge Potash Fertilizer and Zangge Lithium, comprehensively examining the effectiveness of the "major investigation and major rectification" work. This acceptance review combined listening to special reports with on-site verification, conducting full-coverage inspections in key areas such as production and living quarters, contractor work sites, and salt lake pumping stations to ensure that hazard investigation and rectification were fully implemented.



Hazard Investigation and Rectification Acceptance Site

Case study

**Zangge Potash Fertilizer conducts specialized training on the construction of a two-tier risk prevention mechanism for production safety**

In December 2025, Zangge Potash Fertilizer organized a training session on the construction of a dual-control prevention system for risk classification, management, and hazard investigation and governance. An expert from Qinghai Zhong'an Safety Technology Consulting Co., Ltd. was specially invited to give a lecture. Through systematic theoretical explanations of the two-tier risk prevention mechanism, in-depth on-site inspection and guidance in production areas, and specialized discussions, the training further enhanced the understanding and practical application capabilities of the Company's safety management personnel regarding the dual-control mechanism.



External Safety Technology Consultant  
Providing Inspection and Guidance

Case study

**Zangge Potash Fertilizer actively promotes systematic governance of flood season safety risks**

In July 2025, Zangge Potash Fertilizer organized and implemented a safety reinforcement project for its water diversion channel, effectively enhancing the flood control and operational safety capabilities of this key production channel. In December of the same year, it officially launched the reinforcement project for the South Hobsun Lake flood control dam, further strengthening the regional flood defense system, comprehensively fortifying the safety line for the flood season, and providing a solid guarantee for safe production.



On-site Work to Ensure Production Safety During the  
Flood Season

**Key Performance**

During the reporting period,

the Company conducted **151** various types of production safety hazard investigations, covering **100%** of its business scope. This included **20** large-scale and specialized hazard investigations, which identified a total of **431** issues. The on-time rectification rate for hazards at Zangge Potash Fertilizer was **99.78%**, and at Zangge Lithium, it was **100%**.



## Safety Emergency Management

Zangge Mining has formulated and implemented the *Regulations on Emergency Plan Management and Drills*, the *Administrative Measures for Production Safety Inspections and Safety Assessments*, and the *Administrative Measures for Classified Risk Control and Hazard Investigation and Governance*. These systematically define the emergency response procedures for various types of production safety accidents across the Company and establish an emergency plan system composed of a comprehensive emergency plan, special emergency plans, and on-site response plans, covering emergency response for multiple types of production safety accidents.

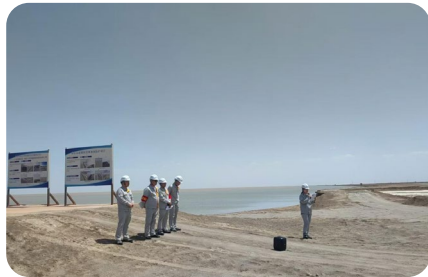
We have established an emergency rescue command headquarters for production safety accidents, under which there are six working groups: emergency rescue and repair, material supply, transportation, medical rescue, safety evacuation, and communication and liaison. The responsibilities of each group are clearly defined, and a 24-hour emergency duty system is in place to ensure timely reporting of accident information and an efficient, orderly emergency response. At the same time, we have defined accident level classifications, emergency response activation conditions, and information reporting procedures and timelines, and have established on-site accident response cards to further enhance the standardization and effectiveness of accident emergency response.

### Special Emergency Response Plans

- Fire
  - Mechanical Injuries
  - Electric Shock Incidents
  - Lifting Injuries
  - Poisoning Incidents
  - Freshwater Hazard
  - Collapse Incidents
- Scope of application: Describes the areas where the incident may occur.
  - Emergency organization and responsibilities: Defines the emergency response organizations involved in the incident.
  - Emergency response: Defines incident information reporting procedures, emergency response levels, and basic principles for handling the situation.
  - Handling measures: Describes specific handling measures and related precautions.
  - Emergency support: Defines the support measures required for emergency response, including personnel, materials, equipment, and communications.

### Content of the Special Emergency Plan for Production Safety Accidents

In addition, the Company's subsidiary production enterprises formulate annual emergency drill plans and regularly organize various emergency drills, including comprehensive emergency drills, special emergency drills, on-site response drills, and fire emergency drills. During the reporting period, we focused on typical emergency scenarios such as sudden fires, chemical leaks, and floods, and added new drill content including electric shock and falls from height, organizing a series of emergency drills. By simulating the entire emergency response process after an accident, we covered key links such as hazard detection and reporting, emergency calls for help, personnel evacuation and escape, on-site rescue, and first aid and timely medical transport for the injured, systematically testing the operability of our emergency plans and the coordination capabilities of the various emergency teams.



Flood Prevention Emergency Drill



A Fire Emergency Skills Competition with Four Contest Items was Organized, with a Total of 21 Teams Participating



Simulating a Hydrochloric Acid Tank Leakage Accident in the Workshop, the Emergency Rescue Team is Transferring Injured Personnel

Key Performance

During the reporting period,

the Company organized **23** emergency drills, with **1,740** employee participations.

# Chemicals Management

Zangge Mining strictly abides by national laws, regulations, and rules related to the management of hazardous chemicals, including the *Production Safety Law of the People's Republic of China* and the *Regulations on the Safety Management of Hazardous Chemicals*. The Company has formulated and implemented supporting management documents such as the *Chemical Safety Management Policy*, establishing a full life-cycle, closed-loop safety management system that covers the entire process from procurement, storage, loading and unloading, use, transportation, to disposal of hazardous chemicals, continuously strengthening its capacity for hazardous chemical safety risk prevention and control. Currently, the Company is revising and optimizing relevant management systems based on production realities and management needs to constantly improve the standardization and refinement of hazardous chemical safety management.

## Procurement Management

The procurement of hazardous chemicals is centrally managed by the Material Supply and Storage Department, which strictly reviews the qualifications of suppliers and carriers; a chemical safety data sheet and safety label must be provided at the time of purchase, and hazardous chemicals that have not been inspected or have failed inspection must not be put into storage or used.

## Safety Management for Storage and Use

The storage and use of hazardous chemicals strictly adhere to national laws, regulations, and standards, implementing classified storage and dedicated warehouse and personnel management, equipped with necessary safety facilities for fire, explosion, poison, and leakage prevention, and ensuring the implementation of safety signs, protective measures, and personnel training to maintain a safe and controllable process.

## Safety Management for Transportation and Handling

The transportation and handling of hazardous chemicals are carried out by qualified units and personnel who strictly adhere to safe operating procedures, implement dedicated command and on-site monitoring, and ensure that transport vehicles and handling sites meet safety requirements, thereby guaranteeing the safety of the entire process.

## Pipeline Inspection Management

Daily inspections and records are maintained for hazardous chemical pipelines and their auxiliary facilities, with a focus on checking the operating status of pipes, valves, flanges, and safety devices, to promptly identify and eliminate potential leaks and operational abnormalities, thereby ensuring the safe operation of the pipelines.

## Safety Management for Disposal

Waste and scrapped materials from hazardous chemicals are collected by category and disposed of in a standardized manner according to regulations; the disposal process follows legal approval procedures, and random dumping or unauthorized handling is strictly prohibited to prevent environmental pollution and safety risks.

## Strengthening End-to-end Emergency Management

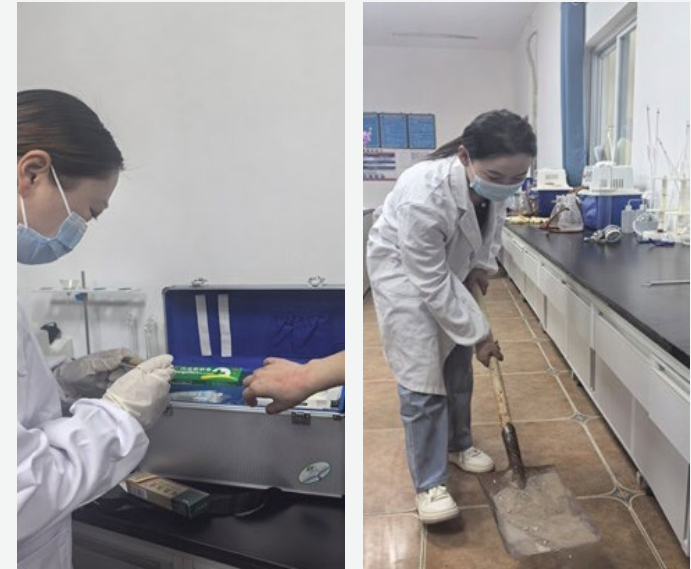
An emergency response plan for hazardous chemical incidents has been established, equipped with emergency rescue teams and materials, with regular training and drills conducted; in the event of an incident, the plan is promptly activated, rescue efforts are organized, reporting is standardized, and corrective and preventive measures are implemented.

## Defining Special Controls for Key Hazardous Chemicals

Highly toxic chemicals and precursor chemicals for drugs and explosives are subject to strict approval, dedicated personnel and warehouse management, and ledger records; safety measures such as a "two-person management" system are implemented, and inspections and preventive measures are strengthened to ensure the storage, use, and flow are safe and controllable.

The Company strictly adheres to the requirements of regulations such as the *Inventory of Hazardous Chemicals*, the *List of Precursor Chemicals*, and the *List of Explosive Precursor Chemicals* to systematically identify and classify all chemicals involved in its production and business activities, implementing graded management and differentiated control measures based on risk levels. We conduct comprehensive identification and classified control of all chemicals used in production, operations, and experiments. By compiling and dynamically updating the *Hazardous Chemicals List* and the *Hazardous Chemical Characteristics Table*, we centralize the management of chemicals' physicochemical properties, health risks, protection requirements, and emergency response measures. Concurrently, the Company utilizes a hazardous chemical management ledger to continuously track chemical usage and risk changes, strengthening its full-process control capabilities. Furthermore, in accordance with the national standard *Classification and Labels of Commonly Used Dangerous Chemical Substances* (GB 13690-92), the Company has established an internal hazardous chemical archival management mechanism. This system comprehensively covers key information such as the types of hazardous chemicals, Chemical Abstracts Service (CAS) numbers, maximum permissible storage quantities, and hazard classifications. It strictly standardizes the identification procedures and management measures for hazardous chemicals to ensure safety in all aspects of their use, storage, and disposal, thereby achieving effective risk control. As of the end of the reporting period, the Company had achieved 100% coverage in risk identification and safety management for all chemicals in use, completing a comprehensive and systematic risk identification for all chemicals used (including those of high regulatory concern and other key chemicals).

Currently, the main hazardous chemicals used in the production processes of the Company's subsidiary enterprises are two types of production auxiliary materials: hydrochloric acid and sodium hydroxide. Hydrochloric acid is classified as a precursor chemical, and its purchase as a Category III precursor chemical has been registered in accordance with the law. We strictly regulate the storage conditions and operational requirements for the use of hazardous chemicals, have established comprehensive operating procedures and safety control measures, and regularly organize training for relevant personnel on hazardous chemical safety and emergency response. By combining system implementation with capacity building, we continuously ensure that the production environment remains safe and controllable. At the same time, based on the inherent risk characteristics of hazardous chemicals, we conduct targeted emergency drills to further enhance our response capabilities for sudden incidents.



On-site Drill for the On-site Response Plan for Acid and Alkali Burn Accidents

On this basis, the Company continues to advance its work on chemical reduction and substitution. Starting in 2023, the Company has been progressively replacing powdered sodium hydroxide with liquid sodium hydroxide, effectively reducing safety risks such as burns to personnel during the dissolution process. From 2023 to 2024, the Company successively introduced green and environmentally friendly agents like three-in-one flotation reagents and the potassium salt collector YC85 to replace some traditional agents. In the next phase, the Company plans to pilot new types of agents to further reduce the use of hydrochloric acid and octadecylamine, gradually upgrading its chemical substitutions to be safer and more environmentally friendly.

# Occupational Health Protection

Occupational health is a core pillar of corporate safety in production and a practical guarantee for safeguarding the physical and mental well-being of employees. Zangge Mining strictly adheres to the requirements of relevant laws and regulations, including the *Law of the People's Republic of China on the Prevention and Control of Occupational Diseases* and the *Provisions on the Supervision and Administration of Occupational Health at Work Sites*. The Company has improved its occupational health management responsibility system and implemented comprehensive occupational health protection measures to ensure that its occupational health management work is standardized, effectively executed, and fully establishes a line of defense for employee occupational health and safety.

## Occupational Health Management

Zangge Mining strictly adheres to the requirements of relevant laws and regulations, including the *Law of the People's Republic of China on the Prevention and Control of Occupational Diseases* and the *Provisions on the Supervision and Administration of Occupational Health at Work Sites*, and continues to build and improve its occupational health management system and policy documents to ensure that all aspects of occupational health management are well-regulated and compliant.



Occupational disease hazard notification and employee awareness management: Hazard warnings and notifications, occupational disease prevention publicity and training, hazard warning signs, and Chinese-language instructions.



Source control and compliance management for occupational disease hazards: Declaration of occupational disease hazard projects, and "three simultaneities" for occupational health in construction projects.



Engineering controls and labor protection management: Maintenance and repair of occupational disease protection facilities, management of labor protection equipment, and occupational health operating procedures for specific posts.



Occupational disease hazard monitoring and occupational health management: Monitoring and evaluation of occupational disease hazards, occupational health surveillance and records management, and employee occupational health management.



Incident emergency response and protection of key groups: Handling and reporting of occupational disease hazard incidents, occupational disease reporting management, emergency rescue and management for occupational disease hazards, and special protection for female employees.

During the reporting period, the Company's subsidiary production enterprises further optimized their occupational health and safety systems and management mechanisms, clarifying that the General Manager holds the ultimate management responsibility for occupational health and safety to strengthen the management's overall coordination, supervision, and implementation of occupational health work.

Assume full responsibility for the Company's occupational disease prevention and control work, and implement national laws, regulations, and policies related to occupational health and safety and production safety.

Organize the establishment and continuous improvement of the occupational disease prevention and control responsibility system, as well as related management systems and operating procedures, to enhance the level of occupational disease prevention and control management.

Establish an occupational health management agency or organization, staff it with corresponding occupational health management personnel, and coordinate the advancement of work related to occupational disease prevention and control.

Regularly receive reports on occupational disease prevention and control, organize the formulation and implementation of the annual occupational disease prevention and control plan, ensure necessary funding, and supervise the effective implementation of all control measures.

Strictly implement the "Three Simultaneities" management requirements for occupational health in construction projects, ensuring that occupational disease protection facilities are implemented and put into use concurrently with the main project.

Organize investigations and analyses of occupational hazard incidents, handle related responsibilities in accordance with laws and regulations, and continuously improve occupational health management.

#### Occupational Health Management Responsibilities of the Company's General Manager

## Health Protection Measures

Zangge Mining strictly implements national requirements for occupational health management, continuously improves its occupational health management system, and focuses on responsibility implementation and full-process control. Through specific measures such as conducting occupational health training, providing personal protective equipment, and carrying out health monitoring and routine health management, the Company comprehensively prevents and controls occupational health risks, effectively safeguarding the physical health and operational safety of its employees.

### ◆ Identifying Hazard Factors

The Company has designated full-time positions to regularly conduct independent monitoring of occupational hazard factors such as noise and dust in all production workshops, maintaining complete monitoring records and collaborating with third-party professional institutions for joint monitoring and assessment. In cases where monitoring results do not meet standards, the Company promptly implements corrective measures to continuously reduce occupational health risks.

To address the issue of dust generation at carnallite storage sites, the Company has formulated and strictly implemented a scientifically sound periodic cleanup plan, controlling storage volumes to minimize dust. All chemical agents are stored uniformly in dedicated warehouses to ensure a safe and stable storage environment, with designated personnel conducting regular inspections and maintaining ledger management. For areas under hydrochloric acid jurisdiction, the Company implements a system of regular inspections by designated personnel, standardizing the recording of inspection findings and strengthening safety management and occupational health protection in key areas.

#### Key Performance

During the reporting period, the concentration and intensity of hazardous factors to which all positions in the Company's workplaces were exposed met the national occupational exposure limits, achieving a **100%** compliance rate for all positions.

## ◆ Enhancing Labor Protection

The Company uniformly provides employees exposed to occupational hazard factors with standard-compliant and reliable personal protective equipment. This equipment is distributed on time and in the correct quantities according to relevant standards and includes items such as protective masks, protective clothing, protective gloves, dust masks, and anti-noise earplugs. At the same time, we have established and implemented a management system for the provision and use of personal protective equipment, specifying protection requirements for different positions based on their risk profiles. For example, electrical workers are required to wear specialized protective clothing, insulated shoes, and insulated gloves.

During operations, we strengthen supervision over the wearing and use of protective equipment to ensure that employees use all types of protective items correctly, maintaining a 100% compliance rate for equipment provision. Concurrently, we conduct regular inspections, maintenance, and upkeep of all protective equipment and supplies to ensure they remain in good working condition and continue to provide effective protection.

Furthermore, we use engineering controls to reduce occupational health risks such as workplace noise, appropriately isolating major noise-producing equipment and production areas and optimizing conditions in operating rooms and control rooms. In work areas involving toxic, hazardous, acidic, alkaline, or other corrosive substances, we have installed standardized warning signs and equipped these areas with anti-leakage, emergency shower, and eyewash facilities, continuously strengthening the defense line against occupational health risks.

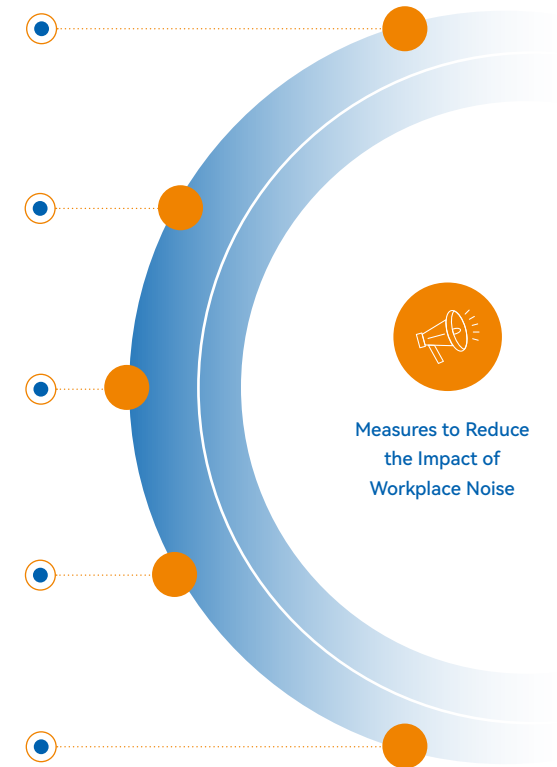
Implemented zoning and isolation for major noise-generating equipment, such as air compressors, and production areas to reduce the impact of noise on personnel.

Prioritized the use of low-noise equipment and implemented engineering controls such as sound insulation and absorption for high-noise equipment and work areas, installing soundproof covers on equipment bodies where necessary.

Installed flexible joints and elastic connections at key connection points of pipelines and equipment to reduce the transmission of vibration and noise.

Conducted architectural sound insulation treatments for workplaces such as operating rooms and control rooms, improving the work environment by installing soundproof doors and windows combined with sound-absorbing materials, and implementing protective measures like soundproof doors for high-noise operating rooms.

Provided personal protective equipment such as anti-noise earplugs to employees in positions exposed to noise and strengthened management of their use.



