



雲南金潯資源股份有限公司 Yunnan Jinxun Resources Co., Ltd.

(A joint stock company incorporated in the People's Republic of China with limited liability)
(於中華人民共和國註冊成立的股份有限公司)

Stock Code 股份代號 : 3636



2025

Environmental,
Social and Governance Report
環境、社會及管治報告

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About This Report

This Report is the first Environmental, Social, and Governance (ESG) Report published by Yunnan Jinxun Resources Co., Ltd. (“Jinxun Resources”, “Jinxun”, “the Company”, or “we”, “our”, “us”, “it”, “its”). It outlines the Company’s efforts in environmental protection, social responsibility, and corporate governance in 2025, addressing the expectations and concerns of our stakeholders.

TIME RANGE

This Report covers the information from 1 January 2025 to 31 December 2025, provided that some information is beyond the above time frame.

ORGANIZATION SCOPE

The organization scope of this Report covers Yunnan Jinxun Resources Co., Ltd. and its subsidiaries and branches.

PREPARATION BASIS

This Report has been prepared in strict compliance with the requirements of Appendix C2 Environmental, Social and Governance Reporting Code to the Listing Rules on The Stock Exchange of Hong Kong Limited (the “HKEX” or “Hong Kong Stock Exchange”).

REPORTING PRINCIPLES

This Report is prepared in accordance with the requirements of the Environmental, Social and Governance Reporting Code of Hong Kong Stock Exchange, and adheres to the principles of materiality, quantitative, balance, and consistency:

- **Materiality:** Identify key ESG topics through engagement with stakeholders and disclose them in this Report;
- **Quantitative:** Conduct an objective assessment of the Company’s ESG report through the quantitative of data;
- **Balance:** Present our current ESG management practices in a fair and objective manner;
- **Consistency:** Ensure consistency in disclosure criteria and statistical methods when preparing ESG reports.

DATA AND UNITS

All information and data cited in this Report are derived from internal documents of Yunnan Jinxun Resources Co., Ltd. or relevant publicly available sources. Yunnan Jinxun Resources Co., Ltd. undertakes that this Report does not contain any false records, misleading statements or material omissions.

Some of the financial data in this Report is derived from the 2025 Annual Financial Report. Unless otherwise specified, all monetary amounts in this Report are denominated in RMB.

AVAILABILITY

The Report is available in electronic version which can be downloaded from the Group’s website (www.jinxunec.com) and the HKEXnews website (<http://www.hkexnews.hk>).

Statement of the Board

The Company's Board of Directors is the highest authority and decision-making body for ESG matters. It bears full responsibility for the Company's ESG strategy and reporting, and oversees ESG-related matters that may affect the Company's business or operations, as well as its shareholders and other stakeholders.

The Company places a high priority on ESG governance and is continuously working to strengthen our ESG governance framework. We conduct regular analyses of material ESG issues based on the internal and external business environment and the results of stakeholder engagement. The Board of Directors reviews and identifies the Company's key issues, managing and overseeing them as priority tasks to ensure that ESG principles are integrated into the Company's production and operations, and to continuously enhance the Board's oversight and engagement in the Company's ESG matters. The Company has also established an ESG Leadership Team within its management team to strengthen oversight of ESG-related functions. This Team is responsible for developing policies, management systems, ESG assessment frameworks and metrics, as well as training and performance monitoring, in order to ensure effective management of ESG initiatives and promote the Company's economic development, social equity, and environmental sustainability.

The Company has established an ESG indicator system covering carbon emissions, pollutant emissions, energy consumption, water resources management, and health and safety, and has set management targets for key areas such as energy utilization, greenhouse gas emissions, water resources management, and pollutant emissions. The Company's Board of Directors regularly reviews progress toward its goals, continuously drives the achievement of the Company's ESG objectives, and works to improve the Company's ESG performance.

This Report provides a comprehensive overview of the progress and achievements of the Company's ESG initiatives in 2025, and was considered and approved by the Board of Directors on 17 April 2026.

About Us

Yunnan Jinxun Resources Co., Ltd., established in January 2010, is a full-industry-chain operator integrating the smelting, beneficiation, and deep processing of non-ferrous metal new energy materials, as well as the comprehensive recycling of resources. The Company focuses on strategic resources such as copper and cobalt, fully leveraging its overseas resources advantages to excel in the smelting and deep processing of mineral resources, and comprehensive recycling of resources. At the same time, it keeps enhancing investment in technological research, development, and innovation, while implementing new energy and new materials projects domestically to integrate the industrial chain and maximize its value, with an aim to contribute more wisdom and strength to “building a community with a shared future for mankind”.

The Company was listed on the National Equities Exchange and Quotations (NEEQ) in February 2017, with the stock abbreviation: Jinxun Resources and stock code: 870844.NQ. On 9 January 2026, the Company was listed on the Main Board of The Stock Exchange of Hong Kong Limited, under stock code 03636.HK.

DEVELOPMENT HISTORY

2010

Yunnan Jinxun Resources Co., Ltd. was established in the PRC and commenced the business of non-ferrous metals.

Our first overseas subsidiary, Rong Xing Investments, was incorporated in Zambia.

2016

2017

We achieved our first overseas production milestone by commencing operation of our copper concentrate flotation plant in Zambia.

We launched our international trading platform in Singapore by incorporating a wholly-owned subsidiary in Singapore to expand our overseas business and sell our products to overseas third-party customers. We marked our business footprints in DR Congo by incorporating Jinxun DR Congo to develop local copper and cobalt resources.

2018

2019

Our first copper smelter, namely Zambia copper smelter I, commenced production.

We expanded our business presence to Peru through the trading of non-ferrous metal products.

2020

2021

We commenced construction of our Zambia copper smelter II.

We commenced construction of our DR Congo copper smelter I and a cobalt production line. Our Zambia copper smelter II commenced production. We established our wholly-owned subsidiary, Jinxun Anhui, preparing for our construction of our cobalt processing plant. We received an AAA credit rating from the China Nonferrous Metals Association.

2022

2023

Our DR Congo copper smelter I commenced operation.

Our DR Congo copper smelter I achieved an actual annual production volume of over 15,000 tonnes of copper cathodes. Our cobalt production line in DR Congo commenced production of cobalt hydroxide products.

2024

2025

Anhui Jinxun Cobalt Processing Plant was completed and put into operation.

CORPORATE CULTURE



SOCIAL RECOGNITION

Award	Year	Issuing Authority	Certificates
Top 100 Private Enterprises in Yunnan Province (2025) – Ranked 75th	September 2025	Yunnan Federation of Industry and Commerce	
2025 Science and Technology Award for Non-ferrous Metals Industry	November 2025	China Nonferrous Metals Industry Association, The Nonferrous Metals Society of China	
AAA Enterprise Credit Rating	December 2025	China Nonferrous Metals Industry Association	
Specialized, Advanced, Special and New SME	February 2026	Department of Industry and Information Technology of Yunnan Province	

ESG Management

ESG GOVERNANCE

Jinxun Resources emphasizes the importance of ESG management and have established an ESG governance structure covering the governance, management and executive levels. The Board of Directors, as the highest decision-making body, is responsible for deciding our ESG strategies, objectives and related policies.

Governance level

The Board of Directors is the highest authority and decision-making body for ESG matters at Jinxun Resources and bears ultimate responsibility for ESG initiatives. The Strategy Committee under the Board of Directors is responsible for reviewing and discussing major social, environmental and governance issues. The Board of Directors conducts comprehensive and in-depth evaluation and monitoring of the progress and effectiveness of our ESG work by regularly reviewing ESG reports, listening to reports from the ESG Leadership Team, and examining ESG performance indicators.

Management level

At a management level, we have established our ESG team which is responsible for (i) developing the Company's ESG strategy, (ii) determining the evaluation framework and indicator system for the Company's ESG, (iii) reviewing the Company's ESG report, (iv) determining the content and steps for improving the Company's ESG, and supervising its implementation.

Executive level

We have also established an ESG Working Group comprising different members from our various departments including, but not limited to, the General Management Department, the Safety and Environmental Protection Department, the Facilities Management Department, and each of our production plants. The ESG Working Group has extensive management expertise in the areas of safety, environmental protection and occupational health.