### Key Performance

As of the end of the reporting period,  
the coverage rate of personal protective equipment at the Company's operating sites  
was **100%**.



## ◆ Implementing Health Examinations

For employees in positions exposed to occupational hazard factors, the Company regularly commissions qualified medical institutions to conduct occupational health examinations in accordance with relevant national standards. Differentiated examination items are set based on the specific occupational hazards of different positions. We establish occupational health files for employees and implement dynamic tracking and management. Based on the examination results and the risk characteristics of the positions, the Company conducts health status analysis and assessments, taking control measures such as job adjustments for employees with occupational health risks in accordance with laws and regulations. During the reporting period, we completed occupational health monitoring for relevant personnel, and no confirmed cases resulting from occupational hazard factors were found.

## ◆ Occupational Health Training

The Company conducts occupational health-related training in accordance with the *Law of the People's Republic of China on the Prevention and Control of Occupational Diseases*. The training covers occupational hygiene knowledge, occupational disease prevention, and emergency rescue. The training covers new factory employees, current employees, and temporary workers, stipulating that new factory employees, personnel changing positions or job types, and temporary workers must complete pre-job occupational health training. For current employees, the Company organizes regular occupational health training at least once a year to continuously enhance their occupational health awareness and practical protection skills.

### Key Performance

During the reporting period:

- Number of occupational disease cases among employees was **0**. The employee health check coverage rate was **100%**.
- Occupational health check coverage rate for employees in positions with occupational hazard factors was **100%**.
- Coverage rate of employees' right to refuse unsafe work was **100%**.



# Talent Empowerment and Responsible Stewardship

SDGs Addressed in This Chapter:



Material Issues Covered in This Chapter:

- Labor Rights
- Employee Development and Training
- Responsible Supply Chain
- Product Responsibility
- Innovation and Development of New Quality Productive Forces
- Community Involvement and Contribution

# Progress in Issue Management

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Deeply rooted in the humanistic development philosophy that "For the People, by the People, of the People", Zangge Mining continuously refines its occupational health and safety management system in line with the operational realities of its production enterprises. The Company optimizes its human resources and compensation and benefits management mechanisms to suit local conditions, establishes efficient and open channels for employee communication, and empowers talent development through customized growth paths, fostering a fair, inclusive, safe, and worry-free workplace ecosystem. Simultaneously, the Company deepens value chain collaboration, works with partners to promote responsible sourcing and quality management, drives technological breakthroughs and industry resonance, and joins forces in community welfare initiatives to co-create a social value blueprint for sustainable development.

”

## Materiality

### Risks:

- Underdeveloped talent development and R&D innovation systems may cause core talent brain drain and weak technological competitiveness, constraining the Company's long-term growth.
- The absence of robust supply chain and product quality control mechanisms can trigger operational compliance risks, directly damaging the Company's brand reputation and market trust.
- Insufficient engagement in community co-construction and poor enterprise-community collaboration can disrupt the external business environment and affect harmonious local development.

### Objectives

- Maintain a 100% labor contract signing rate for full-time employees.
- Maintain a zero incidence of discrimination in management processes such as recruitment, promotion, and compensation.
- Maintain a 100% employee benefits coverage rate.
- Continuously increase the signing rate of integrity agreements with suppliers.
- Maintain zero incidents of non-compliance related to the health and safety impacts of products and services.
- Maintain zero incidents of intellectual property infringement and being infringed upon.

### Practices

- The Company ensures regulatory compliance in employee hiring, enhances compensation, benefits, and humanistic care mechanisms to boost employee satisfaction and team stability, builds a multi-channel career development system, implements a stratified and categorized talent cultivation model, and solidifies its talent pipeline.
- The Company promotes the development of sustainable supply chains by embedding ESG requirements throughout the entire process of supplier admission and management, effectively fostering supplier capacity building.
- The Company has established a product quality management system covering the entire process to guarantee product quality and safety, and has improved customer communication and complaint handling mechanisms to increase service response efficiency.
- The Company advances the development of its R&D and innovation system by integrating intellectual property management into the entire R&D process and collaborating with industry partners on joint technological initiatives to accelerate the commercialization of research outcomes.
- The Company has developed a collaborative system for corporate-community co-construction, deepening community engagement and shared benefits through local needs assessments, implementation of public welfare projects, and regular communication mechanisms, thereby promoting harmonious development between the enterprise and the locality.

### Opportunities:

- Strengthening talent cultivation and R&D innovation to solidify the dual foundations of talent and technology, providing core support for the Company's high-quality development.
- Improving sustainable supply chain and quality control service systems to enhance supply chain resilience and increase recognition and loyalty from upstream and downstream partners and customers.
- Deepening collaborative co-construction with local communities to foster a favorable external business environment, enhance the Company's social image, and achieve a win-win situation for both the Company and the local community.

### Management

- The Human Resources Department, Construction and Supply Chain Management Department, and Party-masses and Culture Department perform their duties collaboratively, responsible for employee rights protection and talent development, supply chain management, and community building and development, respectively, jointly solidifying the foundation for development.
- Product quality, customer service, and R&D management are handled separately by the Quality Management Division and Production Management Division, the Sales Department, and the Technology R&D Division, which work together to enhance management quality.
- Implement management systems and policies for each topic, regularly conduct external system certifications, and strengthen process control and compliance supervision.

### Stakeholder Engagement

- Employees: Protecting employee development rights and stimulating their growth and vitality through mechanisms such as skills training, career planning, and promotion channels.
- Suppliers and other partners: Guiding suppliers to enhance their sustainability capabilities and building win-win cooperative relationships through initiatives such as policy dissemination, ESG training, and integrity-based cooperation.
- Customers: Optimizing product quality and enhancing customer service response efficiency through channels such as quality feedback, satisfaction surveys, and needs communication.
- Industry associations: Deepening industry collaboration and supporting corporate R&D and innovation breakthroughs through technical exchanges, joint standard-setting, and collaborative research and development.
- Surrounding communities: Strengthening enterprise-community communication and promoting synergistic community development by actively engaging in local employment, community co-construction, public welfare activities, and rural revitalization projects.

# Diversity, Equity and Inclusion

Zangge Mining integrates the principles of diversity, equity, and inclusion into its entire management and operational process, ensuring that all employees have equal opportunities for participation and development throughout recruitment, career advancement, and promotion by fostering an organizational atmosphere of respect for differences, equal opportunity, and inclusive trust. The Company encourages diverse perspectives and cross-cultural collaboration to fully unleash the professional capabilities and innovative vitality of its employees, enhancing its ability to respond to complex market environments and diverse customer needs with a more inclusive organizational system and promoting the synergistic sustainable development of the Company and society.



## Compliant Employment Management

Zangge Mining strictly adheres to relevant laws and regulations, including the *Labor Law of the People's Republic of China*, the *Employment Promotion Law of the People's Republic of China*, the *Law of the People's Republic of China on the Protection of Minors*, and the *Provisions on the Prohibition of Child Labor*, and conducts its employment practices in line with international labor standards and relevant labor regulations in its operating locations. The Company is steadfast in protecting the fair employment and legal rights of its employees, resolutely prohibits any illegal or non-compliant actions such as child labor or forced labor, and earnestly fulfills its responsibility to protect human rights.

In terms of institutional implementation, the Company strictly adheres to legal procedures and its internal control system to ensure the enforcement of documents such as the *Administrative Measures for Employee Recruitment* and the *Administrative Measures for Labor Contracts*. By strengthening the institutionalization, proceduralization, and standardization of the entire recruitment process, we are committed to cultivating an ecosystem of equal, inclusive, and harmonious labor relations. During the reporting period, the Company achieved a 100% labor contract signing rate.

### ◆ Human Rights Protection

Zangge Mining is deeply committed to the protection of human rights, adhering to international standards such as the *Universal Declaration of Human Rights*, the *Guiding Principles on Business and Human Rights*, the *International Labor Organization's Declaration on Fundamental Principles and Rights at Work*, and the *Voluntary Principles on Security and Human Rights*, and fully integrates human rights management requirements into its institutional framework and business management systems. We consider human rights protection a cornerstone of sustainable growth and have established systematic protection procedures through our *Human Rights Policy*, which is published on our official website, to safeguard the legitimate rights and interests of our employees, contractors, and supplier employees. During the reporting period, the Company had no incidents of human rights violations involving child labor or forced labor.



Summary of the *Human Rights Policy*

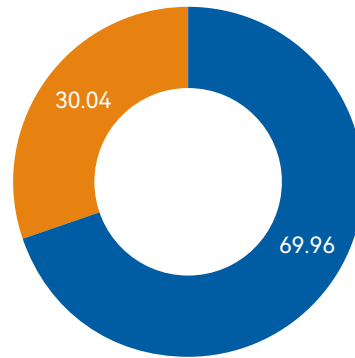
## Diverse Empowerment and Equal Inclusion

Zangge Mining views diversity, equity, and inclusion as a core driver of innovation and sustainable development, unleashing team creativity to drive long-term value creation and social well-being. We foster a work atmosphere of cross-cultural integration by recruiting talent from ethnic minorities and providing equal opportunities; we prioritize the development of female talent by improving support policies and promotion channels, strictly adhering to the principle of equal pay for equal work, building a barrier-free development platform for female employees, and helping them realize their full potential; and we actively fulfill our local responsibilities by improving the working environment for persons with disabilities and promoting their sustained economic improvement.

As of the end of the reporting period, the Company had a total of 1,638 employees.<sup>1</sup>

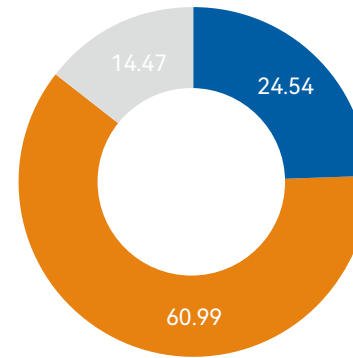


<sup>1</sup> Zangge Mining Group has a total of 1,733 employees, while the number of employees within the scope of this report is 1,638.



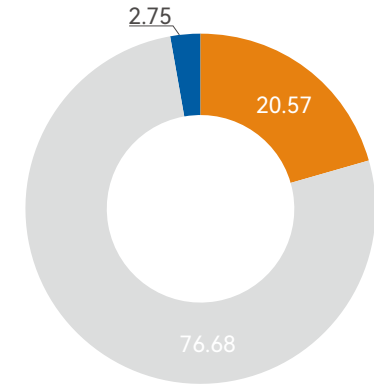
Male  
Female

Company Employee Gender Structure in 2025 (%)



Under 30 Years Old  
Aged 30 to 50 Years Old  
Over 50 Years Old

Company Employee Age Structure in 2025 (%)



Master's Degree or Above  
Bachelor's Degree  
Below Bachelor's Degree

Company Employee Education Level Structure in 2025 (%)

### Key Performance

As of the end of the reporting period,

there were a total of **647** employees in STEM (Science, Technology, Engineering, and Mathematics) related positions, with women accounting for **28.75%**.



## ◆ Anti-discrimination, Anti-harassment, and Anti-bullying

The Company is firmly committed to eliminating discrimination in employment and occupation, strictly adhering to the principles of fairness, justice, and openness in its talent selection and recruitment, and explicitly pledges that employment decisions regarding hiring, remuneration, and promotion will not be influenced by differences in gender, age, ethnicity, race, nationality, marital status, physical disability, or religious belief. The Company maintains a "zero-tolerance" policy toward any form of bullying, harassment, or discrimination, including gender-based and non-gender-based discrimination and harassment, racial discrimination, disability discrimination, and discrimination during pregnancy and postpartum. If employees encounter such behavior, they can report it directly to the labor union, the President's Office, or the Supervision and Audit Office, or through channels such as the President's complaint mailbox, and the Company will immediately initiate an independent and standardized investigation procedure to ensure that the issues are resolved promptly and properly, thereby maintaining a fair, inclusive, and healthy workplace environment.

## ◆ Support for Vulnerable Groups

The Company is committed to creating a disability-friendly work environment, ensuring that every employee can unleash their potential in a healthy setting by providing suitable workplace conditions and enhancing safety protections. We adhere to the principle of equal opportunity, supporting employees with disabilities in their career development paths. Currently, employees with disabilities have advanced to the Company's middle management level, which not only demonstrates their individual value but also reflects Zangge Mining's continuous efforts to promote equal employment and career growth for people with disabilities. As of the end of the reporting period, the Company had 9 employees with disabilities.

## ◆ Protection of Women's Rights and Interests

The Company strictly complies with the requirements of the *Law of the People's Republic of China on the Protection of Women's Rights and Interests*, effectively implements special provisions and collective contracts related to the labor protection of female employees, and actively responds to and supports the career development aspirations of its female staff.

In terms of leave benefits, we have clearly defined and implemented maternity leave, nursing leave, and parental leave through documents such as the *Administrative Measures for Attendance and Leave*. For welfare benefits, we strictly enforce the *Administrative Measures for Employee Benefits*, embedding care for female employees into the foundation of our management through meticulously designed provisions.

Regarding care for female employees, we organize a variety of recreational activities, distribute gifts for International Women's Day on March 8, and regularly hold health seminars, providing comprehensive care for the physical and mental well-being of our female staff and striving to create a warm, harmonious, and inclusive workplace atmosphere where they can thrive with support and respect.

### Case study

#### Zangge Mining launches comprehensive humanistic care initiatives for International Women's Day

On the occasion of the 115th International Women's Day, Zangge Mining and its subsidiaries organized a variety of care activities. In Laos, the Company collaborated with the local government to host a six-team pétanque tournament, using sports as a medium to strengthen enterprise-community ties and solidify the foundation of cross-cultural cooperation. Domestically, the labor unions of Zangge Potash and Zangge Lithium focused on legal empowerment, organizing a special lecture and case study analysis titled "The Legal Fulcrum of 'She Power'" to fortify the protective barrier for female employees' rights. Concurrently, engaging team-building exercises and a "wish sticky note" interactive session were held, allowing over 120 female employees to relax and unwind through collaborative activities, while the thoughtful distribution of holiday benefits added warmth.

These initiatives are designed to inspire the proactive vitality of female talent and are not only a reflection of local cultural integration in the Company's globalization process but also a practical implementation of humanistic care and the construction of an inclusive workplace environment.



Zangge Mining Launches Comprehensive Humanistic Care Initiatives for International Women's Day

## ◆ Employee Localization Management

The Company adheres to the principles of diversity and inclusion, ensuring that employees enjoy compensation, benefits, and professional skills training that meet local standards, while respecting the cultural and religious customs of each operating location. We enhance mutual trust and collaborative efficiency among local teams by organizing festival exchanges and cultural activities. At the same time, we deepen our collaboration with host communities, supporting local economic development and public welfare, thereby building a solid humanistic foundation for the Company's sustainable development. As of the end of the reporting period, the Company had 252 employees from ethnic minorities.



### Case study

#### Zangge Mining's Laos subsidiary organizes a series of activities for the Songkran Festival

In April 2025, Zangge Mining leveraged the traditional Lao New Year festival (Pi Mai Lao) as an opportunity to organize a series of celebratory activities, deepening local integration and fostering collaboration between government and enterprise. The Company sent representatives to various Lao government departments to extend holiday greetings, promote corporate culture, and convey its determination to contribute to the development of Laos for mutual growth. A friendly football match was held with the Lao Department of Geology and Minerals, followed by in-depth discussions on mineral exploration and other work, which strengthened trust between the Company and the government. Additionally, the Company organized fun water-splashing games for all Chinese and Lao employees and distributed holiday red envelopes, allowing employees to immerse themselves in local customs and injecting new vitality into project construction through cross-cultural integration.



Organizing a Series of Activities for the Pi Mai Lao

# Talent Attraction and Retention

Talent is the foundation of an enterprise and the cornerstone for achieving its strategic goals. Zangge Mining is deeply committed to multi-dimensional talent acquisition, enriching and improving its internal talent reserves to provide a solid foundation for objective selection and rational deployment of talent. Simultaneously, the Company continuously optimizes its compensation and benefits system and ensures smooth channels for democratic communication, which not only effectively stimulates employee creativity but also further enhances corporate cohesion and morale.

## Key Performance

Zangge Mining has received several authoritative employer awards, including:

- Received the "Best Employer Award" for 2025, presented by Aimisen in collaboration with Baifubi and Taocai Compensation.
- Named "2025 Qinghai Extraordinary Employer of the Year" in Liepin's "Extraordinary Employer" selection for 2025.
- Awarded the honorary title of "2025 Industry Best Employer Model" by Risfond.
- Received the "Best Employer of 2025" award from Zhaopin.
- Honored with the title of "Outstanding Employer 2026" by 51job.

## Diversified Recruitment

Zangge Mining coordinates diversified recruitment activities, including campus recruitment, social recruitment, internal referrals, and re-employment of retirees, based on industry employment trends, business development needs, and human capital cost planning to ensure the Company's talent needs are met in a timely and efficient manner. During the reporting period, the Company hired a total of 69 new employees, consisting of 53 male and 16 female employees.

In the meantime, the Company enhances the stability of its workforce by improving career development channels, strengthening talent training mechanisms, and optimizing employee care initiatives. During the reporting period, the Company's overall employee turnover rate was 9.35%, with a turnover rate of 7.88% for male employees and 12.61% for female employees. We will continue to promote gender diversity and optimize our talent structure to build a solid talent foundation for our long-term steady growth.



Campus Talent Pool

This pool supports campus recruitment by incorporating information on recent graduates from partner universities, outstanding interns, and campus ambassadors. It is dynamically updated using resources from university-enterprise collaborations, providing a data basis for formulating campus recruitment strategies.



Social Talent Pool

Designed for social recruitment scenarios, this pool aggregates information from applicants for senior management positions, heads of supervision, audit, or finance, and professional track positions at grade 9 and above, storing it categorized by job level and professional capability.



Internal Employee Pool

Catering to internal recruitment needs, this pool integrates information on employees from the Company's headquarters and its subsidiary enterprises, recording performance, competency tags, and promotion potential to support cross-company and cross-departmental internal selections.



Retired Expert Pool

This pool supports re-employment needs for retired personnel by collecting information on retirees with core technical skills and management experience, recording their professional fields and re-employment intentions to efficiently match short-term or project-specific talent requirements.

Case study

Zangge Mining holds a symposium for the 2026 campus ambassadors

In October 2025, Zangge Mining held a symposium for its 2026 campus ambassadors themed "Uniting Efforts, Empowering Growth". The event's core purpose was to build an efficient communication platform, helping campus ambassadors deepen their understanding of the corporate culture and recruitment policies, clarify their roles, and enhance their campus promotion capabilities. At the symposium, senior management provided a detailed interpretation of the 2026 campus recruitment plan, shared personal growth stories and workplace experiences, and answered specific questions from the ambassadors about their own development and career prospects. Looking ahead, the Company will continue to strengthen its campus ambassador team, cultivate campus promotion channels, and attract more outstanding students to join and embark on a shared path of growth.



Zangge Mining's Symposium for the 2026 Campus Ambassadors

Case study

Zangge Mining hosted Qinghai University to jointly promote the construction of an industry-academia-research platform and talent cultivation

In June 2025, Zangge Mining received a visiting delegation led by the leadership of Qinghai University at its Salt Lake Chemical Industry Practice Base. The Company provided a detailed introduction to its salt lake chemical production practices and talent cultivation initiatives, emphasizing the provision of frontline internship positions for students from Qinghai University's College of Chemical Engineering, and the enhancement of internship support and living assistance systems to help students improve their engineering practice skills and strengthen their safety management awareness. Based on practical development needs, both parties engaged in in-depth discussions on core topics such as joint student cultivation, internship-to-employment transitions, and the commercialization of scientific research achievements, advancing the co-construction of an industry-academia-research collaborative platform.