ESG RISK MANAGEMENT

Jinxun Resources emphasizes the complexity and diversity of ESG risks. It has included ESG risks in its risk management system and has established an ESG risk identification and management process, which requires all departments and subsidiaries to focus on environmental and social risks, identify events and corresponding risk factors that may have an impact, and take appropriate risk mitigation measures in the course of their operations. When conducting ESG risk assessment, we mainly consider the degree of impact of ESG related risks, and use "risk severity" and "probability of occurrence" as key indicators for ESG risk analysis. Based on the Company's past occurrence of relevant risk events, we invite internal and external expert to conduct ESG risk assessment.

For key areas such as employment practices, occupational health, and environmental protection, we clarify the level of incidents/accidents, classification criteria, reporting procedures, and penalties. We also effectively control ESG risk factors through various measures such as special training and hidden danger investigation. We plan to conduct a comprehensive ESG risk assessment every two years and report through management to the Board for oversight and guidance. The Company will also incorporate the management effectiveness of key ESG risks such as environmental pollution risks and occupational wellness risks into the management performance evaluation system to promote management to pay more attention to the Company's sustainable development.



Risk Category	Risk Factors	Mitigation Measures
Climate and natural disaster risk	Climate change may lead to an increase in the frequency of extreme weather events, such as floods and mudslides, which may result in damage to production facilities, transportation disruptions and shortages in the supply of raw materials, which may lead to disruptions in operations, result in a reduction in the Company's production capacity, or cause harm to personal safety and bring environmental safety issues; the transition to a low-carbon economy may also lead to fluctuations in the price of energy, which may result in an increase in the cost of energy expenditures.	We are committed to strengthening the reminder and early warning of natural disasters, strengthening geological and environmental monitoring around the factory area, continuously carrying out energy conservation and emission reduction, and improving energy efficiency. We see our own GHG emissions as an important indicator of our climate resilience.
Environmental protection regulation risk	The continued increase in environmental legislation and enforcement by the government and regulatory authorities, more stringent environmental impact assessments for proposed projects, and the enhancement of relevant standards and enforcement requirements in respect of air pollutants, solid waste, natural resources, biodiversity and land reclamation and restoration may result in the us incurring additional expenditure on environmental protection matters accordingly.	We continuously pay attention to the dynamics of environmental protection laws and regulations, and plan environmental protection measures for the project in advance; increase investment in environmental protection technology research and development to reduce environmental protection costs.
Environmental pollution risks	The Company's copper smelting process involves the discharge of pollutants into the air, water, soil and other environments, which will have a negative impact on the environment if the treatment of pollutants is not up to standard.	We have improved our pollutant treatment system and carried out environmental monitoring. We are committed to strictly complying with local environmental laws and regulations to ensure that pollutants are discharged in compliance with standards; we have developed emergency plans in order to promptly handle sudden environmental incidents.

ESG Management

Risk Category	Risk Factors	Mitigation Measures
Human rights risks	The overseas operations of the Company involve communicating with and employing local people, and may result in business interruptions in the event of violations of aboriginal rights, employment disputes involving child labor and forced labor, or improper handling of community relations due to improper communication or handling. The primary human rights risks we face in the overseas jurisdictions where we operate relate to the protection of labor rights and interests, including potential child labor issues arising from the employment of underage job seekers, labor disputes stemming from wage disputes, workplace discrimination, and health hazards to employees resulting from potential safety risks.	We strictly comply with human rights-related norms or standards, fully communicate and consult with stakeholders such as local governments, communities and indigenous peoples, and respect reasonable opinions and demands. To ensure compliance with the laws and regulations of the overseas jurisdictions in which we operate, we collaborate with local law firms and professional organizations to conduct a comprehensive review of human rights laws in those jurisdictions and monitor regulatory developments, including mining regulations related to land use, labor practices, and indigenous rights. We have developed a dedicated compliance checklist to mitigate related risks during operations.
Occupational health risks	The production process involves the use of chemicals and other operations, The Company continues to strengthen the construction of health, safety and environmental protection (HSE) system, but relevant implementation relies on the behavior of the personnel. If major safety accidents were caused by the staff's operational errors, it would lead to production stoppages and administrative penalties.	We strengthen the construction of our occupational health and safety management system to timely detect and eliminate potential safety hazards, and carry out safety training and education to improve safety awareness and operation skills.

Risk Category	Risk Factors	Mitigation Measures
Supply chain risks	The Company's business is widely distributed, and there are differences in the management level of suppliers. The occurrence of negative events in terms of safety, environmental protection and labor rights in some suppliers is not conducive to the stability of the Company's supply chain, which will in turn lead to impacts such as stoppage of work and production, or increase in operating costs.	We optimize the selection and management of suppliers, establish long-term and stable cooperative relationships, and make good reserves of emergency supplies. We strengthen supply chain monitoring and early warning, and identify potential risks in a timely manner.
Business ethics risks	There may be cases in the Company's operations where employees or business partners engage in illegal or unethical behavior, resulting in losses of interests. Any occurrence of suspected ethical or legal violations may pose a significant risk to the Company's business and result in fines or reputational damage.	We improve the internal control management system, promote corporate compliance and ethical integrity, strengthen employee training and education, enhance legal awareness and ethical literacy, and establish a culture of integrity and honesty.

STAKEHOLDERS ENGAGEMENT

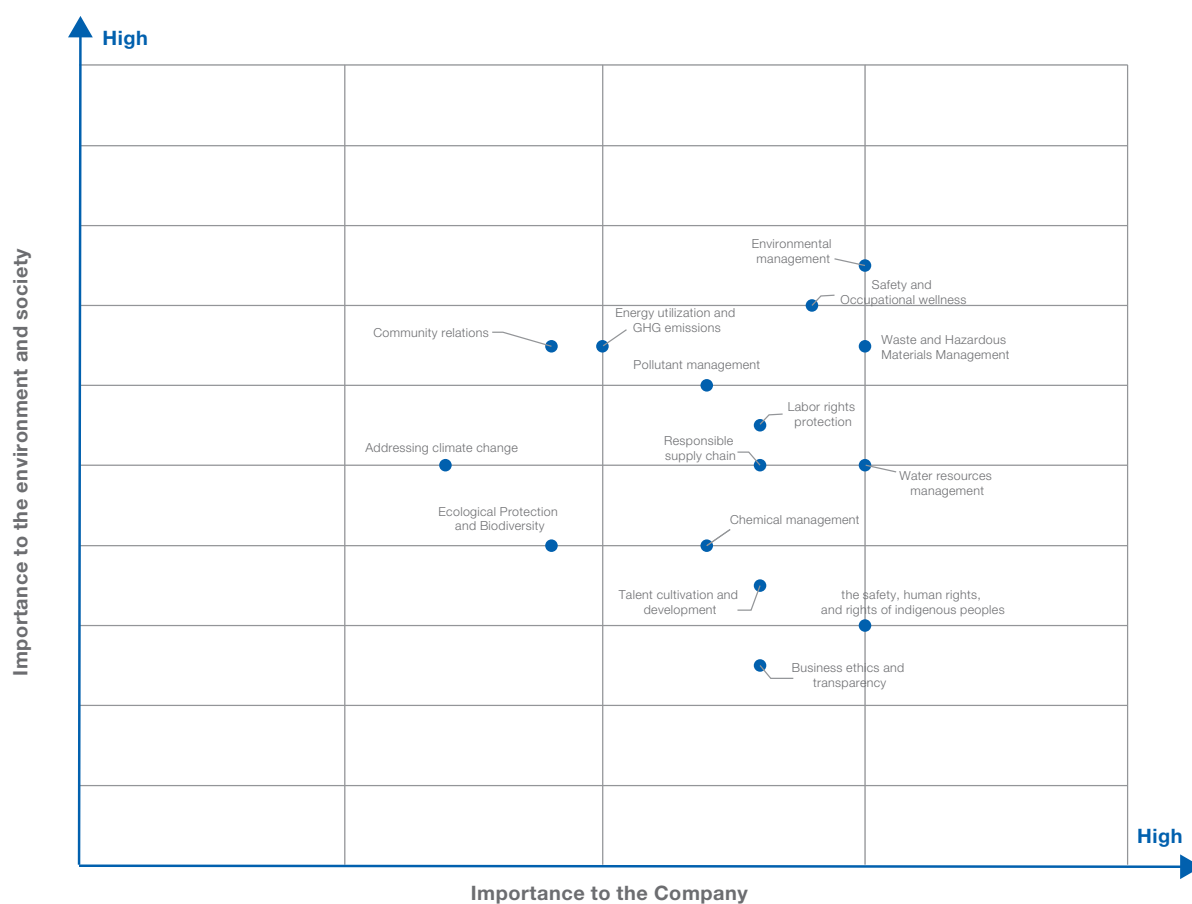
Jinxun Resources attaches great importance to its stakeholders, including shareholders, investors, government and regulatory bodies, customers, employees, suppliers, partners, and the community. The Company has established a regular, multi-dimensional communication mechanism to actively address the concerns and requests of its stakeholders, comprehensively identify sustainability-related risks and opportunities, and continuously improve the effectiveness of its ESG management system and practices.

ESG Management

Stakeholder	Communication Channel	Concerned Issues
Shareholders & investors	• General meetings • Annual reports • Company announcement/Press Release • Investor research and communication meetings • Daily communication and feedback	• Product quality management • Intellectual property protection • Work safety management • Addressing climate change
Governmental and regulatory authorities	• Research and implementation of relevant policies • Daily reports and approvals • Relevant research and discussion meetings • Regular information disclosure	• Integrity and anti-corruption • Internal control and risk management • Environmental compliance management • Energy and resource utilization • Emission management • Addressing climate change • Biodiversity protection
Customers	• The official website and other interactive platforms • Customer complaint hotline • Product promotion and services • Daily communication	• Product quality management • Work safety management • Chemical management • Supply chain management • Environmental compliance management • Addressing climate change
Employees	• Employee interviews • Employee performance communication • Employee suggestions and complaints	• Work safety management • Labor rights protection • Talent cultivation and development
Suppliers and partners	• Procurement and bidding • Supplier evaluation • Communication meetings • Daily communication	• Supply chain management • Product quality management • Work safety management • Chemical management
Communities	• Public welfare and charity • Community project construction • Volunteer activities	• Community communication and contribution • The safety, human rights and rights of indigenous people • Environmental compliance management • Emission management

MATERIALITY ANALYSIS

In 2025, the Company conducted a materiality analysis of sustainability issues based on regulatory trends, sustainability-related guidelines, and industry practices. This included: referencing the SASB Materiality Map for the Metals and Mining Sector to identify ESG-related issues that may be relevant to the Company; and inviting our management, employee representatives, and external consultants to assess the materiality of various ESG issues to the Company, as well as their significance to the environment and society. Based on the assessment of importance, we developed a material issue matrix and derived the results of the material issue screening. We also reported the results of our ESG assessments to the management and the Board of Directors, reminding them to pay closer attention to material issues.



Material issue matrix

Green Development

Jinxun Resources actively practices the concept of green and sustainable development by establishing a robust environmental management system, strictly controlling energy consumption and pollution emissions during production, continuously optimizing resource utilization efficiency, and proactively addressing climate change. The Company drives resource conservation, recycling, and process upgrades to minimize the impact of its production activities on the ecological environment. Through green and low-carbon development, it supports the industry's high-quality transformation and earnestly fulfills the ecological and environmental responsibilities of a resource-based enterprise.

1.1 ENVIRONMENTAL MANAGEMENT SYSTEM

The Company strictly complies with all relevant laws and regulations that have a significant impact on its environmental protection efforts, including but not limited to: the “Environmental Protection Law of the People’s Republic of China”, 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 “Law of the People’s Republic of China on the Prevention and Control of Environmental Pollution” caused by Solid Waste, and the “Energy Conservation Law of the People’s Republic of China”. Our operations in Zambia and DR Congo also comply with local environmental laws and regulations, as well as environmental impact assessment requirements.

Environment management structure

The Board of Directors and the management of the Company attach great importance to environmental protection, with the chairman of the Board of Directors taking overall leadership responsibility for environmental protection throughout us, making decisions, supervising and coordinating all environmental protection tasks, urging us to take targeted emission reduction actions and measures, and promoting us to successfully reach the relevant environmental protection targets. In order to ensure the effective implementation of environmental management work, we have set up the Safety and Environmental Protection Department, which is responsible for day-to-day environmental management and supervision, and has implemented a supervision and management system with designated personnel and responsibilities to ensure full coverage.

We have established a standardized environmental management system, and have obtained the environmental management system certification (ISO14001), which is valid until 4 January 2028.

Environmental supervision and inspection

We have continuously strengthened our environmental inspection efforts, with the safety and environmental protection sections of our subsidiaries responsible for daily monitoring and management, and our Safety and Environmental Protection Department is responsible for random inspections and supervision. We have established a monthly safety and environmental protection inspection system at our plants in DR Congo and Zambia, with the chairpersons of our local subsidiaries leading detailed inspections of safety and environmental protection conditions on the premises. The operation and suspension of our environmental protection facilities and equipment are in strict compliance with the relevant national and local policies and laws and regulations, managed and inspected by the Safety and Environmental Protection Department, and maintained and serviced by the responsible units. Upon identifying potential issues or hazards, we will clearly designate a responsible party, strictly require them to rectify the issues within a specified timeframe, and conduct rigorous evaluations based on the inspection results. Every year, we commission a third party or carry out comprehensive monitoring of “water, gas and sound”, obtain environmental monitoring reports, and identify problems and make corrections in a timely manner.

Building an eco-friendly culture

We have established an environmental protection training and assessment system, and carry out environmental publicity, education and training at least once a year, covering environmental emergency management, environmental pollution control technology and monitoring technology, basic theories of clean production and its role, etc. The safety and environmental protection section of each subsidiary regularly organizes exams for those who take part in the education and training, and our Safety and Environmental Protection Department regularly checks the results of the exams on a random basis.

Environmental emergency management

We have established an emergency rescue system for environmental accidents, formulated an emergency rescue plan, equipped with emergency rescue materials, and conducted regular emergency rescue drills. We carry out rescue operations scientifically in strict accordance with the principles of “division of labor, cooperation, timely and effective” to ensure timely response to environmental accidents and minimize accidental damage, casualties and environmental pollution.

Environmental compliance incident

In February 2025, our Zambian subsidiary, Rong Xing Investments, experienced an acid leakage incident during unloading operations, leading to a suspension order from the government. After the incident, we took the following internal control rectification measures to prevent further occurrence of such non-compliance: appointing an equipment manager to be responsible for the control and supervision of all operations at the mine; implementing enhanced internal policies and protocols, such as the health and safety policy, tailings dam closure and post-closure management plan, water management plan, and environmental and safety action plan; organizing training to educate employees on pollution prevention and regulatory requirements, such as wearing the required personal protective equipment; developing emergency response plans for sulfuric acid leaks and tailings pond incidents, clearly outlining procedures for prevention, early warning, emergency response, and post-incident management. On 7 April 2025, Rong Xing Investments obtained a clearance letter from Zambia Mines Safety Department, certifying that the status of the mineral processing license of Rong Xing Investments has been changed to compliant, indicating that we have completed the rectification for the aforementioned non-compliance incident.

Green Development

In March 2025, following adverse weather conditions which caused damages to tailing, and the resulting acid leaking from Zambia Rong Xing Investments into nearby stream, Rong Xing Investments received an order issued by the Zambia Environmental Management Agency (“ZEMA”) for requiring cleanup efforts and the cessation of operations pending guidance due to the incident of acid leaking into nearby stream. Following the incident, we actively implemented the measures recommended by the ZEMA, including: conducting ongoing environment restoration work; engaging with a qualified environment consultant to carry out cleanup and restoration assignments in Dambo area and Luella stream, respectively; and submitting work plans issued by two professional environmental assessment agencies to ZEMA for review and selection. In a letter dated 15 April 2025, the ZEMA granted us conditional approval, allowing Rong Xing Investments to continue operations while implementing the necessary corrective measures.