Zangge Mining and Qinghai University Jointly Build a Collaborative Educational Practice Platform

Key Performance

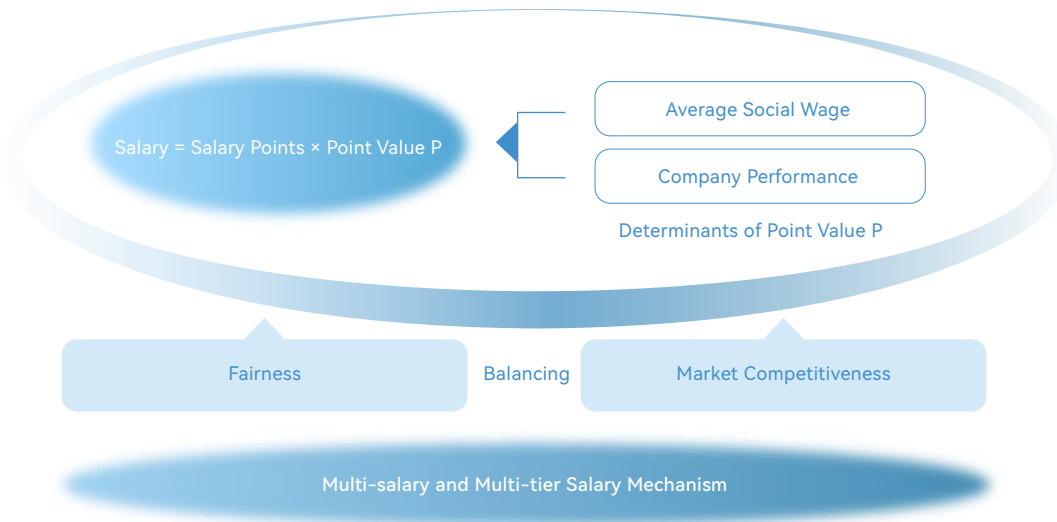
During the reporting period, the Company recruited a total of **18** recent university graduates.

## Compensation and Welfare

Zangge Mining adheres to the principle of equal pay for equal work, building a compensation system centered on position, capability, and performance value. Concurrently, it has developed a welfare and care mechanism tailored to the characteristics of an international enterprise to protect the legitimate rights and interests of employees. By offering geographically differentiated benefits, the Company aims to inspire enthusiasm and genuinely share its development achievements with its employees.

### ◆ Compensation and Performance Management

In accordance with the *Compensation Management Measures*, the Company has established a multi-salary grade and point system. This system accommodates different job values and employee competencies, achieving differentiated fairness. The unit price of a salary point (P) is dynamically adjusted with primary reference to the local average social wage at the operating location and the Company's business performance. By pegging to the local average social wage, the Company ensures the fundamental fairness and actual purchasing power of compensation. Linking it to the Company's performance allows employees to share in the development achievements. This approach not only prevents compensation from deviating from market levels but also deeply binds personal income with corporate benefits, balancing fairness with market competitiveness.

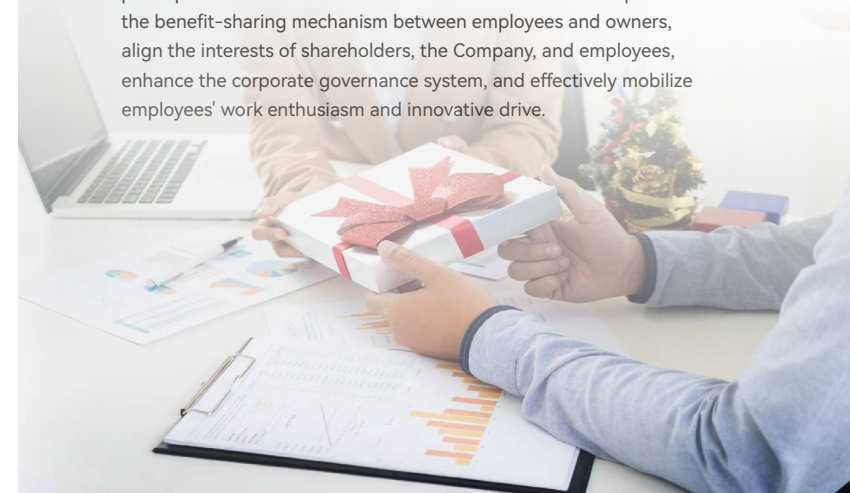


Schematic Diagram of the Salary Point Management System

### ◆ Employee Welfare and Benefits

The Company focuses on the diverse needs of its employees, building a comprehensive benefits system that covers statutory guarantees, special benefits, and long-term incentives. The Company strictly adheres to relevant laws and regulations, fully implementing statutory benefits such as the Five Social Insurances and One Housing Fund and paid leave. It also provides humanistic care benefits for festivals, birthdays, weddings, and childbirth, as well as various allowances for seniority, communication, and occupational health. In light of its plateau-based operations and the practical needs of non-local talent, the Company also offers free room and board, heating subsidies, and tiered high-altitude subsidies. For non-local talent, the Company provides personalized benefits including housing support, family visit leave, and transportation reimbursement, comprehensively safeguarding employees' living and working needs.

Furthermore, in accordance with the *Company Law of the People's Republic of China*, the *Securities Law of the People's Republic of China*, the *Guiding Opinions on the Pilot Implementation of Employee Shareholding Plans by Listed Companies*, the *Shenzhen Stock Exchange Self-Regulatory Guideline for Listed Companies No. 1 – Standardized Operation of Main Board Listed Companies*, and other relevant laws and regulations, the Company has launched its second-phase employee shareholding plan based on the principles of legal compliance, independent decision-making, and voluntary participation. This initiative aims to further establish and improve the benefit-sharing mechanism between employees and owners, align the interests of shareholders, the Company, and employees, enhance the corporate governance system, and effectively mobilize employees' work enthusiasm and innovative drive.





### Accommodation and Meal-related Benefits

- Free meals for employees in plateau regions, with meal standards simultaneously raised to improve food quality.
- Employees in plateau regions without housing are provided with tiered dormitory benefits, and the Company's dormitory management system has been fully upgraded.
- Work meal subsidies are provided to employees in non-plateau regions to ensure their dining needs are met.
- Exclusive housing support is provided for talent from other regions, including dormitories, housing subsidies, or assistance with rental arrangements.



### Special Allowances and Monetary Benefits

- Special plateau allowances are provided on a differentiated basis according to altitude gradients, tailored to the arduous nature of the work.
- Winter heating allowances are provided to employees in plateau regions to meet their living needs during the cold season.
- Targeted allowances for seniority, occupational health and communication are provided to suit different job scenarios.
- Holiday benefits, "red packets" for returning to work, and year-end bonuses are distributed to share the fruits of development with employees.



### Exclusive Benefits for Female Employees

- An exclusive subsidy and a half-day of paid leave are provided for International Women's Day (March 8).
- The duration of lactation leave and parental leave is set by region to accommodate the childcare needs of female employees.
- Special lectures on protecting the rights and interests of female employees are conducted, covering topics such as labor rights, marriage and family.
- The work and living environments for pregnant employees are specially adjusted to provide thoughtful care.



### Recreational and Health Benefits

- Recreational and sports activities, such as employee birthday parties and tug-of-war competitions, are organized to enrich employees' leisure time.
- Themed care activities are conducted both online and offline, including specialized training sessions and interactive Q&A segments.
- Heatstroke prevention and cooling supplies are distributed during the summer to protect the health of employees working in high-temperature environments.
- Annual complimentary occupational health check-ups are provided for employees who have completed one year of service.



### Leave and Flexible Benefits

- Talent from other regions are entitled to paid family visit leave and remote work benefits, with round-trip transportation expenses reimbursed.
- A staggered work hours system has been implemented in regions such as Chengdu, allowing employees to choose their work schedules independently.
- Employees in the lake region are granted additional monthly leave days, with travel expenses for family visits also reimbursed.
- Diverse leave benefits are established, including parental care leave for single-child employees and compensatory time off for overseas business trips.



### Long-term Incentives and Other Benefits

- An employee shareholding plan has been implemented to allow employees to share in the long-term success of the Company.
- Employees assigned overseas receive increased salaries, supplemented by cross-cultural care and support benefits.
- Special subsidies for marriage and childbirth are provided.
- A commuter shuttle bus service has been launched, covering travel needs between Golmud urban area and the production base.

Case study

Zangge Potash Fertilizer carries out solid summer heat prevention and cooling work

In the summer of 2025, in response to the sustained high temperatures in the Golmud area, the Trade Union of Zangge Potash Fertilizer launched a special initiative for heat prevention and cooling. The Company invested over RMB 130,000 in special funds to purchase practical heatstroke prevention supplies such as electrolyte water, beverages, and watermelons, precisely covering more than 1,300 on-duty employees. At the same time, it formulated special high-temperature protection measures and comprehensively disseminated safety standards for working in high temperatures. This special initiative is a concrete measure by the Company's Trade Union to fulfill its labor protection responsibilities and convey corporate care. It not only provides a material basis for employees to safely cope with high temperatures and ensure production safety at their posts but also effectively enhances employees' sense of belonging to the Company and team cohesion, providing a solid guarantee for the efficient and orderly progress of the Company's summer production and operation activities.



Distribution and Collection of Heatwave Relief Supplies

Case study

Zangge Potash Fertilizer holds a tug-of-war competition for employees

In September 2025, the Trade Union of Zangge Potash Fertilizer organized a mixed-gender tug-of-war competition themed "Welcoming the National Day, Uniting Zangge, Soaring with the Rope", with 16 teams from various offices and workshops participating. The event adopted a single-elimination format, demonstrating teamwork and mutual respect through competition. Such group activities are designed to alleviate employees' work stress and are initiatives by the Company to implement its "people-oriented" management philosophy and enhance team spirit. The Company transforms the spirit of "never give up, dare to strive" conveyed on the competition field into a driving force for development, contributing to the Company's high-quality development and continuously advancing employee well-being and corporate culture construction.



Employee Tug-of-war Competition

Key Performance

As of the end of the reporting period:

- The Company's employee benefit coverage rate reached **100%**.
- The Company completed the non-transactional transfer for the second-phase employee shareholding plan, with **8,610,000** shares granted during the reporting period.

## Democratic Communication and Participation

Zangge Mining fully protects the legitimate rights and interests of its employees, supporting their participation in corporate organizational activities and the expression of reasonable demands through compliant channels. With the Trade Union and Workers' Congress as its core platforms, the Company has established a variety of supplementary communication mechanisms, such as employee satisfaction surveys and an OA digital communication platform, to systematically collect and respond to employee concerns, continuously enhancing their sense of participation, identification, and corporate cohesion.

In addition, the Company continuously improves its employee grievance and protection mechanism, encouraging employees and stakeholders to report suspected fraud, corruption, or actions detrimental to the Company's interests through proper channels. Any good-faith report made in accordance with procedures, even if later found to be insufficiently evidenced, will be strictly protected, ensuring the whistleblower is shielded from unfair dismissal, harassment, or disciplinary action. The Company will promptly initiate investigations and hold individuals strictly accountable for any acts of threat, retaliation, or reprisal against whistleblowers, with violators subject to penalties up to and including dismissal. We also include retaliatory behavior itself within the scope of reportable offenses, comprehensively safeguarding the legitimate rights and interests of whistleblowers.

### Case study

#### Zangge Mining's first workers' congress convenes, with four systems safeguarding employee rights

In November 2025, Zangge Mining held the first session of its first Workers' Congress, marking the formal implementation of a mechanism for deep employee participation in corporate governance. Following legal deliberation and voting, the meeting successfully passed four core management systems: the *Internal Accountability Measures*, the *Attendance and Leave Management Measures*, the *Employee Welfare Management Measures*, and the *Social Insurance and Housing Provident Fund Management Measures*. The subsequent review and publication processes for these systems have been completed. This institutional construction further safeguards employee rights, optimizes corporate management, and lays a solid foundation for building a more cohesive labor relationship.



# Employee Development and Training

Zangge Mining consistently upholds the talent philosophy that "talent is the key force behind corporate development", optimizing and upgrading its employee career development and growth management mechanisms to make internal selection and promotion channels more scientific and transparent. In response to industrial transformation and technological change, the Company organizes specialized training on topics such as AI technology application and integrity and self-discipline education, focusing on intelligent production, data analysis, and business scenario applications. This is advanced in coordination with professional skills enhancement, campus recruitment training programs, and competition-based training to continuously expand employees' technical boundaries and cognitive horizons, accelerating the development of a versatile talent pool adapted to the demands of digital and intelligent development.

## Career Development Space

Zangge Mining continuously improves its employee career development management mechanisms, focusing on building clear, diverse, and sustainable career development paths. The Company enhances the professional competency evaluation system to align with the development framework, providing a scientific basis for employees' career progression. It has established a multi-channel development system covering management, professional, and operational tracks, encouraging employees to choose suitable development paths based on their individual abilities and career aspirations. Within each track, a dynamic promotion mechanism centered on job levels supports employees in achieving vertical advancement at different stages of their development.

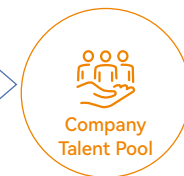
At the same time, the Company systematically promotes internal job mobility management. It offers diverse mobility opportunities—including cross-position, cross-departmental, and inter-company transfers—in response to organizational adjustments, business development, and individual employee growth needs. Through well-established communication, negotiation, and approval processes, along with supporting measures, the Company assists employees in smoothly transitioning roles, thereby continuously stimulating organizational vitality and unlocking talent potential.

### Key Performance

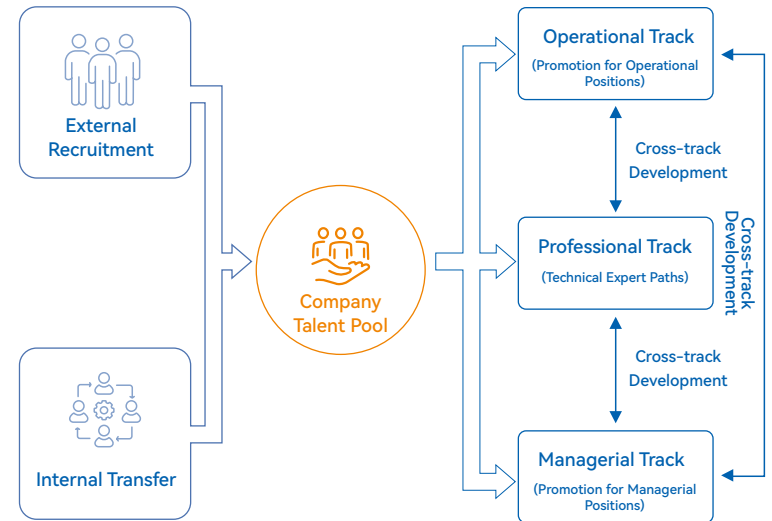
During the reporting period:

- **98.72%** of employees received regular performance reviews.
- **52** employees were promoted internally, and **472** employees were internally transferred.

### Primary Channels for Talent Acquisition



### Primary Career Development Paths



▲ Includes "Living Water" Program Employees.

Employee Internal Job Mobility Management and Career Development Channels

## Employee Training and Empowerment

Zangge Mining has built a systematic, multi-stage, and multi-layered talent development system centered on its strategic development and business upgrading needs. Based on employee career paths and the professional competency evaluation system, the Company provides targeted training and empowerment support for employees at different levels and in various positions. At the implementation level, the Company strengthens its talent pipeline through specialized training for campus recruits, enhances job competency through professional skills training, and uses competition-based training to promote learning and application. Additionally, in response to the needs of digital transformation, the Company has introduced specialized training in AI technology applications. This empowers business efficiency and management upgrades with digital capabilities, ensuring that employee career growth progresses in tandem with corporate development.

### Key Performance

During the reporting period,

**1,578** employees were trained, with a total of **6,303** training attendances. The total training duration reached **70,893.18** hours, with an average of **44.93** hours per person.

## ◆ Training for Campus Recruits

Newcomers and campus recruits are the fresh lifeblood of the Company's talent pool and a vital reserve force for its sustainable development. To solidify its talent foundation, the Company conducts systematic onboarding training for new employees and has customized an exclusive development plan for the 2025 class of campus recruits. Through diverse methods such as theoretical instruction, on-site teaching, and rotational training, complemented by dedicated one-on-one mentorship, it continuously enhances the professional qualities and capabilities of university graduates, helping them quickly adapt to their roles and integrate into the organizational culture.

### Case study

#### Zangge Mining's mentor meet-and-greet for the 2025 class of university graduates

In July 2025, to accelerate the role transition of new employees from the 2025 campus recruitment class and promote their deep integration into the corporate culture and systematic mastery of job skills, the Human Resources Department of Zangge Mining's headquarters organized a mentor meeting for the 2025 university graduates in Golmud. The meeting systematically explained the Company's talent development mechanism of "mentorship and phased training". It was complemented by a class advisor system and a dynamic assessment framework to provide all-around support for new employees from the dual perspectives of business guidance and personal growth. This event marked the official beginning of a new stage in the career development of the 2025 university graduates at Zangge, reflecting the Company's continuous investment in nurturing young talent and building long-term development channels, thereby solidifying the talent foundation for high-quality development.



Mentor Meet-and-greet for the 2025 Class of University Graduates

## ◆ Professional Skills Training

The Company places great importance on building its employee competency system, conducting diverse training activities at different levels and in various categories to comprehensively enhance employees' overall qualities and job performance. For production positions, we systematically organize skills enhancement training to effectively strengthen the practical skills and professional levels of frontline employees. For non-production technical roles such as administration, financial media relations, and crisis public relations, we provide targeted special-skills training to help relevant personnel solidify their professional knowledge and effectively improve their job performance capabilities.



### Case study

#### Zangge Potash Fertilizer conducts specialized equipment training for frontline employees

In June 2025, to strengthen equipment management capabilities and solidify the foundation of safe production operations, Workshop No. 1 of the Production Management Department at Zangge Potash Fertilizer, in collaboration with the maintenance workshop, conducted specialized equipment training. The training focused on core modules such as standardized equipment operation and performance optimization, adopting a model that combined theory with practice. This approach not only helped improve employees' professional operating skills and reinforce production safety but also enhanced operational governance efficiency through cross-departmental collaboration, while promoting the implementation of energy-saving and consumption-reduction measures for equipment, thereby injecting internal momentum for high-quality production.



Specialized Equipment Training Session

## ◆ Competition-based Training

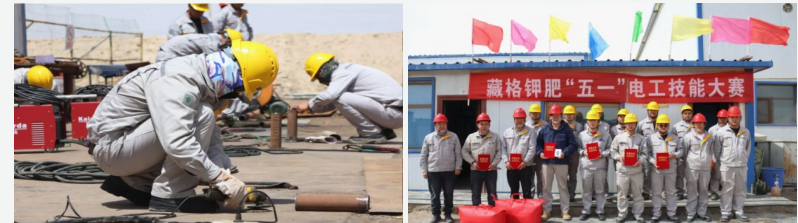
The Company utilizes skills competitions as an important vehicle for strengthening its workforce and enhancing the professional capabilities of its talent. Through promoting learning, training, and application via competition, it drives the transformation of training methods from a "classroom-oriented" to a "hands-on" approach. The Company designs competition events closely linked to actual production, incorporating key job types, core processes, and specialized skills into the competition system to guide employees in identifying shortcomings, strengthening weaknesses, and honing practical skills through rivalry. Its subsidiary enterprises also use these competitions as opportunities to intensify on-the-job training, translating skill achievements into improved safety and production efficiency. This continuously refines the training mechanisms for skilled and versatile talent, solidifying the talent foundation for the Company's high-quality development.

### Case study

#### Zangge Mining holds the 2025 "May Day" skills competition to promote training and cultivate talent through competition

On May 1, 2025, Zangge Mining held its 2025 "May Day" skills competition with the aim of strengthening the industrial workforce and promoting the spirit of model workers and craftsmanship. The competition attracted over 500 employees who competed in 12 events, covering traditional trades such as fitting and electrical work, as well as specialized projects such as potash flotation. Ultimately, more than 160 outstanding contestants received awards.

Meanwhile, the Company organized employees to participate in municipal-level skills competitions, establishing a dual-track training system that combines corporate and municipal events. This series of competitions promoted training and cultivated talent through rivalry. Various departments used the events as an opportunity to intensify on-the-job training, encouraging employees to refine and master their skills, which in turn effectively strengthened the talent development mechanism for skilled personnel.



2025 "May Day" Multi-trade Skills Competition

## ◆ Training on Intelligent AI Technology Applications

In an era where artificial intelligence is deeply integrated into industrial development and fully empowers production operations, the Company attaches great importance to digital transformation and enhancing employee capabilities. It actively explores the practical application of cutting-edge technologies such as artificial intelligence in management, operations, and business activities. Through a combination of systematic training and practical empowerment, the Company continuously improves employees' understanding and hands-on application of new technologies, driving business efficiency and innovating management models to build a solid foundation of talent and technology.

### Case study

#### Zangge Mining holds specialized training on intelligent AI technology applications

In May 2025, Zangge Mining organized specialized training on intelligent AI technology applications, focusing on the deep integration of artificial intelligence with business scenarios. Jointly hosted by the Human Resources Department and the Information Management Department, the training adopted a hybrid "online + offline" format and featured two types of courses: general education for all employees and advanced specialization, covering approximately 200 employees. The general training focused on practical application skills for AI tools such as DeepSeek, with demonstrations tailored to real-world business scenarios like document processing and data analysis. This not only helped employees improve work efficiency but also emphasized the requirements for enterprise-level data security management and compliant use.

In the advanced specialization training for the legal field, the instructor systematically explained the practical applications of AI in areas such as contract review, legal document generation, and compliance risk identification, helping to enhance the intelligence level of legal work. The implementation of this training has further enabled the Company to apply AI technology in management efficiency improvement and risk control, injecting digital and intelligent momentum into the enterprise's high-quality development.



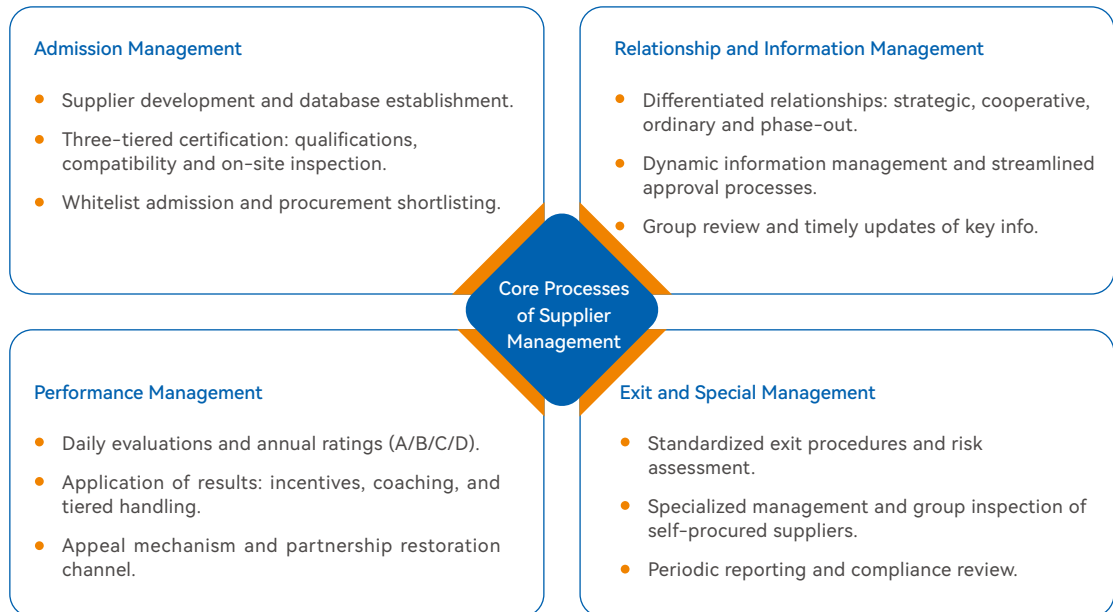
Learning and Exchange Session During the AI Specialized Training

# Sustainable Supply Chain

The stability and efficient operation of the supply chain are crucial cornerstones for a company's sound operations and sustainable development. Zangge Mining places high importance on long-term, stable cooperation with its suppliers, making responsible sourcing a key strategic direction for its supply chain operations and steadily advancing the construction of a sustainable supply chain system. Based on the principle of co-creating value, the Company deeply integrates sustainability concepts into the entire procurement and supply chain operation process while ensuring competitive pricing and reliable products and services. By continuously optimizing its supplier management system, it promotes collaboration across the industrial chain, fostering a cooperative supply chain ecosystem built on equality, respect, and mutual benefit. This approach effectively solidifies the foundation for the high-quality development of both the Company and the mining industry.

## Supply Chain Management

Zangge Mining, guided by a full life-cycle management approach, has formulated and implemented policy documents such as the *Supplier Management Measures* and the *Material Procurement Management System* to establish a comprehensive and standardized supply chain management system and process, which covers the four core links of access management, relationship and information management, performance management, and exit and special management. At the same time, the Company utilizes digital tools to optimize the supplier access process, enabling online control and traceable management of qualification reviews, information filing, and process tracking, thereby continuously improving the compliance, stability, and sustainable operational level of the supply chain. As of the end of the reporting period, the Company had a total of 430 suppliers.



To ensure that partner suppliers continuously align with the Company's ESG management standards, the Company is accelerating the establishment of a risk-oriented due diligence system to accurately identify potential risks and adverse impacts at all stages of the supply chain and to formulate targeted measures for proactive prevention and closed-loop rectification. The due diligence scope not only covers direct partner suppliers but also extends to indirect partners throughout the entire value chain. The comprehensive ESG performance of suppliers will be directly linked to their partnership qualifications, with high-performing partners being granted priority for cooperation.



Supplier Due Diligence Management Process

## Responsible Sourcing

Zangge Mining firmly upholds the concept of responsible sourcing by improving its policy framework, signing cooperation agreements to clarify suppliers' ESG compliance baselines, enhancing partners' ESG management capabilities through professional empowerment and specialized training, establishing robust reporting and appeal mechanisms to ensure the fairness and transparency of supply chain governance, and issuing the Supply Chain ESG Management Initiative (SCSI) to build industry consensus, thereby constructing a supply chain ecosystem with clear rights and responsibilities that is collaborative, progressive, green, and sustainable, and driving the implementation of responsible sourcing principles.

## ◆ Policies and Agreements

The Company continuously improves its responsible sourcing management system, integrating ESG factors such as business ethics, employment and fair practices, community relations, and environmental and supply chain management into its supply chain management processes and supplier code of conduct. It conducts regular follow-up reviews of suppliers through a combination of online and offline methods to verify their operational status and promptly terminates cooperation with suppliers found to have engaged in ESG violations.

During the contract signing stage, the Company includes ESG requirements as an appendix to the contract, requiring suppliers to sign them concurrently, thereby guiding and supervising suppliers to abide by social ethics and national laws and regulations, respect basic human rights, treat employees well, and practice environmental protection. We require suppliers to strictly comply with and implement these requirements and provide support for their implementation process, covering areas such as labor, safety, environment, and business ethics. For any breaches of the agreement identified during audits of labor, safety, environment, and business ethics, suppliers are required to submit a corrective action plan that includes a rectification timeline. If violations persist, we will take appropriate measures or terminate the partnership as circumstances warrant. While we fully consider cultural differences across regions, suppliers must strictly adhere to the basic requirements stipulated in the terms. During the reporting period, we successfully screened all new partners according to this assessment system.

Furthermore, in the *Supplier Admission Scorecard*, in addition to conventional assessment dimensions such as company scale, financial status, and technological innovation, we have explicitly incorporated ESG-related qualifications—including EcoVadis ratings, SEDEX/SMETA reviews, SA8000 certification, RMAP Responsible Minerals Audits, and ISO 14064/14067 greenhouse gas verification—into the admission evaluation indicator system for suppliers of materials, equipment, and services. Suppliers with relevant qualifications receive bonus points in their evaluations to guide them in focusing on and enhancing their sustainable development management.

## ◆ Empowerment and Training

The Company values the ESG capacity building of its partners and promotes collaborative improvement of sustainable development management levels among supply chain partners through empowerment training and standards dissemination. During the reporting period, to strengthen contractors' risk control capabilities and compliance awareness in operations such as construction and maintenance, the Company organized specialized ESG training for contractor management. The training focused on the boundaries of responsibility throughout the entire operational process, providing in-depth analysis of ESG risks in areas such as personnel organization, on-site operations, and problem rectification, guiding contractors to conduct upfront risk identification and deeply integrate it into the entire production and operation process. In terms of occupational health and safety, it emphasized strengthening health protection measures to reduce the incidence of work-related accidents. In terms of environmental management, it clarified management indicators for water resource utilization, hazardous waste disposal, and energy efficiency improvement, requiring contractors to implement environmental responsibilities in their daily operations. This multi-dimensional, collaborative analysis effectively promotes deep alignment between contractors and other partners with the Company's ESG objectives.

## ◆ Reporting and Grievances

The Company continues to strengthen its integrity, compliance, and ESG governance requirements. During the reporting period, it further optimized and updated the *Anti-Commercial Bribery and Integrity Cooperation Agreement*. In its cooperation with suppliers, the Company has made anti-corruption and anti-bribery requirements a key prerequisite for partnership, explicitly requiring suppliers to prohibit any form of bribery, acceptance of bribes, or other improper transfer of benefits. These requirements cover the entire business process and extend to the relevant personnel and specific related parties of both sides. In 2025, the Company's Supervision and Audit Office participated in the supervision of 23 procurement negotiation and pricing sessions, with its oversight comprehensively covering the two core areas of material procurement and service procurement. By being fully involved and providing professional supervision throughout the negotiation process, the office has standardized procurement negotiation procedures from the source, preventing potential risks of non-transparency and non-compliance in the pricing stage.

The Company encourages its employees and partners to report any violations or misconduct they discover, such as extortion, blackmail, or deliberate obstruction, and commits to conducting independent, fair, and objective investigations. It also pledges to strictly protect the confidentiality of the report content and the informant's identity in accordance with the law, handling the relevant information properly as required by laws, regulations, and investigative needs. During the reporting period, Zangge Lithium added and publicly announced a new physical complaint mailbox and a complaint email address to further streamline reporting channels, improve investigation and accountability mechanisms, and foster a cooperative environment of integrity.

## ◆ Supply Chain ESG Management Initiative

In 2025, the Company, in collaboration with several other enterprises, launched the Supply Chain ESG Management Initiative (SCSI) to actively promote collaborative governance at the supply chain level. Through multi-party participation and resource integration, this initiative aims to strengthen consensus on and implementation of ESG principles within the industry chain.



Case study

Zangge Mining co-launches and expands the Supply Chain ESG Management Initiative (SCSI) to deepen industrial collaborative governance

In June 2025, at the "2025 ESG and High-quality Development Innovation Forum" held in Beijing, Zangge Mining, along with 12 other companies, jointly launched the "Supply Chain ESG Stewardship Initiative" (SCSI). Guided by the core objective of responding to the United Nations 2030 Sustainable Development Goals, the initiative is built on the three cornerstones of environmental protection, social responsibility, and efficient governance. It focuses on creating a scientific, unified, and inclusive supply chain ESG ecosystem aimed at resolving the issue of repetitive supply chain audits caused by differing standards, enhancing overall management efficiency, helping companies in the industrial chain deeply integrate into the global value chain, and collaboratively advancing the implementation of global sustainable development goals. The initiative received strong support from authoritative organizations such as the China ESG Alliance, the Yabuli China Entrepreneurs Forum, and the Zero Carbon Promotion Association, significantly strengthening its industry influence and feasibility.

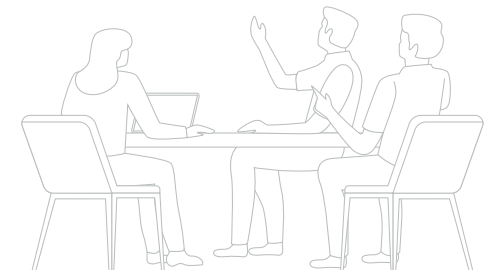
In July 2025, the "Second Seminar on Frontier Practices in Sustainable Development for Listed Companies and Expansion Ceremony for the Supply Chain ESG Management Initiative", hosted by Zangge Mining, was successfully held in Golmud, Qinghai. This event drove a significant expansion and upgrade of the initiative, with three new enterprises officially joining. As a result, the initiative, which was first launched by Zangge Mining and 12 other leading enterprises, has now grown to include 20 member units, further enhancing the industry coverage and overall influence of collaborative ESG governance in the supply chain.



Supply Chain ESG Stewardship Initiative (SCSI)

Key Performance

- Supplier ESG Awareness Training: During the reporting period, **100%** of suppliers received training on ESG requirements.
- Ethical Procurement: During the reporting period, the signing rate for integrity agreements with suppliers was **100%**.
- Local Procurement: As of the end of the reporting period, the local procurement rate reached **100%**.



## Product and Service Management

Zangge Mining adheres to a service philosophy of integrity centered on "customer first, quality and reputation foremost". The Company continuously enhances its scientific and rigorous product and service management system, implementing comprehensive control over key stages such as raw material procurement, the entire production process, and finished product inspection to ensure all indicators align with national standards and industry best practices. The Company remains consistently customer-focused, responding to diverse customer needs with professional, efficient, and attentive service, while continuously refining product and service quality to create long-term value for its clients.

## Product Quality and Safety

Through a continuous improvement mechanism of "self-perfection and self-enhancement", Zangge Mining constantly optimizes its technical and quality management standards, promoting the continuous enhancement and operational efficiency of its quality management system and fostering steady improvements in product and service quality. As of the end of the reporting period, Zangge Potash Fertilizer, by virtue of its robust quality control system and excellent market reputation, was once again rated as a Grade A (AA) enterprise for market quality and credit in Qinghai Province. This honor signifies continued authoritative recognition of the Company's practices in quality credit building and integrity-based operations.

### ◆ Product Quality Management

The Company continues to improve its quality management system, having completed the revision and release of three systems: the *Detailed Rules for Quality Management of Golmud Zangge Potash Fertilizer Company Limited*, the *Detailed Rules for ISO 9001 Quality Management System of Golmud Zangge Potash Fertilizer Company Limited*, and the *Metrological Management Standards of Golmud Zangge Potash Fertilizer Company Limited*, further strengthening the documentary foundation of its quality management. As of the end of the reporting period, the Company has established a quality management system covering the entire production process, with its subsidiary production enterprises (Zangge Potash Fertilizer and Zangge Lithium) achieving 100% coverage in ISO 9001 quality management system certification, and continuously optimizing various management processes in operational practice.



Quality Management System Certificates for Zangge Potash Fertilizer and Zangge Lithium

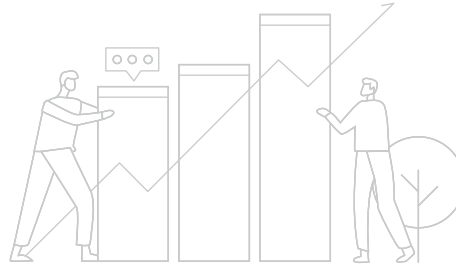
### ◆ Product Quality Inspection

The Company strictly implements a system where every batch of raw and auxiliary materials must be inspected upon entry, sets quality control points at key processes, and promotes a three-tier quality control mechanism involving "teams, workshops, and quality inspection", to achieve traceable management throughout the entire process. For product quality issues, the Company has established a closed-loop improvement process of "problem analysis - measure formulation - effectiveness verification - standard solidification", to effectively ensure stable product quality. In addition, we enhance the quality awareness of all employees by conducting activities such as internal auditor training and promoting comprehensive quality management to contribute to building a quality-driven nation.

In the quality management of lithium carbonate products, the Company has completed several upgrades to its production processes, including replacing metal pipelines with non-metal ones in the lithium precipitation workshop, improving equipment sealing measures, strictly controlling hot work operations, optimizing the ventilation system, and adding sodium carbonate plate-and-frame filter presses, which has significantly improved the quality of the production environment. At the same time, the Company has further refined the inspection workflow, clarified inspection frequency standards, and standardized data recording requirements. By strengthening random inspections of raw materials, patrol inspections during production, and full-item testing of finished products, the Company has driven substantial improvements in product quality.

## ◆ Building a Quality Culture

Guided by the principle of "strengthening the nation through quality", the Company fosters a strong sense of quality mission among all employees through internal auditor training and a series of themed activities. We actively create a strong quality-focused cultural atmosphere, promoting the deep integration of quality principles into all aspects of daily business, and fostering a positive environment where "everyone cares about quality and everyone participates in management", thereby helping to comprehensively enhance the Company's quality control standards.



### Case study

#### Zangge Potash Fertilizer launches its 2025 "Quality Month" series of activities

Focusing on the core theme of "strengthening comprehensive quality management to contribute to building a nation strong in quality", Zangge Potash Fertilizer has deeply integrated quality awareness into the entire production and operation process. Through stratified and categorized special training, the concept of quality is embedded in all business segments, including production, procurement, laboratory testing, and after-sales service, driving every employee to become a true "guardian" of quality.

During this year's "Quality Month" activities, all employees gained a deep understanding that comprehensive quality management is not merely a slogan, but a conscious action in every process and operation, and an important guarantee for the Company to enhance its core competitiveness and withstand market risks. Through this series of "Quality Month" activities, the Company has further strengthened quality awareness among all staff, optimized quality management processes, and refined product and service quality, providing practical experience for promoting quality improvement in the industry and contributing to national quality development.



Organizing a Training Session for the "Quality Month" Activities

## Customer Service Assurance

Zangge Mining always centers its operations on customer needs, continuously improving its end-to-end customer service system and rights protection mechanisms, and is committed to building stable, transparent, and mutually trusting long-term strategic partnerships. The Company has established multi-channel and multi-level customer communication mechanisms to capture customer needs and collect market feedback in a timely manner through all online and offline touchpoints. It standardizes the fully closed-loop management process for customer complaint acceptance, follow-up, handling, and review, ensuring that customer requests and various issues are responded to quickly, handled efficiently, and resolved in a closed-loop manner. At the same time, the Company adheres to the business principles of compliant operation and honest contract performance, continuously optimizing service standards and after-sales response processes to comprehensively protect the legitimate rights and interests of customers and effectively enhance their service experience and satisfaction.