1.2 USE OF ENERGY AND RESOURCES

We have formulated the “Energy Resource Management and Energy Conservation System” to promote energy resource management in a comprehensive manner. We regularly collect, organize and analyze energy resource consumption data and energy conservation work data, identify potential space for energy conservation, and formulate detailed energy conservation goals and plans to reduce energy consumption on the operation side. We have established a supervision and assessment system to encourage employees to supervise the wastefulness of energy resources, and regularly assess and evaluate the fulfillment of energy-saving goals and the effectiveness of the implementation of energy-saving measures in each department, position and individual, so as to continuously strengthen the work of energy conservation and emission reduction.

Energy use

Technical energy-saving measures

Increasing the R&D and application of energy-saving technologies, promoting the application of intelligent production technologies and energy management systems, using energy-saving equipment, using frequency conversion control for high-power equipment, installing shunt capacitor panels next to the workshop substation or equipment to compensate for reactive power, using grid-type anode plates, and utilizing height difference to realize self-flow of liquids, among others, to reduce energy consumption and lower the level of carbon emissions.

Management of energy-saving measures

Strengthening the management of production plans, optimizing the organization of production, establishing an energy-saving target responsibility system, carrying out regular energy-saving education and training activities, and organizing energy-saving competitions.

Promotion of Green Office

Double-sided printing is used for all internal documents, lights are turned off during lunch breaks, and energy-saving slogans are posted in the office area to remind employees to save energy. Employees are encouraged to start with small, everyday actions to actively conserve water and energy, thereby reducing resource and energy consumption in the workplace.

Use of water resources

Our water resources are mainly used for domestic water for production and water for production processes. We strictly comply with the laws and regulations of the locations in which we operate and have formulated internal systems such as the “Energy Resource Management and Energy Conservation System” to clarify the water resources management system, water resources risk assessment and water resources usage specifications. The Group’s water sources are mainly municipal water, surface water and groundwater. We have clearly defined water resource management in the “Energy Resource Management and Energy Conservation System”, formulated annual water conservation plans and annual water conservation targets for equipment and domestic water consumption, reviewed water consumption on a monthly basis, and conducted inspections of water consumption on-site from time to time.

The main water conservation initiatives we have undertaken include the following:

Strengthening the recycling of water resources: In the smelting process, the wastewater generated from leaching, washing and other processes is treated and reused, so as to improve the reuse rate of water resources.

Installation of water-saving appliances and equipment: Strengthening the maintenance and management of water-using equipment, regularly checking water pipes, valves and faucets and other equipment, and repairing leaks in a timely manner to avoid wasting water resources.

Establishment of water metering management system: Measuring and counting water consumption of each production workshop, department and living in the factory, analyzing the water consumption situation, finding potential points for water saving and taking corresponding measures to reduce water consumption.

Water-saving culture construction: Carry out water-saving publicity and education activities to improve the staff’s awareness of water conservation and develop good habits of water conservation.

	For the year ended 31 December		
	2023	2024	2025
Total integrated energy consumption (thousand tonnes of standard coal)	5.2	13.0	14.4
Purchased electricity (GWh)	17.5	40.1	72.2
Diesel consumption (thousand tonnes)	2.3	6.4	4.4
Integrated energy consumption per unit of output value (tonnes of standard coal/RMB million revenue)	7.3	7.4	6.3
Water consumption (thousand cubic meters)	396.1	687.3	958.7
Water consumption intensity (cubic meters/RMB million revenue)	570.3	388.2	422.1

Note:

- (1) During the Reporting Period, we primarily conducted smelting operations in DR Congo and Zambia, and the above figures include Jinxun DR Congo and Rong Xing Investments. Our subsidiaries in other countries and regions only have a small number of employees engaged in the administration and sales business that causes a relatively small impact on overall energy and greenhouse gas (GHG) emissions. Therefore, the relevant data of such subsidiaries is not included in the statistics at this time.
- (2) From 2023 to 2025, our integrated energy consumption and total GHG emissions increased, generally in line with our business development. This increase was mainly due to our continued expansion of production capacity. The second phase of the Zambia Project began operating in March 2022, and the first phase of DR Congo Project began operating in August 2023.

1.3 EMISSIONS MANAGEMENT

Our smelting production process involves the discharge of pollutants into the atmosphere, water bodies, soil and other environments. We strictly comply with the “Law of the People’s Republic of China on the Prevention and Control of Air Pollution” and other laws and regulations applicable to the locations where we operate, and fully implement the “Comprehensive Emission Standards for Air Pollutants” (GB 16297-1996), “Emission Standards for Industrial Pollutants from Copper, Cobalt, and Nickel Industries” (GB 25467-2010), “Measures for the Prevention and Control of Environmental Pollution from Tailings”, and “Technical Specifications for Setting Up of Exhaust Gas Monitoring Points for Fixed Pollution Sources” (DB 37/T3535-2019) and other management standards. Our operations in Zambia and DR Congo also comply with the requirements and orders issued by the local government. For the emission indicators with differences, we will implement the strictest “standards”, such as striving to control the pH value of wastewater between 6-9, ammonia nitrogen emission concentration not exceeding 10mg/L, and sulfur dioxide emission concentration not exceeding 960mg/m³ in the exhaust gas.

We strictly follow our environmental impact assessment system, adopt effective measures for the treatment of waste gas, waste water and solid waste, and monitor the emission of waste gas through regular and daily testing to strictly ensure that the concentration of waste gas emissions and the total amount of pollutants comply with the regulatory requirements.

Exhaust gas management

Our exhaust gas mainly consists of dust and acid mist, as well as sulfur dioxide generated from the use of diesel fuel. We reduce dust by setting up spray cannons in the ore crushing system of the rough crushing station, and timely adopting measures such as sprinkling water and covering thatching during the loading and transportation of ore. We suppress the generation of acid mist by adopting sealing of the tanks in the leaching and cobalt recovery workshop with a cover, adopting a semi-open plant design for the workshop of electrowinning and adding fiber balls to the electrowinning tank. During the Reporting Period, the Company continued to advance its exhaust gas treatment projects. Through a combination of measures including emission reduction at the source, process control and reduction, and end-of-pipe treatment, the Company comprehensively improved its exhaust gas treatment capabilities to ensure compliance with emission standards.

Wastewater management

We realize solution recycling through closed loop system in production, and almost no wastewater is discharged externally, among which, the underflow slurry produced by milling is sent to smelting area, and the magnesium precipitation liquid from smelting is returned to milling as supplemental water; the leaching liquid produced by leaching is extracted to get extraction residue, and the extraction residue is treated in grease traps, and then returned to leaching or used in leaching washing; the electroprecipitation electro-poor liquid produced by electroaccumulation gets electro-rich liquid through back-extraction, and then is sent to the electroaccumulation workshop to produce copper cathode; the domestic wastewater is treated and qualified for use by sprinkling trucks. Our Safety and Environmental Protection Department is responsible for supervising and guiding the wastewater treatment work, and the ore processing plant is responsible for the daily management and maintenance of the wastewater treatment station. Employees of the wastewater treatment station regularly check the operation of the sewage system and the drainage electrical equipment, and regularly monitor whether the relevant data meet the standards.

Waste management

We transport all the waste slag generated from the smelting process to the environmentally friendly tailings storage. The environmentally friendly tailing pond is surrounded and bottomed with HDPE anti-seepage membrane, and a seepage conduction system has been set up to avoid adverse impact on the surrounding environment. After the service period, the tailing pond will be covered with soil and greened with vegetation. In 2023, 2024 and 2025, our tailings volume was 636.6 thousand tonnes, 1,432.0 thousand tonnes and 1,781.9 thousand tonnes, respectively.

For general solid waste generated during daily operations, we set up garbage bins at industrial sites to collect domestic garbage, which will be transported by garbage trucks to garbage dumps for treatment.

Pollutant Management Target

Goal:

Strive to achieve 100% compliance with exhaust gas and wastewater standards.

Progress:

In 2025, our pollutant emission targets in daily operation reached the relevant emission limit values or control targets. The waste slag and waste liquid generated are all stored in environmentally friendly tailings.

1.4 BIODIVERSITY PROTECTION

We continuously carry out biodiversity and land resource management at all stages of project design, implementation and completion. For all new projects, we carry out strict environmental protection due diligence and environmental impact assessment, and comprehensively evaluates the potential impact of the project on biodiversity. If significant ecological risks are found, we will terminate the investment or construction plan.