### K

#### Potash Fertilizer Segment

- Conduct monthly follow-up visits with key clients.
- Organize events such as small-scale client seminars.
- Customer satisfaction surveys cover long-term clients.
- Regularly attend Phosphate and Compound Fertilizer Conferences and the World Potash Conference to enhance communication.

### Li

#### Lithium Segment

- Conduct monthly client follow-up visits.
- Collect feedback on product quality and service, and promptly coordinate with relevant functional departments to implement improvements.
- The Sales Department participates in battery industry conventions and industry conferences.

Customer Service Initiatives at Zangge Potash Fertilizer and Zangge Lithium

Case study

Zangge Mining leverages the Potash and Potash Fertilizer Conference to discuss new chapters of cooperation with key customers

During the 2025 World Potash and Potash Fertilizer Conference and Golmud Salt Lake Forum, Zangge Mining used the industry event as a platform for exchange, holding special meetings with 11 long-term key customer enterprises to conduct in-depth discussions on reviewing cooperation results, analyzing industry development trends, and exploring future business expansion directions. The Company's Chairman and management team participated throughout, engaging in face-to-face discussions with each customer enterprise, which further solidified the foundation of mutual trust in their partnerships. During the exchanges, the Company systematically showcased its comprehensive strengths in potash resource assurance, stable supply, and technological R&D, reaching a high degree of consensus with customers on areas such as synergistic raw material supply, industrial chain extension, and information sharing.



Zangge Mining Symposium with Key Customers

Key Performance

During the reporting period:

- Number of violations related to the health and safety impacts of products and services: **0**
- Financial losses resulting from legal litigation related to product safety: **0** RMB
- Number of customer complaints: **0**; number of negative incidents related to customer health and safety: **0**
- Zangge Potash Fertilizer customer satisfaction: **99.51%**
- Zangge Lithium customer satisfaction: **100%**



# Scientific and Technological Innovation and Development

Scientific and technological innovation is the core driving force for a company's high-quality development. Zangge Mining continuously improves its R&D and innovation system, strengthens the end-to-end management of intellectual property (IP), and builds a strong moat of technological innovation. At the same time, the Company deepens synergistic development within the industry and enhances collaboration among industry, academia, research, and application, as well as the integration of industry resources. It empowers industrial upgrading through technological innovation, continuously enhancing its core competitiveness and industry influence.

## R&D and Innovation System

Zangge Mining continuously advances the construction of its scientific research and innovation system, establishing Zangge (Sichuan) Technology Innovation Co., Ltd. as a technology research institute in 2025 to vigorously support technological R&D and innovation. We have established a three-tier R&D management structure of "President - Chief Engineer - Dedicated R&D Department", where the dedicated R&D department coordinates management and various related departments collaborate. Major R&D matters are subject to hierarchical decision-making and management to ensure the orderly progress of R&D work. In terms of management systems, the Company has formulated management documents such as the *Management System for the Technology R&D Department* and the *Intellectual Property Management System*, supplemented by performance appraisal and reward measures for R&D personnel, to further optimize R&D performance management. It has also established special awards for scientific and technological innovation to effectively standardize the entire process of technology R&D management. Concurrently, the Company organizes internal and external training, learning, and assessments as planned to continuously enhance the professional capabilities of its R&D personnel.



### Overview of R&D and Innovation Achievements in 2025

#### Zangge Potash Fertilizer:

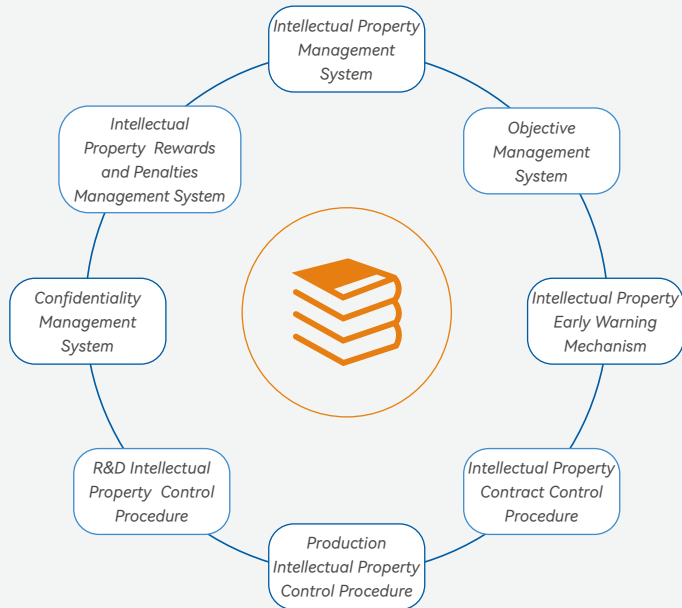
- Granted 3 utility model patents, including for *A Suspended Foam Collection Device for Thickeners*; accepted 1 utility model patent for *A Ball Mill with Convenient Feeding*
- The *Hot Dissolution Potash Process and Equipment Optimization Project* received a Certificate of Scientific and Technological Achievement from Qinghai Province and was recognized as "domestically advanced"

#### Zangge Lithium:

- The *Research and Application of Key Technologies for One-step Production of Battery-grade Lithium Carbonate from Ultra-low Concentration Lithium-containing Brine* won the Second Prize of the Qinghai Provincial Science and Technology Progress Award
- The *Research and Industrialization of Technology for Continuous Production of Battery-grade Lithium Carbonate from Low-grade, High-Magnesium-to-Lithium-ratio Salt Lake Brine* won the Third Prize of the Anhui Provincial Science and Technology Progress Award
- Granted 1 invention patent for *An Impurity Control System and Method for Lithium-containing Solutions in the Process of Lithium Extraction from Salt Lakes*
- Granted 3 utility model patents, including for *A Continuous Magnetic Removal System for Lithium Carbonate Slurry Based on the Principle of Generating a Magnetic Field through Electromagnetic Induction*
- Completed the registration of 6 monographs and the submission of 4 papers

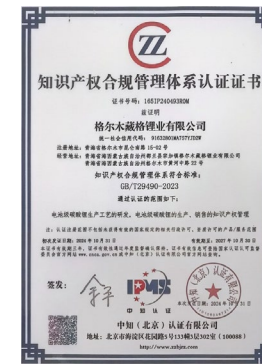
## Intellectual Property Management

The Company places great importance on intellectual property compliance management, strengthening copyright awareness among all employees, emphasizing lawful use and effective protection, standardizing work related to these areas, and strictly preventing IP infringement risks. During the reporting period, the Company continued to improve its IP management system, formulating and revising multiple related management policies to achieve standardized management throughout the entire process from R&D and innovation to market commercialization. It also implemented an OA online processing mechanism to enhance the efficiency of process collaboration and the refinement of management. We also organized several internal and external training sessions on intellectual property, covering topics such as IP protection, application procedures, and patent mining, to further enhance employees' IP compliance awareness and professional capabilities.



Zangge Mining Intellectual Property System (Excerpt)

In July 2025, Zangge Potash Fertilizer successfully passed the certification for the new national standard, *Enterprise Intellectual Property Compliance Management System—Requirements* (GB/T29490-2023), and officially obtained the "Certificate of Intellectual Property Compliance Management System". The implementation of this system effectively reduces IP risks in business operations and strengthens compliance capabilities. At the same time, through standardized IP management, the Company has further improved its product quality control, enhancing the trust of customers and partners. As of the end of the reporting period, the IP compliance management system certification coverage for the Company's subsidiary production enterprises reached 100%.



Intellectual Property Compliance Management System Certificates for Zangge Potash Fertilizer and Zangge Lithium

### Key Performance

During the reporting period:

- The Company held a total of **31** patents, including **1** newly granted invention patent.
- The number of IP infringement incidents and incidents of being infringed upon was **0** for both.
- Zangge Lithium was named a "2025 Qinghai Provincial Intellectual Property Advantage Enterprise".

## Collaborative Industry Development

Zangge Mining actively integrates into the industry's development landscape, focusing on technological innovation and industrial synergy. By deepening industry-academia-research cooperation and strengthening technical exchanges and joint standard-setting, the Company maintains positive interactions with upstream and downstream enterprises, industry organizations, and scientific research institutions to build a synergistic industrial ecosystem. In March 2025, the Company was granted the status of a council member of the 7th Council by the China Mining Association.



Council Member of the 7th Council of the China Mining Association

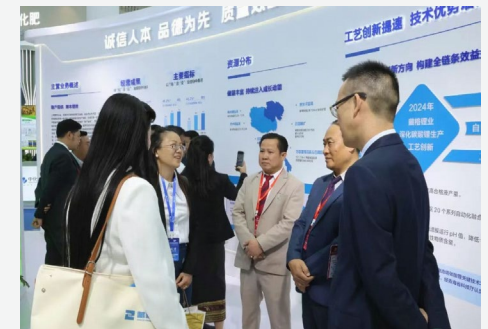


During the reporting period, the Company actively participated in the construction of industry standard systems. Two group standards, *Guidelines for Patent Navigation in the Salt Lake Industry* and *Specification for Salt Lake Patent Value Assessment*, led and drafted by Zangge Lithium, were officially released and implemented, filling a long-standing gap in the industry and receiving high recognition and a special report from the Qinghai Intellectual Property Office. In 2025, the Company participated in the formulation of one national standard and two local standards, as well as the revision of two national standards. It also made multiple appearances at industry conferences to share technological achievements, conduct industry exchanges and seminars, and promote mutual learning and coordinated development within the industry.

### Case study

#### Zangge Mining co-hosts industry conference to promote collaborative development of the salt lake industry

In July 2025, Zangge Mining and China Salt Lake Industry Group Co., Ltd. jointly hosted the 2025 Potash Salt and Potash Fertilizer Conference and Golmud Salt Lake Forum. The event, centered on green innovation, digital and intelligent empowerment, and the high-quality development of the salt lake industry, provided a multi-party communication platform for government, industry, academia, and research. During the conference, Mr. Wu Jianhui, Chairman of the Company, shared Zangge Mining's experience in ensuring potash fertilizer supply, developing salt lake resources, and achieving technological innovation, drawing from the Company's development practices. He also called for enhanced collaboration across the industrial chain to jointly advance the construction of a world-class salt lake industry base.



The Conference Exchange Session

Case study

**Zangge Mining strengthens industry exchanges to jointly pursue high-quality development of the inorganic salt industry**

In December 2025, Mr. Wu Jianhui, Chairman of Zangge Mining, attended the "2025 China Inorganic Salt Industry Development Conference and the 6th Council Meeting of the 5th CISIA Session". On behalf of the Company, he delivered a speech sharing Zangge Mining's development strategy in the new era and offered constructive suggestions on industry collaboration and the high-quality development of the industrial chain.



Mr. Wu Jianhui, Chairman of Zangge Mining, Shares the Company's Development Strategy

Case study

**Zangge Mining builds an industry exchange platform to promote the green development of the lithium industry**

In November 2025, Zangge Mining and the China Inorganic Salts Industry Association co-hosted the "2025 China Lithium Industry Development Conference", focusing on industry exchanges around core topics such as the green development of lithium resources, technological innovation, and industrial chain collaboration. The Chairman of the Company attended the conference and delivered a speech, while the Deputy Chief Engineer presented a special report. Company leaders and industry representatives engaged in in-depth discussions on policy directions and green, low-carbon development for the lithium industry, building consensus to help the industry achieve sustainable, high-quality development.



Mr. Zhu Hongwei, Deputy Chief Engineer of Zangge Mining and General Manager of Zangge Lithium, Delivers a Special Report on the Development of Salt Lake Resources in Xizang



# Community Engagement and Contribution

Fulfilling social responsibility is the foundation for an enterprise's stable and long-term development. Rooted in a philosophy of corporate growth and mutual prosperity with society, Zangge Mining upholds its original commitment to serving and giving back to the community. The Company systematically promotes community engagement and social contribution through diverse measures such as community co-building, volunteer services, stakeholder communication, and philanthropic investment. It actively responds to the concerns of local communities and all sectors of society, continuously fostering a positive interaction between business development and social value creation.



## Connecting with Communities

Zangge Mining actively participates in the construction and development of local communities. Focusing on core needs like improving grassroots governance and enhancing public services, the Company regularly deepens its co-building cooperation with local communities. Concurrently, it strengthens its social responsibility practices for overseas projects, carrying out community-friendly initiatives tailored to local conditions and continuously enhancing mutual trust and win-win outcomes between the Company and communities across regions.



## ◆ Supporting Community Development

In 2025, the Company signed a *Co-residence and Co-building Agreement* with the Tiexi Community of Huanghe Road Sub-district. Leveraging a Party-building collaboration mechanism, it organized monthly activities such as Party lectures, environmental cleanups, and patriotic and national defense education, promoting resource sharing and collaborative building. The Company also established a regular volunteer service partnership with the Golmud Special Education School, conducting activities focused on academic tutoring, interest cultivation, psychological counseling, and social practice. A total of 7 volunteer events were organized, with over 60 employees participating.

The Company actively supports local public affairs and cultural development. During the reporting period, considering local development needs, we made a charitable donation of RMB 500,000 to the 2025 Haixi Prefecture Naadam Festival, specifically for organizing public activities and related support work, thereby supporting local cultural endeavors with concrete actions. Additionally, we organized young employees to participate in the Golmud City "Unite Against AIDS, Share Health—Youth in Action" speech competition, where our representatives won first and second prizes, respectively.

Case study

Zangge Mining conducts a "Warmth for Mid-Autumn Festival, Accompanied by Love" visit to a special education school

To deeply practice ESG principles and actively fulfill its social responsibilities, Zangge Mining organized Party member volunteers to visit the Golmud Special Education School before the Mid-Autumn Festival. They conducted a special "Warmth for Mid-Autumn Festival, Accompanied by Love" visit, bringing holiday blessings and warm care to the students and teachers. The event was led by a responsible person from the Company, with 8 Party member volunteers participating. After the visit, the volunteer team, accompanied by school staff, toured the campus' teaching facilities, gained a detailed understanding of the students' learning and living conditions, expressed high respect for the special education workers on the front lines, and conveyed a desire to deepen school-enterprise exchange and cooperation.

This event is a vivid example of the Company's commitment to promoting traditional Chinese virtues and fulfilling its social responsibilities. It not only allowed children with special needs to feel the care of society but also highlighted the corporate philosophy of "serving society and creating value for society", further enhancing the Company's positive social image in practicing ESG principles. In the future, the Company will continue to focus on special education, contributing corporate strength to the construction of a harmonious society through practical actions.



The Visit to the Special Education School

◆ Deepening Overseas Social Responsibility Practices

In advancing its overseas business, the Company consistently adheres to local laws, regulations, and internationally accepted standards in project implementation. Upholding the principles of sustainable development, it prioritizes the protection of indigenous rights and community communication. The Company maintains regular communication and collaboration with local governments, communities, and relevant parties, gives priority to local employment, cultivates local professional talent, and continuously supports the improvement of local infrastructure and people's livelihoods, promoting the integration of project construction with community interests for coordinated progress.





Maintain regular communication and reporting with county-level and village-level governments to promptly discuss project progress and related matters.



Understand community concerns and collect feedback and development requests through methods such as community visits.



Cooperate with government departments to conduct community impact surveys and assessments during project implementation.



Establish a basic feedback and coordination mechanism to record, follow up on, and respond to issues raised by the community.



In the future, a systematic grievance handling procedure will be established.

**Communication Mechanism Between the Company, the Lao Government, and Village-Level Community Stakeholders**

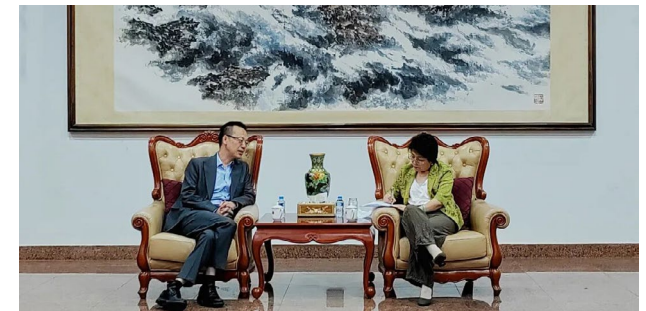
**Case study**

**Zangge Mining strengthens government-enterprise communication to collaboratively promote compliant project implementation**

In 2025, Zangge Mining actively engaged with the Lao Ministry of Industry and Commerce, the Vientiane People's Council, and the governments of Xaythany and Pak Ngum districts, proactively reporting and dynamically synchronizing the progress of project licensing. It maintained close and efficient communication with all approval departments. The Company also assisted local governments with project-related coordination, handling material preparation and policy consultation. During the exploration phase, the Company took the lead in coordinating drilling locations, acting as a bridge for government-enterprise communication and successfully coordinating the site selection for 18 exploration boreholes. Throughout the entire process, the Company consistently respected community wishes and considered the legitimate rights and interests of land title holders, providing a solid guarantee for the orderly advancement of exploration work.



In January 2025, a Delegation from the Lao National Assembly Inspects Zangge Mining (Laos) Development Co., Ltd.



In November 2025, the Chairman of Zangge Mining Meets with the Deputy Prime Minister of the Lao People's Democratic Republic and the Chinese Ambassador to Laos

## Rural Revitalization

Zangge Mining actively responds to the national strategic deployment of rural revitalization. Under the call of the "Hundred Enterprises Revitalize Hundred Villages" policy, it has signed assistance agreements with over ten villages and towns, including Xinhua Village and Chana Village in Golmud City's Guolemude Town and Dagele Township, and regularly advances paired assistance work. The effectiveness of these practices has been recognized by the government and various sectors of society. In April 2025, a research team from the Qinghai Federation of Industry and Commerce visited Zangge Potash Fertilizer for a special investigation on "rural revitalization". A responsible person from the Company presented its work on ESG system construction and social welfare practices such as "Hundred Enterprises Revitalize Hundred Villages". The research team affirmed the Company's achievements in private economic development and social responsibility fulfillment. During the reporting period, the Company conducted 4 visits to people in need.

### Case study

#### Zangge Mining delivers Chinese New Year blessings to assisted households in Xinhua Village

On the eve of the Spring Festival of the Year of the Snake, to solidly advance the paired assistance work for rural revitalization, staff from Zangge Mining's Party-masses and Culture Department visited the paired assistance village of Xinhua on behalf of the Company. The staff delivered daily necessities such as rice, flour, and oil to the two paired households, along with sincere Spring Festival blessings. They engaged in cordial conversations with the assisted families, inquiring in detail about their health, family livelihoods, and practical difficulties, conveying the Company's care. One of the recipients said, "We are grateful for the Company's continuous care and support. We believe that with the help of the Party, the government, and the Company, our lives will gradually improve." This event warmed the hearts of the people through practical measures and is a vivid demonstration of the Company's fulfillment of social responsibility and its deepening of government-enterprise-public collaboration.

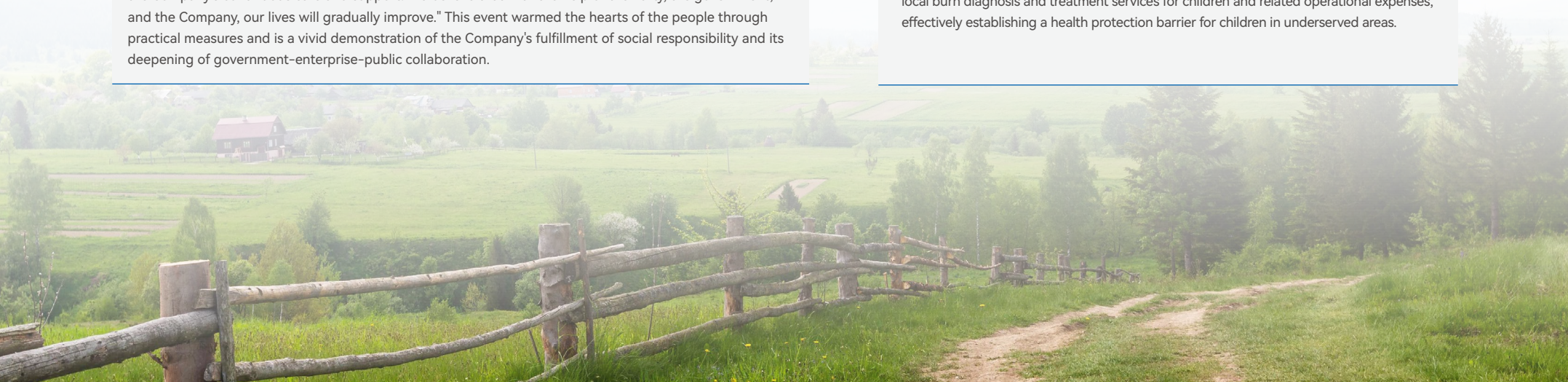
## Practicing Philanthropy with Steadfast Commitment

Zangge Mining actively fulfills its social responsibilities, continuously carrying out philanthropic actions focused on charity and social care, with external donations this year amounting to approximately RMB 6.34 million. Since the launch of Zangge Mining's "Yixing Hongguang" public welfare project in 2023, it has covered multiple areas, including student aid across all age levels and scientific research funding. Through diverse philanthropic initiatives, the project effectively addresses social needs, ensuring that charitable resources precisely benefit the groups that require them.

### Case study

#### Zangge Mining funds the Beijing Children's Health Foundation's public welfare project for pediatric burn treatment

In 2025, Zangge Mining continued its focused efforts in public welfare and healthcare by donating RMB 200,000 to the Beijing Children's Health Foundation. This donation was specifically designated to support the implementation of a public welfare project for the diagnosis and treatment of childhood burns. The project addresses the health needs of children in regions with relatively weak medical resources, with the Foundation coordinating the entire execution process. The Company's donation covers the costs of local burn diagnosis and treatment services for children and related operational expenses, effectively establishing a health protection barrier for children in underserved areas.



# Sound Governance and Ethical Cornerstone

SDGs Addressed in This Chapter:



Material Issues Covered in This Chapter:

- Corporate Governance
- Stakeholder Communication
- Business Ethics and Anti-corruption
- ESG Management
- Compliance and Risk Management
- Information Security

# Progress in Issue Management

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Zangge Mining upholds its mission to "sustainably develop salt lake resources and be a leader in green development", viewing sound corporate governance as the cornerstone of steady growth and value creation. The Company has established a governance structure with clear responsibilities and efficient operations, reinforcing its operational defenses in compliance, integrity, risk management, and information security, while adhering to high standards of business ethics. Concurrently, it actively harnesses the power of digital transformation to build corporate resilience against risks, using digitalization to drive the Company's high-quality development.

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## Materiality

### Risks:

- Continuously tightening domestic requirements for mine safety, ecological protection (such as green mine construction), and comprehensive resource development pose an ongoing challenge to compliant operations.
- The Company's overseas projects face an increasingly complex international regulatory environment and trade uncertainties.
- Any lapse in the Company's business ethics, information security, or supply chain management could directly damage its image and the trust of its stakeholders.

### Opportunities:

- By improving its governance structure and internal controls, the Company transforms sound governance into a core competency for seizing strategic opportunities.
- The Company's steadfast commitment to business ethics and integrity in operations earns the long-term trust of partners and investors, which continually translates into a competitive market advantage and developmental resilience.

## Targets

- 100% compliance in the convening of meetings for the General Meeting of Shareholders, the Board of Directors, and all special committees.
- 0 new major litigation cases throughout the year.
- 100% coverage in legal risk prevention and control.
- 0 litigation cases related to business ethics.
- 100% business ethics training coverage for Board members, management, and all employees.
- 0 major data loss or other data breach incidents.
- 0 complaints or litigation incidents related to privacy infringement or data leakage.

## Management

- Establish a corporate governance structure comprising the General Meeting of Shareholders, the Board of Directors, and the management layer to ensure standardized corporate operations.
- The Board of Directors' Audit Committee oversees the Company's compliant operations, risk management, and business ethics, establishing the "Three Lines of Defense" for risk and internal control and maintaining zero tolerance for corruption.
- The Information Management Department coordinates information security and privacy protection, empowering corporate operations through digitalization.

## Practices

- Strengthen compliance management and risk prevention and control, supervise all stages of operations, effectively manage risks, and enhance operational efficiency.
- Regularly conduct business ethics audits, corruption risk assessments, and business ethics training to enhance internal integrity and control capabilities.
- Fully implement information security and privacy protection measures and advance digitalization initiatives.

## Stakeholder Engagement

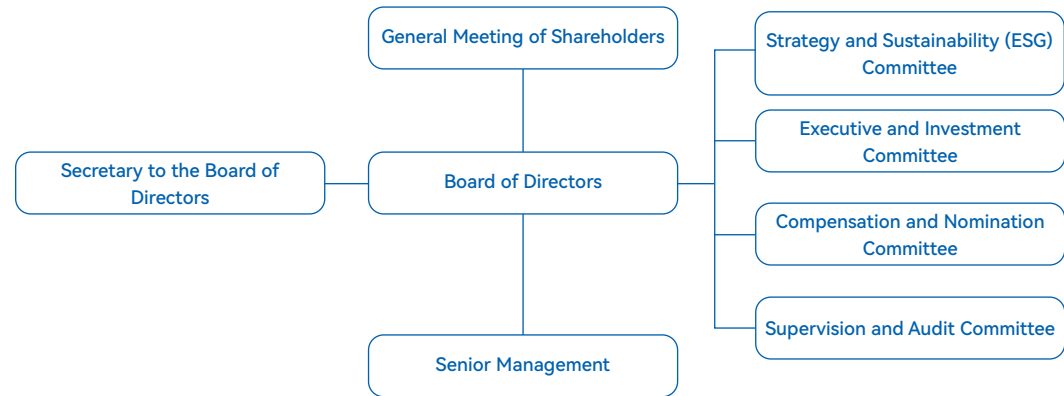
- Government and regulatory agencies: Comply with relevant laws and regulations, and strictly implement requirements for compliant operations and risk management.
- Shareholders and Investors: Disclose corporate governance performance through channels such as the Sustainability Report.
- Employees: Enhance employees' ability to perform their duties in compliance through business ethics training and capacity-building activities.
- Suppliers and Other Partners: Build an honest and compliant business cooperation environment through actions such as signing the *Integrity Agreement*.

# Corporate Governance

Zangge Mining continuously optimizes its corporate governance structure, strengthens compliant operations and risk management, and promotes standardized corporate operations by reinforcing its information security defenses and improving the quality of its information disclosure. The Company is committed to building a more resilient, transparent, and sustainability-oriented governance framework. By optimizing decision-making mechanisms and enhancing the strategic leadership function of the Board of Directors, the Company systematically embeds sustainability factors into its core business processes and risk management. It proactively responds to stakeholder concerns, seizes opportunities, and addresses challenges to ensure steady and long-term progress in its pursuit of sustained value growth.

## Corporate Governance Structure

Good corporate governance is the cornerstone of the Company's stable operations and an intrinsic guarantee for its sustainable development. Zangge Mining strictly adheres to laws, regulations, exchange regulatory requirements, and normative documents such as 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*, and the *Rules Governing the Listing of Stocks on the Shenzhen Stock Exchange (2025 Revision)*. The Company continuously optimizes its governance structure, which consists of the General Meeting of Shareholders, the Board of Directors, its special committees, and senior management. It has also established a three-tiered vertical supervision network comprising the "Supervisory and Audit Committee – Supervisory and Audit Office – Subsidiary Enterprises" to integrate and penetrate supervisory resources. In 2025, the Company's Board of Directors held a total of 12 meetings (reviewing 61 proposals), with all directors attending every meeting. Special committees held a total of 25 meetings (reviewing 66 proposals), with a 100% attendance rate for committee members. Four special meetings for independent directors were held (reviewing 7 proposals).



Zangge Mining Corporate Governance Structure

During the reporting period, the Company revised and established 164 systems and policies. This included systematically amending core governance documents such as the *Articles of Association*, the *Rules of Procedure for the General Meeting of Shareholders*, and the *Rules of Procedure for the Board of Directors* to ensure the standardized and efficient operation of the governance structure. It also introduced important documents like the *List of Authorities for Significant Business Matters* and the *Regulations on the Management of Proposals to the Board of Directors*. These updates promote the upgrade of the governance system and the standardization and scientific development of decision-making mechanisms, ensuring that the disclosure of key operational and management matters complies with regulatory requirements and company regulations throughout the entire process.

## Diversity and Independence

The Board of Directors of Zangge Mining strictly adheres to the principles of diversity and independence. In the process of appointing directors, it considers multiple factors, including gender, age, education, and professional background, to ensure a balanced composition. Currently, the Board comprises professionals from key fields such as mining development, financial accounting, risk management, legal compliance, and sustainable development. It also appoints independent directors in accordance with the law to ensure effective supervision. The diverse composition of the Board brings cross-disciplinary perspectives and professional capabilities, significantly enhancing its overall decision-making quality and the effectiveness of corporate governance.

### Key Performance

As of the end of the reporting period, Zangge Mining's Board of Directors comprised:

- **2** female directors, accounting for **22%**.
- **3** independent directors, accounting for **33%**.
- **4** financial professionals, accounting for **44%**.



Name	Position	Professional Experience	Special Committee Appointments			
			Strategy and Sustainability (ESG) Committee	Executive and Investment Committee	Compensation and Nomination Committee	Supervisory and Audit Committee
Mr. Wu Jianhui	Chairman	Mining Sector	Chairman	Chairman	Member	
Mr. Xiao Yao	President, Vice Chairman	Chemical Sector	Member	Member	Member	
Mr. Xiao Yao	Executive Vice President, Director	Environmental Engineering Sector	Member	Member		
Mr. Xiao Yao	Party Secretary, Director	Finance and Banking Sector	Member	Member		Chairman
Ms. Zhang Liping	Chief Financial Officer, Director	Finance and Banking Sector		Member		
Mr. Qin Shizhe	Vice President, Employee Representative Director	Finance and Banking Sector		Member		
Mr. Hu Shanying	Independent Director	Chemical Sector	Member			Vice Chairman
Ms. Hu Shanying	Independent Director	Finance Sector			Member	Co-Chairman
Mr. Liu Zhiyun	Independent Director	Legal Sector			Chairman	Member

Composition of the Specialized Committees of Zangge Mining's Board of Directors

<sup>1</sup> The definition standard for 'financial professionals' is consistent with the MSCI ESG rating methodology.

## Compensation for Directors and Senior Management

Strictly adhering to the regulatory rules of its listing location and guided by the four principles of responsibility, performance, balanced consideration, and competition, Zangge Mining formulated and implemented the *Management System for the Remuneration and Performance of Directors and Senior Management* in 2025 to establish a compliant and transparent incentive and restraint mechanism for the remuneration of directors and senior management, thereby enhancing the Company's operational and management effectiveness. The formulation, review, and execution of remuneration plans for directors and senior management are conducted according to standardized procedures, with remuneration levels linked to the achievement of corporate operating performance and business objectives (including key ESG targets), ensuring a balance of compliance, incentive, and reasonableness. The Company assesses the operating performance of its directors and senior management in accordance with the law, incorporating core production and operational indicators into the performance-based annual salary assessment, and implements a "one-vote veto" system for safety and environmental performance.

## Related-party Transaction Management

To ensure the fairness and reasonableness of related-party transactions and protect the legitimate rights and interests of Zangge Mining and all its shareholders, during the reporting period, the Company revised the *Related-party Transaction Management System* in accordance with current laws and regulations such as the *Company Law of the People's Republic of China*, the *Securities Law of the People's Republic of China*, the *Shenzhen Stock Exchange Stock Listing Rules*, and relevant provisions of the *Articles of Association*, clarifying the management principles for related-party transactions and optimizing the regulatory requirements for the entire process of related-party transaction decision-making and management.

The Company adheres to management principles of legality, compliance, honesty, creditworthiness, fairness, openness, and impartiality. Within the *Related-party Transaction Management System*, it has clarified the management responsibilities of relevant functional departments and holding companies throughout the entire process, including pre-identification, review, decision-making, information aggregation and reporting, and information disclosure. The Company's Planning and Finance Department is responsible for compiling statistics on related-party transactions and submitting monthly reports to the Board of Directors Office. For related-party transactions requiring disclosure, a special meeting of independent directors is convened, and upon approval by more than half of all independent directors, the matter is submitted to the Board of Directors for deliberation and the disclosure obligation is fulfilled. Transactions that do not meet the standards for Board deliberation and disclosure have all undergone the review procedures of the Board's Executive and Investment Committee.



## Information Transparency

Zangge Mining strictly abides by laws, regulations, and self-regulatory rules of the stock exchange, including the *Securities Law of the People's Republic of China*, the *Code of Corporate Governance for Listed Companies*, the *Administrative Measures for Information Disclosure of Listed Companies*, and the *Administrative Regulations on the Deferral and Exemption of Information Disclosure for Listed Companies*. Adhering to the fundamental principles of "truthfulness, accuracy, completeness, timeliness, and fairness", the Company revised its information disclosure management systems during the reporting period, such as the *Management System for Information Disclosure Affairs* and the *Internal Reporting Management Measures for Major Information*. This ensures the authenticity, accuracy, completeness, and timeliness of disclosed information, effectively safeguarding smooth communication between the Company and investors, regulatory bodies, and various market parties.

The Company upholds the core philosophy of "respecting the market and revering investors". During the reporting period, it revised the *Investor Relations Management System*, consistently managing investor relations with professional and efficient communication and services to safeguard the legitimate rights and interests of shareholders, creditors, and other stakeholders. We have established diverse and efficient investor communication mechanisms, strengthening interaction with investors through shareholder meetings, earnings briefings, and an investor hotline and email. We fulfill our information disclosure obligations in accordance with the law through designated websites and other channels, while also actively using platforms like the Shenzhen Stock Exchange's "Easy IR" and official new media to disseminate company updates in a timely and accurate manner. Furthermore, we consistently adhere to the principles of fairness and impartiality, focusing on promptly responding to the concerns of small and medium-sized investors through multiple channels such as the "Easy IR" platform and email, thereby effectively protecting the equal rights of all investors to information and participation.

### Key Performance

During the reporting period, the Company:

- Held **10** earnings briefings.
- Hosted **29** on-site research visits from investment institutions, covering over **100** institutions and more than **200** investors.
- Carried out **148** reverse roadshows.
- Handled **142** investor calls and **1** special letter.
- Participated in **45** brokerage strategy conferences.
- Released **178** announcements and documents.
- Replied to **54** investor questions via the Shenzhen Stock Exchange Easy IR Platform.
- Conducted **12** conference calls.
- Compiled **11** issues of the *Investor Relations Monthly Report*.

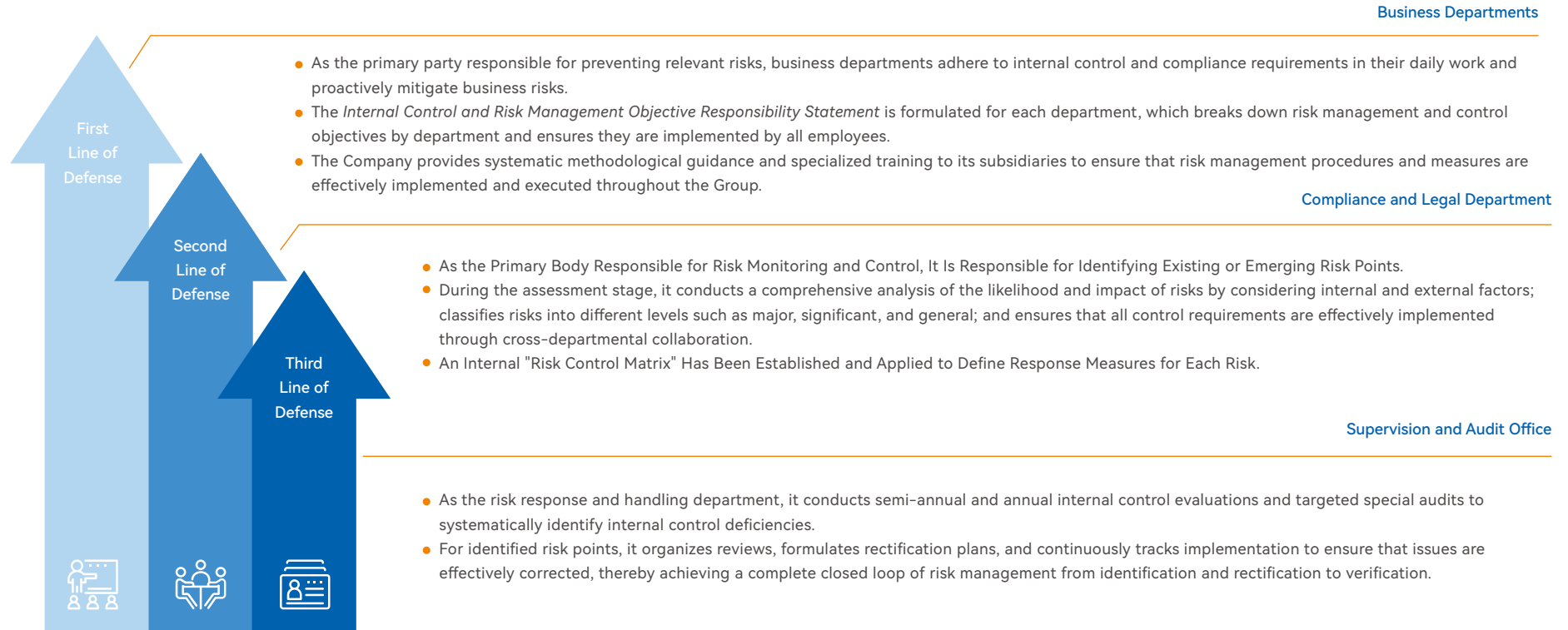
# Compliance and Risk Management

Zangge Mining safeguards the implementation of its corporate strategy through systematic governance, solidifying the foundation of compliant operations. By continuously improving its systems, the Company ensures that all business activities operate efficiently within a legal and compliant framework. The Company integrates risk control throughout its entire operational process, proactively identifying and mitigating operational and internal control risks with scientific strategies. It strengthens supervision and assurance, enhances oversight across all processes, and continuously improves operational efficiency, building a solid barrier for strategy implementation and sustainable corporate development.