Green Development

We attach great importance to ecological protection, and adopts biological management measures combined with slope protection and planting a certain width of protective forest belt around the production plant, so as to minimize the impact of harmful dust generated during the production process on the surrounding ecological environment. When the dirt discharge site reaches the expected design elevation, we will carry out the topsoil layered covering work, try to lay the weathering-prone rocks of small grain size and low hardness, and fertile soil on the upper layer to facilitate crop growth, and plant fast-growing, drought-resistant plants that thrive in poor soil, such as purple flowers, alfalfa, erect milkvetch to achieve the effect of conserve soil and water and increasing soil fertility. At the same time, the mulching of the production area also plays the role of water conservation to maintain the soil and water at the periphery of the production area and to reduce the loss of water and soil and desertification.

1.5 ADDRESSING CLIMATE CHANGE

We consider it our duty to respond to climate change by proactively identifying and analyzing the potential impacts of climate-related risk factors in accordance with the requirements of “Part D: Climate-related Disclosures under Environmental, Social and Governance Reporting Code of Hong Kong Stock Exchange”. We have begun to carry out appropriate planning to enhance our capacity to respond to climate risks, and to take comprehensive actions and measures to enhance our resilience to climate risks.

Type of Risk	Risk Factor	Risk Description	Potential Impact
Climate-related physical risks			
Acute risks	Extreme weather events	The occurrence of catastrophic high temperatures, droughts, heavy rains and other weather events may cause our production sites and offices to be exposed to the risks of flooding, damage to facilities and equipment, and production interruptions, and may prevent suppliers from making timely deliveries or deliveries to customers on time, affecting the stability of deliveries.	Rising operating costs or business interruption
Physical risks	Chronic natural disasters	Rising temperatures and changes in rainfall may affect our business activities. For example, we may need to consume electricity and natural gas more frequently to use refrigeration equipment and warming facilities in order to maintain appropriate temperatures and ensure the health of our employees, resulting in higher operating costs.	Higher operation and maintenance costs

Type of Risk	Risk Factor	Risk Description	Potential Impact
Climate-related transition risks			
Policy and legal risks	Carbon emission regulatory requirements	As the global focus on climate change intensifies and national and local dual-carbon policy requirements gradually increase, the Company may face stricter carbon emission restrictions and green development policies, resulting in higher environmental compliance costs.	Declining demand for products and services Decline in sales revenue
Technological risks	Investment in low-carbon technologies	With the continuous development of digital transformation, automation and green technologies in the metal smelting industry, the Company is faced with continuous changes in new technologies, including investments in the field of low-carbon technologies in order to carry out low-carbon and energy-saving related technological upgrades or innovations, which may result in investment losses due to mispositioning or mistargeting of the investments or encountering technological bottlenecks.	Return on investment not as good as expected
Market risks	Raw material supply risk	Raw material suppliers may encounter increase in raw material prices or operating costs, or supply chain disruptions in severe cases due to extreme weather, fluctuations in energy prices or other factors, thus affecting the Company's production.	Increased operating costs
	Changes in market demand	Investors and consumers are paying more attention to the issue of corporate carbon emissions and low-carbon transition. Metal smelting companies, as the companies under focus, may lead to risks such as divestment and reduced sales if the green transition fails to meet expectations.	Declining demand for products and services

Green Development

Type of Risk	Risk Factor	Risk Description	Potential Impact
Reputational risks	Increased stakeholder concerns and negative feedback	If the performance in environmental protection and carbon reduction does not meet the expectations of stakeholders or generates negative feedback, it may lead to damage to the brand image and be questioned by relevant parties.	Damaged goodwill

Type of Opportunity	Opportunity Factor	Opportunity Description	Potential Impact
Climate-related opportunities			
Products and Services	Increased demand for non-ferrous metals	In the context of global green development, the demand in the fields of photovoltaic, wind power, transmission and distribution network expansion will drive the demand for copper, cobalt and other non-ferrous metal products to continue to grow. The Company is expected to further capitalize on market opportunities with guaranteed production capacity.	Increased demand for products
Resource efficiency	Resource and energy efficiency improvements	In response to climate change, the Company is actively working to improve the efficiency of energy resource utilization by adopting energy-saving measures and implementing the “Energy Efficiency Improvement” program to reduce the use of energy resources and thus reduce operating costs.	Increased energy efficiency

In response to the above climate risk factors, we will continue to improve our monitoring measures, pay attention to weather forecasts in a timely manner, provide early warnings of extreme weather, and properly arrange work plans. We will conduct regular safety training and emergency drills to enhance the ability of our employees to prevent and deal with natural disasters and accidents arising from them. At the same time, we have increased our efforts in the research and development and application of green and low-carbon technologies, focusing on promoting the upgrading of energy-saving and consumption-reducing equipment and the introduction of innovative technologies, and have continued to improve our coping mechanisms to minimize the impacts of climate change.

Greenhouse Gas Management Target

Goal:

Reduce greenhouse gas emission intensity (in terms of tonnes of carbon dioxide equivalent per RMB million of revenue) by 5 percent by 2027, using 2024 as the base year.

Progress:

In 2025, our GHG emission intensity was 23.0 tonnes of CO₂ equivalent per RMB million of revenue. This target is expected to be achieved as we progressively optimize the share of electricity in our energy mix, optimize process and energy efficiency, and increase capacity utilization.

For the year ended 31 December

	2023	2024	2025
Direct GHG emissions (Scope 1) (thousand tonnes of CO ₂ equivalent)	7.4	20.4	13.9
Indirect GHG emissions (Scope 2) (thousand tonnes of CO ₂ equivalent)	7.3	16.7	38.3
Total GHG emissions (Scope 1 and Scope 2) (thousand tonnes of CO ₂ equivalent)	14.7	37.1	52.2
GHG emission intensity (Scope 1 and Scope 2) (tonnes of CO ₂ equivalent per RMB million of revenue)	21.1	21.0	23.0

Note:

- (1) During the Reporting Period, we primarily conducted smelting operations in DR Congo and Zambia, and the above figures include Jinxun DR Congo and Rong Xing Investments. Our subsidiaries in other countries and regions only have a small number of employees engaged in the administration and sales business that causes a relatively small impact on overall energy and greenhouse gas (GHG) emissions. Therefore, the relevant data of such subsidiaries is not included in the statistics at this time.
- (2) According to the GHG Protocol-Corporate Value Chain (Scope 3) Accounting and Reporting Standard, we emit Scope 3 — Other Indirect GHG Emissions (Scope 3 Emissions) from business travel, employee commuting, waste generated in operations, transportation and distribution (upstream and downstream), and processing of products sold. These emissions arise from activities up and down our value chain and are controlled by other operating entities. Due to challenges in the availability of relevant data, we are planning to gradually identify statistical mechanism of Scope 3 Emissions and make an appropriate disclosure in the future.

Responsible Operation

Jinxun Resources adheres to the principles of integrity and compliance, strictly abides by domestic and international laws and industry standards, and has established a comprehensive internal control and disclosure system to ensure that information is truthful, accurate, and timely. We build our brand on integrity and safeguard our development through compliance. The Company has been recognized as an “A-Class Tax-Compliant Enterprise” and an “AAA-Rated Credit Enterprise” by the China Nonferrous Metals Industry Association for consecutive years.

2.1 INTEGRITY AND COMPLIANCE IN BUSINESS OPERATIONS

The Company has always adhered to lawful and compliant operations and conducted business with integrity, strictly abiding by domestic and international laws and industry standards, continuously improving its integrity and compliance management system, and consistently strengthening the development of business ethics among both the company and its employees. The Company maintains a “zero-tolerance” policy toward corruption and all forms of unethical business conduct, and continuously strengthens its internal control system to enhance integrity and compliance management as well as its ability to prevent and control integrity risks.

Integrity and anti-corruption

The Group strictly complies with relevant anti-corruption and anti-money laundering laws and regulations, including the “Criminal Law of the People’s Republic of China” and the “Anti-Money Laundering Law of the People’s Republic of China”, and places great emphasis on establishing integrity systems. We have developed and implemented the “Anti-Fraud Policy and Procedures”, and have incorporated anti-bribery policies, core procedures, and codes of conduct into the “Employee Integrity Management System” and the “Employee Integrity Pledge”. Corrupt practices not only constitute a serious violation of laws and regulations, but also harm the Company’s operations and reputation.