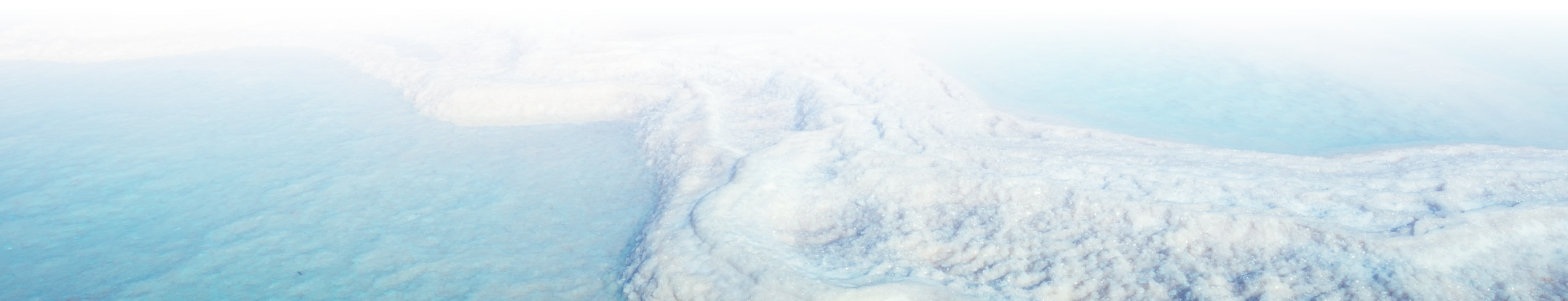
## Governance

Zangge Mining places great importance on internal control and risk management, having established and continuously optimized an internal control and risk management system led by the Board of Directors' Supervisory and Audit Committee. This committee oversees the Company's compliant operations and comprehensive risk management, deliberates on and decides relevant response measures, and has a Supervisory and Audit Office under it responsible for specific internal supervision work. This ensures that production and operations are legal and compliant, providing a solid guarantee for the achievement of strategic goals. During the reporting period, the Company has completed the formulation of 10 compliance management systems, including the *Internal Supervision System*, *Internal Inspection System*, and *Internal Audit System*, to further improve the internal supervision framework and enhance the compliance management capabilities of each business unit.

In the field of risk management, the Company has established a Three Lines of Defense risk management structure, clearly defining the division of responsibilities among the Board of Directors and its Supervisory and Audit Committee, and management in the risk control mechanism. This strengthens the synergistic linkage between business management, risk control, and internal supervision and audit, ensuring the long-term effectiveness of risk management measures.



Zangge Mining Three Lines of Defense for Risk Management



## Management of Impacts, Risks and Opportunities

Zangge Mining has established a systematic, closed-loop compliance and comprehensive risk management system. Guided by strategic objectives, this system permeates the entire process from corporate governance to specific business operations, aiming to proactively identify, prudently assess, and dynamically manage various risks to ensure the Company's steady growth.

### ◆ Risk identification

At the corporate level, we identify macroeconomic risks affecting our overall reputation and development by setting strategic goals, analyzing industry risk trends, and conducting internal discussions. At the business level, we map out specific business processes and systematically screen for potential negative factors that could hinder the achievement of objectives in each segment. In our daily work, we continuously monitor changes in laws and regulations, execute internal control and audit procedures, and periodically conduct "Legal Health Checks" in collaboration with business departments and professional legal service providers to achieve proactive and comprehensive identification of compliance risk points.

### ◆ Risk analysis and assessment

Following the basic requirements of comprehensive risk management, the Company systematically assesses identified risks. The assessment focuses on strategic objectives such as legal compliance, and comprehensively considers internal and external factors including market demand, policies and regulations, natural disasters, technological systems, and personnel quality. It analyzes the likelihood and impact of risk occurrence and determines risk levels, providing a scientific basis for subsequent differentiated responses.

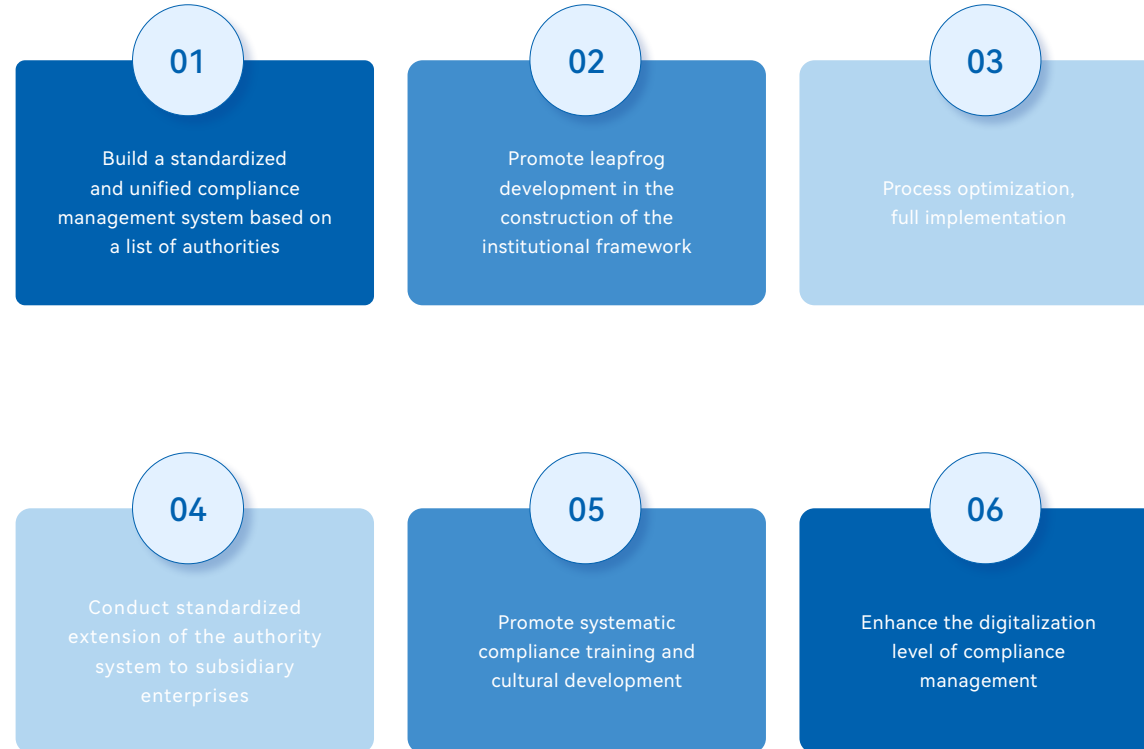
### ◆ Risk response and management

Based on assessment results, the Company implements targeted risk control measures, systematically reviews and communicates compliance requirements for various business activities, and supervises responsible units in completing corrective actions. It also conducts proactive legal risk assessments for key projects, pushing control measures to earlier stages. We enhance routine legal supervision and periodic risk screening, continuously verifying the effectiveness of various risk prevention and response measures. New issues discovered during these screenings are fed back into the risk identification stage, thereby driving a closed-loop iteration and continuous optimization of the entire risk management process.

Risk Category	Risk Description	Potential Impact	Response Measures
External Factors	<p><b>Environmental Compliance Risk</b></p> <ul style="list-style-type: none"> <li>Increased enforcement by government and regulatory bodies and progressively stricter environmental assessment standards for new projects have raised the compliance threshold and uncertainty for projects.</li> <li>Potential changes in policies related to carbon tariffs and carbon pricing could lead to a corresponding increase in the Company's future expenditures on environmental upgrades and compliance.</li> </ul>	<ul style="list-style-type: none"> <li>Increased Operating Costs</li> <li>Asset Impairment</li> <li>Reduced Demand Due to Cost Increases</li> <li>Reduced Access to Financing</li> </ul>	<ul style="list-style-type: none"> <li>Closely track regulatory developments and integrate environmental requirements into the early stages of project planning to maintain proactive compliance.</li> <li>Increase investment in environmental technology R&amp;D to reduce costs and increase efficiency through innovation, thereby building long-term cost and environmental advantages.</li> <li>Actively participate in industry discussions to promote the establishment of a regulatory framework that is both environmentally beneficial and industrially feasible.</li> </ul>
	<p><b>Production Safety Risk</b></p> <ul style="list-style-type: none"> <li>The mineral production and processing segments face significant systemic risks related to operational safety and occupational health. Effectively managing these dual risks is a rigid requirement for ensuring operational continuity and fulfilling social responsibilities.</li> </ul>	<ul style="list-style-type: none"> <li>Increased Operating Costs</li> <li>Decreased Revenue Due to Negative Impacts on Employee Management and Planning</li> </ul>	<ul style="list-style-type: none"> <li>Benchmark against international standards such as ISO 45001 to improve the occupational health and safety management system and safety regulations, achieving standardized and systematic risk control.</li> <li>Conduct regular training and warning education to enhance the risk awareness and practical skills of all employees, internalizing safety standards into a preventive safety culture.</li> <li>Strengthen closed-loop management of on-site safety supervision, risk inspections, and hazard identification and remediation to ensure all systems and requirements are effectively implemented on the production front line.</li> </ul>
	<p><b>Market Risk</b></p> <ul style="list-style-type: none"> <li>As key basic raw materials, the prices of potassium and lithium are driven by multiple factors such as economic cycles, supply-demand relationships, policies, and market sentiment, exhibiting strong cyclical and volatility.</li> </ul>	<ul style="list-style-type: none"> <li>Increased Volatility in Production Costs</li> </ul>	<ul style="list-style-type: none"> <li>To solidify its leading cost-benefit advantage, the Company focuses on deepening technological research and development and promoting the implementation of refined production and management. Concurrently, it comprehensively optimizes operational processes, strictly controls costs, and enhances operational efficiency, forging a dual advantage of high quality and low cost as its core sustainable competitiveness.</li> </ul>
Internal Factors	<p><b>Business Ethics Risk</b></p> <ul style="list-style-type: none"> <li>The Company faces significant compliance risks arising from improper conduct by internal and external stakeholders. Such incidents can easily lead to economic losses, legal consequences, operational disruptions, and reputational damage, posing a major threat to the stable development of the enterprise.</li> </ul>	<ul style="list-style-type: none"> <li>Damage to the Company's Reputation</li> <li>Incurrence of Administrative Penalties</li> </ul>	<ul style="list-style-type: none"> <li>Conduct systematic compliance training to continuously enhance the legal awareness and Business Ethics of all employees, thereby reinforcing the first line of defense against risks.</li> <li>Establish and implement a stringent compliance and internal control system, integrated with regular audits, to ensure the effective implementation and dynamic optimization of policies.</li> <li>Actively collaborate with international organizations and professional institutions to learn from best practices, promoting the alignment of the Company's compliance management standards with leading international levels.</li> </ul>
	<p><b>Resource Reserve Risk</b></p> <ul style="list-style-type: none"> <li>The exploration and development of mineral resources are characterized by long cycles, high investment, significant technical complexity, and prominent uncontrollable factors.</li> <li>During its operations, the company faces the potential risk that mineral resource reserves may not meet expectations.</li> </ul>	<ul style="list-style-type: none"> <li>Increased Operating Costs</li> </ul>	<ul style="list-style-type: none"> <li>The Company systematically promotes compliant exploration, professional team building, and the selection of premium partners to ensure the quality of preliminary work, and continuously optimizes reserve verification and development plans to achieve sustained improvements in resource extraction efficiency.</li> </ul>
	<p><b>Technology R&amp;D Risk</b></p> <ul style="list-style-type: none"> <li>To build a resource-conserving and environmentally friendly enterprise, the Company needs to increase its investment in clean and low-carbon technology R&amp;D, a process that involves corresponding risks (such as potential increases in project investment and talent development costs), and the R&amp;D activities themselves carry the possibility of failure or that technological achievements may not mature for practical application.</li> </ul>	<ul style="list-style-type: none"> <li>Increased Operating Costs</li> </ul>	<ul style="list-style-type: none"> <li>The Company has established standardized project management processes, integrating scientific assessment throughout the entire lifecycle from pre-project evaluation to post-approval progress tracking.</li> <li>The Company regards talent development as a key support, continuously strengthening its professional teams and solidifying its R&amp;D foundation by deepening internal training and expanding external collaborations.</li> </ul>

## Strategy

Zangge Mining, with "systematic reconstruction" as its strategic core, has comprehensively upgraded its corporate compliance management system. The Company uses a list of authorities as the central guide for delineating powers and responsibilities, deeply embedding standardized control requirements across all business units by systematically refining its policy framework and managing the entire process chain online; this is complemented by structured compliance training and the development of a digital knowledge base, creating a new strategic compliance management ecosystem with clear responsibilities, efficient operations, and closed-loop control, thereby solidifying the compliance governance foundation for the enterprise's sustainable development.



### ◆ Compliance Risk Review

The Company focuses on the core tasks of legal and compliance reviews for routine contracts and major projects, systematically conducting full-process legal compliance audits and risk assessments that cover key business areas such as mineral resource development and compliant operations management. During the reporting period, the Company implemented comprehensive legal and compliance health checks for all operating units, including its investment subsidiaries, and promoted the closed-loop rectification of identified issues; some of its subsidiaries simultaneously conducted multiple rounds of internal control audits, formulating special response measures for issues such as business positioning and policy system development following equity mergers and acquisitions, and supervised their implementation and rectification progress throughout the entire process.

### ◆ Compliance Capability Building

To comprehensively enhance its compliance governance, the Company has systematically advanced the development of a compliance culture with significant results. The Company has established a regular platform for legal education and outreach, launched and continuously iterated the legal section of its OA system, and persists in publishing legal education content weekly to ensure precise and timely delivery of compliance information. Concurrently, the Company has built a compliance training system that integrates online and offline formats and leverages both internal and external resources, regularly conducting weekly offline training, quarterly thematic seminars, and specialized compliance lectures, while also utilizing a dedicated online column in the OA system for ongoing dissemination, effectively strengthening the compliance awareness and practical skills of all employees and fortifying the foundation of the enterprise's compliance management.

Case study

**Zangge Mining organized a special training session on the "Interpretation of the new Mineral Resources Law"**

In April 2025, Zangge Mining engaged a law firm to conduct a training session on the interpretation of the new *Mineral Resources Law* for over 150 senior managers, department managers, and key business personnel from its headquarters and affiliated enterprises, delivered both in-person and online. The training focused on four core sections: the evolution of the mining law, an overview of revisions, an interpretation of its content, and an analysis of related issues and considerations. The lawyers combined typical cases to provide an in-depth analysis of the impact of the new law's implementation on mining enterprises and offered targeted compliance management recommendations. Through this training, the Company's management and business personnel gained a comprehensive understanding of the legislative direction and institutional innovations of the new *Mineral Resources Law*, further enhancing the Company's compliance awareness and providing support for future operational and management decisions.



Carrying Out Themed Training

◆ Tax Compliance

The Company strictly adheres to national tax laws, regulations, and supervisory requirements, consistently upholds the principles of lawful and honest tax payment, and deeply integrates tax compliance and risk control into the entire process of its operations and management. In 2025, the Company systematically carried out a special tax self-inspection, compiling and issuing the *Zangge Mining Tax Risk Management Recommendations* and the *List of Tax Risks and Preferential Policies*, and organized its two core subsidiaries, Zangge Potash Fertilizer and Zangge Lithium, to conduct a comprehensive review of their tax matters over the past five years, accurately identifying and rectifying over 30 potential tax-related risk points one by one, thereby achieving closed-loop management and dynamic monitoring of tax risks, building a proactive and systematic tax risk defense system, and effectively strengthening the tax compliance foundation for the stable operation of the enterprise.

Metrics and Targets

Key Performance

During the reporting period, the Company:

- Achieved a **100%** operational compliance rate across all business segments and had **0** incidents of non-compliance related to corporate governance.
- Recorded **0** new major litigation cases and **0** contract disputes.



# Business Ethics

Zangge Mining is committed to achieving sustainable development in a business environment of integrity and fairness. The Company provides a solid guarantee for compliant operations by establishing a comprehensive anti-corruption system, improving its complaint and whistleblowing mechanisms, and conducting periodic audits. Through continuous anti-corruption education and training, we encourage every employee to practice the values of integrity in their daily work, embedding high standards of Business Ethics into our corporate culture and defending the Company's reputation and brand image through concrete actions.

## Business Ethics Code

Zangge Mining strictly abides by national laws and regulations such as the *Criminal Law of the People's Republic of China*, the *Anti-unfair Competition Law of the People's Republic of China*, and the *Antitrust Law of the People's Republic of China*, and resolutely prohibits all behaviors that violate Business Ethics and legal regulations, including bribery, fraud, conflicts of interest, and tax evasion. The Company has established a clear supervisory and management structure, with the Board of Directors' Supervision and Audit Committee serving as the highest assessment and decision-making body for Business Ethics and corruption risks, exercising end-to-end supervision over the Company's entire operational process. We have also established a regular internal supervision mechanism, conducting systematic compliance audits on all business modules and key operational links every quarter to ensure that business activities fully comply with internal and external standards. Each year, the Company systematically conducts Business Ethics compliance audits focusing on key areas such as anti-corruption, anti-money laundering, conflicts of interest, related-party transactions, and information compliance. This work is coordinated by the Group's Supervision and Audit Office, which formulates and promotes internal audit plans for the business lines of the Company and its subsidiaries to effectively prevent compliance risks in business operations and Corporate Governance.

In terms of compliance management in business partnerships, the Company focuses on integrity control within the Supply Chain and cooperative links. By signing the *Anti-commercial Bribery and Integrity Cooperation Agreement* with all partners, we clarify the integrity and compliance responsibilities of both parties to jointly prevent any conduct that undermines fair trade. At the same time, we continuously improve internal supervision guidelines for key business processes such as bidding, promoting the effective implementation of compliance requirements in all cooperation and operational stages to build a business ecosystem of integrity, compliance, fairness, and justice.

In building a culture of integrity, the Company is committed to ensuring all employees understand the Code of conduct and ethical boundaries. All new hires are required to undergo systematic training covering anti-fraud measures, laws and regulations, and integrity ethics. We continuously enhance employees' Business Ethics awareness and regulate their professional conduct through various means, including a dedicated integrity education column, regular training, and themed promotional activities. Additionally, the Company leverages multiple channels such as internal bulletin boards, email systems, and special meetings to conduct regular and ad-hoc integrity awareness activities, aiming to firmly instill in employees an understanding of integrity, self-discipline, diligence, and responsibility, thereby systematically improving the compliance awareness and professional integrity of all personnel.

### Key Performance

During the reporting period, the Company:

- Recorded **0** litigation cases related to business ethics.
- Recorded **0** incidents of corruption or bribery, conflicts of interest, money laundering, or insider trading.
- Achieved a **100%** training coverage rate on business ethics for members of the Board of Directors, management, and all employees.





## Grievance and Whistleblowing Mechanism

Zangge Mining has established a fair, transparent, and efficient grievance and whistleblowing mechanism. Through its official website and internal channels, the Company publicizes multiple reporting avenues, including a dedicated telephone line, email address, online platform, and physical mailbox, to encourage and enable all stakeholders, including employees, customers, suppliers, and contractors, to provide feedback and report on bribery, fraud, corruption, and other violations of professional ethics and company policies. For every reported lead, the Company promptly conducts investigations and takes action in accordance with standardized procedures, continuously reinforcing a corporate culture of fairness and integrity and effectively safeguarding the legitimate rights and interests of the Company, its employees, and all stakeholders.

The Company provides strict protection and necessary support to whistleblowers, stipulating that all reports made on reasonable grounds are subject to protection principles. Any form of threat, harassment, or retaliation is strictly prohibited, and such acts of reprisal are severely dealt with. The Company maintains strict confidentiality regarding the identity of whistleblowers and the content of their reports, and accepts anonymous reports where feasible. During the reporting period, the Company received a total of six complaints and reports. Of these, three have been investigated, resolved, and closed internally according to regulations, while the remaining three are currently under investigation in accordance with procedures.

### Complaint and Reporting Channels:

 +86 028 89992276

 [jc@email.zanggekuangye.com](mailto:jc@email.zanggekuangye.com)



# Information Security and Digitalization

Information Security and digitalization are key pillars supporting a company's high-quality development. Zangge Mining deeply integrates and synergistically advances Information Security management and digitalization to fortify its data security defenses. By empowering the entire production and operation process with digitalization, the Company continuously enhances its operational efficiency and core competitiveness.

## Information Security Management

We believe that Information Security and privacy protection are cornerstones for a company to maintain trust and safeguard the rights and interests of its stakeholders. Zangge Mining has established a comprehensive system covering governance, management, and practice. The Information Management Department, as the coordinating body, is responsible for formulating and continuously improving institutional documents, including the *Information System Management Regulations* and *Information Security Management Measures*, which define a management framework encompassing information system security controls (both logical and physical), data confidentiality, system operation and maintenance, and emergency plans; this strengthens employees' awareness of and compliance with Information Security norms and their proactive management responsibilities, thereby solidifying the micro-foundations and implementation safeguards for the Company's Information Security management.

Regarding its Information Security emergency management mechanism, the Company has built a full-process business continuity assurance system covering prevention, response, and recovery through pre-emptive deployment of forecasting and early warnings, in-event tiered responses, and post-event continuous restoration. We classify incidents based on the duration of information system interruption and formulate differentiated emergency response procedures for different levels to ensure events are handled in an orderly and efficient manner. Furthermore, we continuously advance the optimization of our dual-location data disaster recovery architecture, providing off-site dual-active and disaster recovery capabilities for core business data. This significantly enhances our ability to cope with risks such as regional disasters, infrastructure failures, or human error, ensuring that critical business operations can be safely and quickly restored after an interruption.

### Key Performance

During the reporting period:

- 0 major data loss or other data breach incidents occurred.
- 0 complaints and litigation cases related to privacy infringement or breaches.

## Digitalization Development

Driven by forward-looking technological architecture upgrades and solid infrastructure development, Zangge Mining is committed to building a modern operational system that is data-integrated, intelligently coordinated, secure, and controllable. By systematically advancing the implementation of top-level planning, unified platform management, automation upgrades, and intelligent exploration, we not only empower and enhance current operations but also aim to lay a solid foundation of digitalization for the Company's sustainable, high-quality, leapfrog development. During the reporting period, the Company initiated the preparation of its overall plan for informatization development for the next five years, defining a four-stage implementation path of "strengthening foundations, driving with data, applying intelligence, and expanding the ecosystem", thereby drawing a clear and executable strategic blueprint for its overall digital transformation.



### Improving the Information Technology Governance System

- The three core policies led and revised—for information technology, demand management, and information security—have all been approved, promoted, and implemented, driving the continuous improvement of the Group's information technology governance system.



### Promoting System Construction and Application

- Centered on the SAP-ERP system, the Company continues to advance the construction of an integrated digital platform for production and operations through horizontal promotion and vertical integration.
- Key progress has been made in system coverage, process optimization, and operations and maintenance support, alongside the steady implementation of the container cloud platform deployment plan.
- Breakthroughs were achieved in the construction of specialized systems for asset management, mobile office, and capital management.



### Launching Production Automation and Intelligence Initiatives

- The Company is actively exploring new models of intelligent operation by completing the on-site feasibility study in Golmud, providing technical supervision for the Laos project, and strengthening the automation foundation of its lithium business.

### Zangge Mining Digitalization Development Initiatives

Additionally, in the development of integrating digitalization with industrialization, we continue to advance the upgrade and implementation of our management system. As of the end of the reporting period, the Company's subsidiary production enterprises (Zangge Potash Fertilizer and Zangge Lithium) had all obtained the Evaluation Certificate for the Construction of Class A Project Management Ability of the "Integration of Informatization and Industrialization" Management System.



Class A Evaluation Certificates for the "Integration of Informatization and Industrialization" Management System for Zangge Potash Fertilizer and Zangge Lithium

# Appendix

## Sustainability Performance Data

### ◆ Economic Performance

Indicator	Unit	2025	2024	2023
Economic Performance				
Operating Revenue	RMB 10,000	357,675.26	325,080.04	522,572.12
Net Profit Attributable to Shareholders of the Listed Company	RMB 10,000	385,235.32	257,998.59	341,988.09
Basic Earnings per Share	RMB	2.46	1.64	2.18
Total Assets	RMB 10,000	1,769,215.42	1,508,328.19	1,409,158.46
Ratio of Liabilities to Assets	%	8.35	8.20	7.39
Weighted Average Return on Net Assets	%	24.71	19.40	27.62
Income Tax Expense	RMB 10,000	21,805.88	13,925.53	45,395.55
Product Output				
Potassium Chloride Output	10,000 tons	103.32	107.30	109.42
Lithium Carbonate Production	10,000 tons	0.88	1.16	1.21

<sup>1</sup>Total environmental investment is a consolidated amount without double counting; however, because the project scopes for its three sub-items—carbon reduction project investment, comprehensive ecological and environmental governance investment, and pollution prevention and control investment—overlap, some projects are listed in multiple sub-items, resulting in the sum of the sub-items being greater than the total environmental investment.

<sup>2</sup>The statistical scope for Zangge Mining's greenhouse gas emissions data covers Zangge Mining and its three wholly-owned subsidiaries (Zangge Potash Fertilizer, Zangge Lithium, and Zangge Mining Investment). Direct emission (Scope 1) refers to GHG emissions from the consumption of natural gas, diesel, gasoline, septic tanks, and acetylene, while Indirect emission (Scope 2) refers to GHG emissions from the consumption of purchased electricity, purchased steam, and purchased hot water. The selection of greenhouse gas emission factors is based on the relevant requirements of technical documents such as the 2006 IPCC Guidelines for National Greenhouse Gas Inventories (2019 Refinement) and the 2023 national average electricity carbon dioxide emission factor of 0.5306 kgCO<sub>2</sub>/kWh from the Announcement on the Release of the 2023 Power Sector Carbon Dioxide Emission Factor issued by the Ministry of Ecology and Environment and the National Bureau of Statistics. The emission factors for fuel- and energy-related activities (not included in Scope 1 or Scope 2) (Category 3) and waste generated in operations (Category 5) are sourced from Ecoinvent 3.11; the emission factor for business travel (Category 6) is from USEPA-2022; and the emission factor for employee commuting (Category 7) is from the Beijing Low-carbon Travel carbon Inclusion Project (2025) and the Shared Biking Pollution and Carbon Reduction Report (2021).

### ◆ Environmental Performance

Indicator	Unit	2025	2024	2023
Investment in Environmental Management and Protection				
Number of Environmental Punishments Due to Excessive or Illegal Discharge of Pollutants	Case	0	0	0
Amount of Environmental Punishments Due to Excessive or Illegal Discharge of Pollutants	RMB 10,000	0	0	0
Total Investment in Environmental Protection <sup>1</sup>	RMB 10,000	7,940.49	23,049.45	/
Investment in Carbon Reduction Projects	RMB 10,000	4,348.91	561	299
Investment in Comprehensive Ecological and Environmental Governance	RMB 10,000	2,831.75	/	/
Investment in Pollution Prevention and Control	RMB 10,000	2,303.86	170.48	246.47
Greenhouse Gas Emissions <sup>2</sup>				
Direct Emission (Scope 1)	tCO <sub>2</sub> e	31,979	42,798	51,402
Indirect Emission (Scope 2) - Location-based	tCO <sub>2</sub> e	245,356	307,490	335,344
Total Greenhouse Gas Emission (Scope 1 + Scope 2)	tCO <sub>2</sub> e	277,335	350,288	386,747
GHG Emissions Per Unit of Revenue (Scope 1 + Scope 2)	tCO <sub>2</sub> e/RMB 10,000 of revenue	0.78	1.08	0.74
Indirect Emission (Scope 3: Fuel- and Energy-related Activities)	tCO <sub>2</sub> e	39,071	/	/
Indirect Emission (Scope 3: Waste Generated in Operations)	tCO <sub>2</sub> e	2,107	/	/
Indirect Emission (Scope 3: Business Travel)	tCO <sub>2</sub> e	314	187	/
Indirect Emission (Scope 3: Employee Commuting)	tCO <sub>2</sub> e	1,534	1,360	/

Indicator	Unit	2025	2024	2023
<b>Energy Consumption</b>				
Natural Gas	10,000 cubic meters	1,099.02	1,543.58	2,051.58
Diesel	10,000 L	261.51	296.48	232.84
Gasoline	10,000 L	33.93	45.27	42.55
Purchased Electricity	GWh	339.17	388.49	425.81
Production Plant Grid Electricity Mix (Share of Solar PV)	%	34	/	/
Production Plant Grid Electricity Mix (Share of Hydropower)	%	30	/	/
Production Plant Grid Electricity Mix (Share of Wind Power)	%	15	/	/
Grid Electricity Purchase Structure at Production Sites (Share of Thermal Power)	%	21	/	/
<b>Water Resource Consumption</b>				
Surface Water Withdrawn	Million cubic meters	42.82	18.25	31.99
Groundwater Withdrawn	Million cubic meters	7.96	8.68	8.46
Municipal Water Withdrawn	Cubic meters	452.00	446.00	374.00
Water Withdrawn from Other Organizations <sup>1</sup>	Million cubic meters	9.47	7.38	6.03
Total Freshwater Withdrawn	Million cubic meters	8.27	/	/
Total Non-freshwater Withdrawn (Including Purchased Reclaimed Water)	Million cubic meters	51.98	/	/
Total Water Withdrawn	Million cubic meters	60.25	44.31	55.91

<sup>1</sup> Water withdrawn from other organizations consists of purchased reclaimed water. The statistical scope for this data has been changed, and relevant historical data has been retroactively adjusted accordingly.

<sup>2</sup> Recycled water volume includes recycled old brine and tail liquor.

<sup>3</sup> Water recycling rate = Recycled water volume / Total water consumption × 100%.

Indicator	Unit	2025	2024	2023
Recycled Water Volume <sup>2</sup>	Million cubic meters	183.92	152.20	157.27
Total Water Consumption	Million cubic meters	244.17	196.52	213.18
Water Recycling Rate <sup>3</sup>	%	75.32	77.45	73.77
Water Consumption Per Unit of Potassium Chloride Produced <sup>4</sup>	Cubic meters/Metric ton	57.24	40.56	40.96
Water Consumption Per Unit of Lithium Carbonate Produced <sup>5</sup>	Cubic meters/Ton	126.61	159.47	136.12
Percentage of Total Water Withdrawn in Regions with High or Extremely High Baseline Water Stress	%	0	0	0
Percentage of Total Water Consumed in Regions with High or Extremely High Baseline Water Stress	%	0	0	0
<b>Air Emissions</b>				
Nitrogen Oxides (NOx) <sup>6</sup>	Ton	1.67	4.18	3.55
Particulate Matter (PM)	Ton	13.05	7.42	12.87
<b>Waste Discharge</b>				
Total Waste	Ton	310.56	103.62	105.54
General Industrial Waste <sup>7</sup>	Ton	194.35	44	0
Hazardous Waste	Ton	116.21	59.62	105.54
<b>Packaging Material</b>				
Total Consumption of Packaging Materials	Ton	2,145.05	2,229.01	2,406.75

<sup>4</sup> Water consumption intensity per unit of potassium chloride = Total water withdrawn at the Zangge Potash Fertilizer plant / Potassium chloride production. To ensure data comparability and consistency, the statistical scope for this data for 2023 and 2024 was uniformly adjusted this year, and a retroactive restatement was completed accordingly.

<sup>5</sup> Water consumption intensity per unit of lithium carbonate = Total water withdrawn at the Zangge Lithium plant / Lithium carbonate production. To ensure data comparability and consistency, the statistical scope for this data for 2023 and 2024 was uniformly adjusted this year, and a retroactive restatement was completed accordingly.

<sup>6</sup> The statistical scope is Zangge Potash Fertilizer, as Zangge Lithium has no nitrogen oxide (NOx) emissions.

<sup>7</sup> General industrial waste such as used woven bags and plastic packaging is collected by the manufacturers for recycling.

Indicator	Unit	2025	2024	2023	
Saltlake Resource Utilization Metrics					
Zangge Potash Fertilizer	Mining Recovery Rate	%	80.73	84.63	85.07
	Mineral Dressing Recovery Rate	%	66.55	62.24	65.32
	Overall Recovery Rate	%	100	100	100
Zangge Lithium	Overall Recovery Rate	%	100	100	100
Environmental Certification					
Coverage of ISO 14001:2015 Certification	%	100	100	50	

## ◆ Labor Performance

Indicator	Unit	2025	2024	2023	
Employee Structure					
Total Number of Employees	Persons	1,638	1,709	1,666	
By Gender	Percentage of Male Employees	%	69.96	70.47	71.23
	Percentage of Female Employees	%	30.04	29.53	28.77
By Age	Percentage of Employees Under 30 Years Old	%	24.54	27.85	26.79
	Percentage of Employees Aged 30 to 50 Years Old	%	60.99	56.30	59.97
	Percentage of Employees over 50 Years Old	%	14.47	15.85	13.24
By Ethnicity	Percentage of Han Ethnicity	%	84.62	84.93	85.53
	Percentage of Other Ethnic Groups	%	15.38	15.07	14.47
Employees with Disabilities	Persons	9	11	13	

Indicator	Unit	2025	2024	2023
Employee Turnover				
University Talent Recruited	Persons	18	86	82
Total Turnover Rate	%	9.35	9.38	8.08
Gender Pay Gap <sup>1</sup>				
Average Remuneration of Male Employees	RMB 10,000	14.13	13.23	/
Average Remuneration of Female Employees	RMB 10,000	10.73	9.65	/
Average Remuneration of Male Management	RMB 10,000	53.41	37.32	/
Average Remuneration of Female Management	RMB 10,000	31.35	27.35	/
Average Remuneration of Male Non-management Employees	RMB 10,000	11.11	10.06	/
Average Remuneration of Female Non-management Employees	RMB 10,000	9.13	8.03	/
Average Gender Pay Gap <sup>2</sup>	/	1:0.76	1:0.74	/
Employee Benefits				
Employee Benefit Coverage Rate	%	100	100	100
Benefit Expenditure	RMB 10,000	644.92	406.47	438.38
Average Benefit Expense per Employee	RMB	3,937.24	2,378.43	2,714.43
Employee Satisfaction				
Employee Satisfaction Survey Scores	/	87.74	87.69	95.60

<sup>1</sup>The statistical scope for the average remuneration of management includes base salary and cash incentives, while the scope for the average remuneration of non-management staff includes only the base salary.

<sup>2</sup>Average gender pay gap = Average remuneration of male employees : Average remuneration of female employees.

Indicator	Unit	2025	2024	2023
Employee Development and Training				
Number of Internal Promotions	Persons	52	17	42
Number of Internal Transfers	Persons	472	438	532
Employee Training Person-times	Person-times	6,303	1,380	3,090
Investment in Employee Training	RMB 10,000	32.06	45.85	87.84
Occupational Safety and Health				
Number of Work-related Fatalities	Persons	0	0	0
Number of Work-related Injuries	Persons	5	1	2
Number of Lost Time Incidents	Cases	5	1	2
Number of Transportation Accidents	Cases	0	0	0
Workdays Lost Due to Work-related Injuries	Days	446	66	90
Lost-Time Injury Rate (LTIR) <sup>1</sup>	/	0.83	/	/
Number of Employees Receiving Occupational Health Check-ups	Persons	779	774	862
Safety Training Duration <sup>2</sup>	Hours	55,557	3,631	3,983
Safety Training Coverage Rate	%	100	100	100
Total Investment in Work Safety and Occupational Health	RMB 10,000	3,074.57	1,938.75	2,981.56
Work Safety Investment	RMB 10,000	2,980.10	1,927.34	2,805.60
Occupational Health Investment	RMB 10,000	94.47	11.41	175.96

<sup>1</sup>LTIR is calculated per million hours worked, and the statistical scope covers the total hours worked by all Company employees and contractors.

<sup>2</sup>The significant increase in safety training hours in 2025 is mainly due to the inclusion of contractor training data in the overall statistics for the first time.

## ◆ Product Responsibility Performance

Indicator	Unit	2025	2024	2023	
Product Management					
Number of Products Recalled for Safety and Health Reasons	Number	0	0	0	
Number of Customer Complaints	Cases	0	0	0	
Customer Satisfaction	Zangge Potash Fertilizer	%	99.51	100	97.04
	Zangge Lithium	%	100	100	100
R&D and Innovation					
R&D and Innovation Investment	RMB 10,000	2,122.10	680.55	2,356	
Number of Patents Obtained	Items	6	27	9	

## ◆ Supplier Management Performance

Indicator	Unit	2025	2024	2023
Supplier Classification				
Total Number of Suppliers	Number	430	511	734
Number of Tier 1 Suppliers	Number	46	16	/
Number of Significant Suppliers in Tier-1	Number	22	11	/

Indicator		Unit	2025	2024	2023
Percentage of Total Spend on Significant Suppliers in Tier-1	Zangge Potash Fertilizer	%	20	1.60	/
	Zangge Lithium	%	15	6.29	/
Number of Significant Suppliers in Non Tier-1	Number		5	5	/
Number of Significant Suppliers	Number		27	16	/
<b>Supplier ESG Management</b>					
Number of Suppliers Assessed	Number		197	197	/
Including: Number of Unique Significant Suppliers Assessed	Number		11	11	/
Number of Suppliers with Substantial Actual/Potential Negative Impacts	Number		0	2	/
Including: Number of Suppliers for Whom Agreed Corrective Action/Improvement Plans Were Developed	Number		0	0	/
Including: Number of Suppliers with Substantial Actual/Potential Negative Impacts Whose Cooperation Was Terminated	Number		0	2	/
Number of Suppliers Participating in Capacity Building Programs	Number		120	120	/
Including: Number of Unique Significant Suppliers Participating Capacity Building Programs	Number		14	14	/
<b>Responsible Sourcing</b>					
Number of Suppliers Who Have Signed Integrity Commitments	Number		430	249	/
Number of Suppliers Who Have Signed ESG Agreements	Number		430	249	/
Local Procurement Rate	Zangge Potash Fertilizer	%	100	45	45
	Zangge Lithium	%	100	51	97









## ◆ Community Relations Performance

Indicator		Unit	2025	2024	2023
<b>Community Investment</b>					
External Donations	RMB 10,000		633.60	187.39	1,018.90
<b>Volunteer Services</b>					
Number of Volunteer Participants	Person-times		60	18	7
Total Hours of Volunteer Service	Hours		180	304	70

## ◆ Corporate Governance Performance

Indicator		Unit	2025	2024	2023
<b>Board of Directors Composition</b>					
Number of Directors	Person		9	9	9
Independent Directors	Number	Person	3	3	3
	Percentage	%	33	33	33
Female Directors	Number	Person	2	4	3
	Percentage	%	22	44	33
<b>Business Ethics</b>					
Litigation Related to Business Ethics	Cases		0	0	0
Business Ethics Training Coverage (Board of Directors, Management, and All Employees)	%		100	100	/

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## Reader Feedback

Thank you for reading the *Zangge Mining 2025 Sustainability Report*. To provide you and other stakeholders with more valuable information and to help Zangge Mining enhance its ESG management capabilities and standards, the Company sincerely welcomes your opinions or suggestions regarding this Report. Please provide your feedback to the Company by scanning the QR code below.



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