To strengthen our integrity defenses, all employees are required to sign the “Employee Integrity Pledge” upon joining the Company. This pledge incorporates the Company’s anti-bribery policy, core procedures, and code of conduct as an integral part of the employment contract. At the same time, the Company provides systematic training for all new employees on the anti-corruption/anti-bribery policies outlined in the “Employee Integrity Management System”. In our external business partnerships, we carefully screen customers and suppliers, and include anti-corruption clauses in contracts with key customers and suppliers to clearly define both parties’ responsibilities and obligations regarding anti-corruption and anti-bribery measures.

We are committed to establishing open and trustworthy reporting channels to ensure that any concerns can be communicated and addressed without hindrance. Should any instances of embezzlement, fraud, or other unethical conduct be discovered, employees and external stakeholders may report them using their real names or anonymously through the following channels:

Written correspondence: Please mail it to the Company, marking the envelope “To be opened only by the addressee”, at the following address: 3rd Floor, Building B, 1389 Changyuan North Road, Kunming High-Tech Zone, Yunnan Province, People’s Republic of China.

Dedicated email address: sjb@jinxunec.com, fawu@jinxunec.com

Report hotline: 0871-65238475

Offline channels: Reporting directly to the management through scheduled meetings, walk-in visits, and other methods

The Company's reporting channel can be accessed on its website (www.jinxunec.com). Our reporting policy guarantees that whistleblowers will be protected from unfair disciplinary action or any retaliation resulting from a legitimate report. We keep all reports confidential, conduct preliminary investigations, categorize them, and provide appropriate feedback as appropriate.

We have established a comprehensive integrity education system that spans from board members to frontline employees. In addition to systematic training for new employees, we regularly organize special events for all staff. For example, on 1 January 2025, an anti-corruption training session was organized for all Chinese employees across the Group, focusing on an explanation of common economic crimes and the corresponding penalties. Every month, we publish recent case studies on our internal platform to use them as cautionary examples and keep everyone vigilant.

In 2025, we received no complaints regarding corruption, nor were there any instances of violations of relevant laws and regulations. Jinxun Resources will continue to improve its integrity governance mechanisms, uphold the principles of ethical business practices, and foster a healthy business environment.

Internal control

During the Reporting Period, we established internal audit management policies and an internal audit plan, which were submitted to the Audit Committee for review and approval. We focused our audit resources on our major risk areas and key business processes. All matters for improvement identified during this year's various audit projects were communicated to the relevant business units and the management. We promptly organized special meetings and formulated specific corrective measures, including process optimization, policy revisions, and staff training.

Risk management

The objective of the Company's risk management is to promote the sustained and healthy development of its business operations, ensure that all business activities operate in an orderly manner within acceptable risk parameters, safeguard the security and integrity of its assets, and ensure that overall operational risks are measurable, controllable, and acceptable during its operations, thereby ultimately achieving the Company's business strategy and development goals. The Company's operating management is fully responsible for establishing risk management objectives and policies, and bears ultimate responsibility for them. During the Reporting Period, the Company assessed the effectiveness of its annual risk management and internal control systems in accordance with its "Risk Management Mechanism" and "Internal Control Management Measures".

Intellectual property protection

We rely on a combination of trademark, trade secret, patent, copyright and other intellectual property laws, as well as confidentiality agreements with our employees, suppliers, customers and others, to protect our intellectual property rights. As of the end of 2025, we had 30 registered patents and 6 trademarks in China.

Responsible Operation

2.2 PRODUCT QUALITY MANAGEMENT

Our operations cover ore processing, smelting, as well as sales of copper products and trading of non-ferrous metals. The processing and smelting of copper ores are primarily carried out by our local production facilities located in Zambia and DR Congo, respectively.

The Company's core business focuses on the research, development, production, and sales of copper and cobalt products. Its operations span the entire value chain of non-ferrous metal beneficiation, hydrometallurgy, and the deep processing of new energy materials. The primary production entities for each product category are clearly defined: copper products include cathode copper and copper concentrate, with Rong Xing Investments and Jinxun DR Congo serving as the primary producers of cathode copper, and Rong Xing Investments as the primary producer of copper concentrate; cobalt products include cobalt hydroxide, cobalt sulfate, cobalt chloride, and related by-products, among which, cobalt hydroxide is produced by Jinxun DR Congo, while cobalt sulfate, cobalt chloride, and associated by-products are produced and processed by Anhui Jinxun.

Jinxun Resources has established a full-process quality control network centered on the ISO 9001 quality management system. We adhere to the principles of prioritizing prevention, strict process control, and full-chain traceability, covering every stage from raw materials to production and finished products. We utilize advanced hydrometallurgical processes to produce electrolytic copper with a purity of 99.99%, and have our products meet the national Class A standards. Our overseas factories strictly adhere to international standards, maintaining a consistent 100% pass rate. With a stable supply of high-quality products, we have earned the long-term trust of numerous international companies.



2.3 WORK SAFETY MANAGEMENT

Upholding the work safety policy of “safety first, prevention-oriented, full participation, and comprehensive management”, we regard occupational health and safety as a core corporate responsibility, and strictly comply with workplace safety laws and regulations in the countries and regions where we operate. We continuously improve our safety management and occupational health management systems, strengthen risk prevention and emergency response management, and enhance employee safety awareness, committed to providing a healthy and safe working environment for our employees.

We have continuously established and improved our safety management systems and procedures, and designated dedicated positions, such as production safety officers, at each facility to ensure the implementation of the safety production accountability system. We organize employees to learn and implement the Company’s regulations and policies on safety production and environmental protection, and ensure that safety measures are in place throughout the production processes at each facility. In response to sudden security incidents, we fully implement systems and procedures designed to identify and prevent accidents and hazardous situations, and we have refined our emergency response procedures for emergencies, accidents, and other hazardous situations.

	For the year ended 31 December		
	2023	2024	2025
Number of employees injured on the job (persons)	1	1	2
Number of lost working days due to work-related injuries (days)	92	45	106

Occupational health protection

The occupational disease hazards involved in the Company’s production process include metal dust, chemical substances, irritating gases, noise and vibration. In order to reduce the risk of occupational diseases, and improve the level of occupational health protection, we select as far as possible non-toxic and non-hazardous advanced production processes in the formulation of production and construction projects, equip chemical operators with protective goggles, masks, gloves and other materials, and provide employees with dust-proof, anti-static, acid – and alkali-resistant and corrosion-resistant work clothes and occupational protective articles. Safety inspections are conducted daily at each plant, weekly production safety meetings are held at each subsidiary, monthly reports are made by each subsidiary to the headquarter, random safety inspections are conducted from time to time, and problems are found to be reported, rectified immediately, and appraisal notifications are made.

We organize regular annual medical check-ups for the entire workforce, including our foreign colleagues, to effectively raise employees’ awareness of health issues and ensure that they maintain good physical health.

Responsible Operation

Work safety inspection

We conduct regular safety inspections to help ensure that our manufacturing facilities are operating properly and that our employees are complying with our safety manual. Any irregularities noted during regular safety inspections are reflected in our safety records and subsequent remedial measures are taken by the responsible departments and/or senior staff. In addition, we continue to strengthen our efforts in identifying and managing potential hazards by deploying safety management personnel at each of our production sites to conduct regular hazard inspections at the work sites in accordance with our safety inspection program to ensure that the work sites are in compliance with safe production conditions.

Safety hazard report

We advocate the principle that “safety is everyone’s responsibility” and require every employee to fulfill their safety duties. All employees have the right to report major safety hazards to safety management departments at all levels, and have the right to report to higher-level authorities any instances where an organization or individual fails to fulfill their occupational safety and health responsibilities in accordance with regulations. At the same time, in accordance with the principle of “mutual assistance”, all departments and employees are responsible for promptly reporting any safety hazards they observe in other departments or among other employees, and we welcome external safety interventions to foster a safety culture where “everyone looks out for each other’s safety”.

Work safety training

Each year, we develop an annual safety education plan to provide safety education to supervisors in each production area and workers in all positions, offering comprehensive health and safety training to employees in order to enhance their safety awareness, prevent workplace accidents, and mitigate occupational hazards. Each year, we develop a safety education plan. The General Administration Department and the Safety and Environmental Protection Department conduct timely safety education and training for the heads of each production area and all on-site personnel, taking into account the annual production schedule and staffing arrangements. Such education and training cover relevant national laws and regulations, company safety rules and regulations, mining safety protocols, and operational procedures. The aim is to comprehensively enhance the safety skills of employees working in high-risk industries and to ensure that all current and newly hired employees at our subsidiaries receive comprehensive training to improve their knowledge and skills in workplace safety.

Occupational Health and Safety Management Objectives

Goal:

Strive to achieve the safety management goal of “zero workplace fatalities”.

Progress:

This target aims to strengthen our occupational health and safety management to safeguard the health of our employees. Save for one fatality in February 2025 in Zambia due to inappropriate use of acid offloading equipment, we had not experienced any other fatality in 2025.

2.4 CHEMICALS MANAGEMENT

We are engaged in the wet smelting process of copper, which involves the use of sulfuric acid, copper sulfate, extractants and other related chemicals. Some of these chemicals may pose potential risks of accidents such as combustion, explosion and poisoning during transportation and storage. We fully identify and investigate the safety risks associated with chemicals, make good declaration and registration of chemicals at source, strengthen the safety management of the whole chain of chemicals, and strictly ensure the safety of chemicals. We have formulated our Safe Production Management System and our Environmental Protection Management System, in which the identification of hazardous and harmful factors, division of management responsibilities, risk evaluation and control management of activities or scenarios such as the transportation and use of raw materials and products, among others, are clearly stipulated, covering the transportation, storage and use of hazardous chemicals in all aspects.

We also conduct professional training for employees involved in the use, storage and transportation of chemicals to promote employees' understanding of the nature, hazards, safe operation procedures and emergency treatment methods of chemicals, and formulate comprehensive emergency plans for chemical accidents and organize emergency drills on a regular basis. We adopt necessary protective measures, such as protective goggles, masks and gloves, and equip necessary emergency rescue equipment and materials, such as fire extinguishers, eyewash facility, first-aid medicines, among others, to prevent potential occupational health hazards.

Responsible Operation

2.5 SUPPLY CHAIN MANAGEMENT

We uphold the principles of openness, fairness and impartiality, emphasize communication with suppliers, and strive to establish long-term mutually beneficial and win-win relationships with suppliers. We have formulated the Supplier Management and Evaluation System to facilitate the purchasing department's assessment of supplier qualifications, credit rating, product quality, and daily maintenance measures for suppliers.

The Company promote responsible practices with its suppliers by setting clear standards, operational transparency and continuous improvement. We require suppliers to commit to comply with relevant laws and regulations in all operational activities, abide by high ethical and moral requirements, and undertake and comply with the following behavioral standards:

to provide their employees with safe and healthy living and working environments that comply with the requirements of laws and regulations, local rules and regulations, and industry norms; to develop sufficient and effective adequate measures for emergency preparedness and response; and to commit to obtaining and updating necessary safety permits;

to establish and maintain an effective labor, health and safety, environmental and business ethics management system and continuously improve it;

to commit to reducing the impact on the environment, protecting natural resources, reducing the adverse impact on the environment during the production process, reducing energy consumption and greenhouse gas emissions, and prohibiting the illegal discharge of toxic and hazardous pollutants, including wastewater, waste gas or waste residue.

The agreements we sign with our suppliers include requirements related to integrity, safety management, and environmental management, and we conduct on-site audits from the corresponding dimensions during the admission of suppliers. We also include safety assessment as a demerit item, and will severely deduct points for each vicious incident or safety accident.

As of 2025, we had a total of 276 suppliers, of which 111 are based in China and 165 are based in overseas countries and regions such as Zambia and the DR Congo.

Social Contribution

The Company has always placed social responsibility at the forefront of its development, actively assumed social responsibility, and committed to sharing the fruits of corporate development with the society, maintaining friendly, mutually beneficial and win-win relationships with employees, customers, suppliers and other stakeholders, and promoting its sustainable development.

3.1 PROTECTION OF EMPLOYEES' RIGHTS AND INTERESTS

We comply with the relevant labor standards, laws and regulations of the jurisdictions in which we operate. Our PRC employees working in DR Congo and Zambia have obtained valid work permits, which are renewed annually. The Company's labor contracts signed with local employees are executed in accordance with the local laws of the countries in which they work. In 2025, we have not been involved in any material labor rights violations or litigation in DR Congo, Zambia or the PRC.

Prevention of child labor and forced labor

We strictly implement the laws and regulations applicable to the locations in which we operate, and we are committed to following and adopting high standards of international labor conventions and initiatives, and we have formulated our Personnel Management System and other systems to clearly define our policy on the protection of labor rights and interests. Our Recruitment Management System clearly states that no one under the age of 18 shall be employed. During the on-boarding process, the true age of employees shall be verified through information verification; forced labor and any form of discrimination (including but not limited to gender, ethnicity and religious factors) are prohibited.

Working hours and rights to leaves

Due to the differences in the countries and regions in which our subsidiaries are located and the content of their work, each subsidiary ensures that the working hours of its employees do not exceed the legal working hours in accordance with the laws and regulations of the countries and regions in which they are located. At our copper cathode smelting sites in Zambia and DR Congo, we adhere to the principle of "six-day work week", with a maximum of eight hours of work per day and a maximum of 42 hours of work per week. In addition to statutory holidays, we also provide our employees with paid leave, including annual leave, sick leave, maternity leave, marriage leave and bereavement leave. At the same time, we provide employees with overtime, night shift and high temperature allowances to further enhance the level of employee benefits, protect the legitimate rights and interests of employees and promote work-life balance.

Social Contribution

Opposing occupational discrimination and harassment

We respect differences, encourage diversity, and do not discriminate against employees on the basis of gender, age, location, religion, among others, or make it an obstacle to their development in us. We have established a standardized internal complaint and handling mechanism and a monitoring organization. Employees who believe that they have been discriminated against, harassed, or treated unfairly can provide feedback through an anonymous complaint hotline. We will take strict confidentiality and protection measures for those who make complaints and grievances, and any form of retaliation is strictly prohibited. During the Track Record Period, we have not received any cases of discrimination or harassment against employees.

Management Objectives for the Protection of Labor Rights and Interests

Goal:

To continue to maintain “zero incidence” of child and forced labor.

Progress:

In 2025, we strictly verified the true age of the employees who joined us, and no violations of laws and regulations regarding child labor or forced labor occurred.

	2025
Total number of employees (persons)	1,092
By gender	
Male employees (persons)	977
Female employees (persons)	115
By age	
30 or below (persons)	468
31-50 (persons)	579
Above 50 (persons)	45
By region	
Chinese Mainland (persons)	292
DR Congo (persons)	363
Zambia (persons)	425
Peru (persons)	12
Employees with disabilities (persons)	3
Employees from ethnic minority groups (persons)	32
Employee turnover rate (%)	21
By gender	
Male employees turnover rate (%)	21.60
Female employees turnover rate (%)	15.65
By age	
30 or below employee turnover rate (%)	25.64
31-50 employee turnover rate (%)	17.10
Above 50 employee turnover rate (%)	22.22

3.2 TALENT CULTIVATION AND DEVELOPMENT

We provide employees with a good office environment, as well as professional training opportunities. Through the establishment of a systematic and perfect talent training system, we provide continuous attention to the performance of employees, and continue to improve the staff promotion policy and process, standardize the selection, appointment and training of talents, and establish a fair, just and open employment mechanism.

Training and development

We will arrange occasional vocational training to employees assigned or transferred to different positions according to business development needs. Combined with the self-growth and development demands of employees, we focus on key stages and key groups, and carry out key training specialties in different fields and modules, covering new employee training, technical training, professional ability training, among others, to meet the growth and development needs of different stages, different fields and different forms. In 2025, our total investment in training amounted to RMB415,606.

	2025
Training coverage (%)	100
Total training time (hours)	25,760.28
Average training time for employees (hours)	23.59
Average training hours for employees by gender	
Female employees (hours)	27.81
Male employees (hours)	19.36
Percentage of employees trained by employee category	
Senior management personnel (%)	100
Intermediate management personnel (%)	100
General employees (%)	100

Remuneration and performance

We adopt a compensation structure and incentive program linked to the Company's business performance. We have established a performance appraisal system covering all employees at home and abroad, and formulated a performance management system and process, by breaking down the strategic objectives, organizational objectives and individual objectives layer by layer, to form a closed-loop process from the formulation of performance objectives, performance implementation and coaching, performance evaluation and performance feedback, so as to motivate employees to create greater value.

Career advancement

We have established a professional and management sequence promotion mechanism based on performance, ability and experience requirements, providing employees with two development paths: management path and professional path. Every year, we determine the promotion requirements for the current year based on business and manpower planning, and carry out promotion nomination, qualification review, employee defense, approval of results and employee communication level by level in order to identify truly outstanding talents and give them promotion opportunities.

Social Contribution

3.3 COMMUNITY COMMUNICATION AND CONTRIBUTION

In conducting our business, we strictly adhere to the relevant laws, regulations, and local customs of the regions where we operate. We actively identify, assess, and mitigate the potential impacts of our operations on surrounding communities, continuously improve our community engagement mechanisms, and promote positive interaction and collaborative development with local communities.

The Company places great emphasis on listening to community concerns, gathering feedback and addressing issues through various channels. It actively participates in local community development by creating jobs and supporting local health, safety, and education initiatives, thereby fulfilling its corporate social responsibility and contributing to the sustainable development of the community.

In China

In December 2025, we donated RMB60,000 to Lvchun County, Yunnan Province, to support rural revitalization efforts in the Pinghe Village Committee of Pinghe Town, Lvchun County.

In December 2025, following the fire at Hung Fook Court in Tai Po, Hong Kong, we donated RMB300,000 to Hong Kong Charitable Funds Association to support post-fire reconstruction efforts.

In January 2026, we made an additional donation of HK\$3 million to HKEX Foundation to support charitable causes.

In Zambia

In June 2025, we held a well-donation handover ceremony at Luella Primary School in the Kalulushi District of Zambia, formally handing over four charity wells to the local community.

From October to December 2025, we carried out several charitable donations in Karuru City, Zambia, including supporting local Independence Day commemorative events and providing financial support for Zambian athletes participating in sports competitions.

In DR Congo

In June 2024, our subsidiary operating in DR Congo signed a Social Responsibility Agreement with the local community. Over the next five years, the company will donate approximately US\$800,000 to the local community to help more children receive education and gain knowledge through the construction of schools. At the same time, by helping to build public cemeteries and providing crop seeds, we aimed to address more local livelihood issues and contribute to the economic and social development of DR Congo.

In October 2025, we held an agricultural supply donation ceremony in the Mupanja community in DR Congo. The donated supplies included 50 bags of corn seeds, 32 bags of soybean seeds, 440 bags of urea and compound fertilizer, and 175 agricultural sprayers, meeting the community's agricultural production needs for the current season.

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Subject Areas, Aspects, General Disclosures and KPIs		Corresponding Chapters
A1: Emissions General Disclosure		1.3 Emissions Management
KPI A1.1	The types of emissions and respective emissions data.	1.3 Emissions Management
KPI A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	1.3 Emissions Management
KPI A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	1.3 Emissions Management
KPI A1.5	Description of emission target(s) and the steps taken to achieve them.	1.3 Emissions Management
KPI A1.6	Description of how hazardous and non-hazardous wastes are handled, and a description of reduction target(s) set and steps taken to achieve them.	1.3 Emissions Management
A2: Use of Resources General Disclosure		1.2 Use of Energy and Resources
KPI A2.1	Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (kWh in '000s) and intensity (e.g. per unit of production volume, per facility).	1.2 Use of Energy and Resources
KPI A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility).	1.2 Use of Energy and Resources
KPI A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them.	1.2 Use of Energy and Resources
KPI A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency target(s) set and steps taken to achieve them.	1.2 Use of Energy and Resources
KPI A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	N/A
A3: The Environment and Natural Resources General Disclosure		1.4 Biodiversity Protection
KPI A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	1.4 Biodiversity Protection

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Subject Areas, Aspects, General Disclosures and KPIs		Corresponding Chapters
B1: Employment General Disclosure		3.1 Protection of Employees' Rights and Interests
KPI B1.1	Total workforce by gender, employment type (for example, full- or part-time), age group and geographical region.	3.1 Protection of Employees' Rights and Interests
KPI B1.2	Employee turnover rate by gender, age group and geographical region.	3.1 Protection of Employees' Rights and Interests
B2: Health and Safety General Disclosure		2.3 Work Safety Management
KPI B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	2.3 Work Safety Management
KPI B2.2	Lost days due to work injury.	2.3 Work Safety Management
KPI B2.3	Description of occupational health and safety measures adopted, how they are implemented and monitored.	2.3 Work Safety Management
B3: Development and Training General Disclosure		3.2 Talent Cultivation and Development
KPI B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	3.2 Talent Cultivation and Development
KPI B3.2	The average training hours completed per employee by gender and employee category.	3.2 Talent Cultivation and Development
B4: Labor Standards General Disclosure		3.1 Protection of Employees' Rights and Interests
KPI B4.1	Description of measures to review employment practices to avoid child and forced labor.	3.1 Protection of Employees' Rights and Interests
KPI B4.2	Description of steps taken to eliminate such practices when discovered.	3.1 Protection of Employees' Rights and Interests
B5: Supply Chain Management General Disclosure		2.5 Supply Chain Management
KPI B5.1	Number of suppliers by geographical region.	2.5 Supply Chain Management
KPI B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, and how they are implemented and monitored.	2.5 Supply Chain Management



Subject Areas, Aspects, General Disclosures and KPIs		Corresponding Chapters
KPI B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	2.5 Supply Chain Management
KPI B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	2.5 Supply Chain Management
B6: Product Responsibility General Disclosure		2.2 Product Quality Management
KPI B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	N/A
KPI B6.2	Number of products and services related complaints received and how they are dealt with.	N/A
KPI B6.3	Description of practices relating to observing and protecting intellectual property rights.	2.2 Product Quality Management
KPI B6.4	Description of quality assurance process and recall procedures.	2.2 Product Quality Management
KPI B6.5	Description of consumer data protection and privacy policies, and how they are implemented and monitored.	2.2 Product Quality Management
B7: Anti-corruption General Disclosure		2.1 Integrity and Compliance in Business Operations
KPI B7.1	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases.	2.1 Integrity and Compliance in Business Operations
KPI B7.2	Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored.	2.1 Integrity and Compliance in Business Operations
KPI B7.3	Description of anti-corruption training provided to directors and staff.	2.1 Integrity and Compliance in Business Operations
B8: Community Investment General Disclosure		3.3 Community Communication and Contribution
KPI B8.1	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	3.3 Community Communication and Contribution
KPI B8.2	Resources contributed (e.g. money or time) to the focus area.	3.3 Community Communication and Contribution

Index of The Environmental, Social and Governance Reporting Code of Hong Kong Stock Exchange

CLIMATE-RELATED DISCLOSURE

Aspects	Climate-related disclosure content	Corresponding Chapters
Governance	(a) Information regarding the governance body(s) (which may include the board, a committee, or equivalent body charged with governance) or individual(s) responsible for oversight of climate-related risks and opportunities. (b) management's role in the governance processes, controls and procedures used to monitor, manage and oversee climate-related risks and opportunities.	1.5 Addressing Climate Change
Strategy	Climate-related risks and opportunities	1.5 Addressing Climate Change
	Business model and value chain	1.5 Addressing Climate Change
	Strategy and decision-Making	1.5 Addressing Climate Change
	Financial position, financial performance, and cash flows	N/A ^{Note}
	Climate resilience	1.5 Addressing Climate Change
Risk management	(a) the issuer's processes and related policies it uses to identify, assess, prioritise and monitor climate-related risks. (b) the processes the issuer uses to identify, assess, prioritise and monitor climate-related opportunities (including information about whether and how the issuer uses climate-related scenario analysis to inform its identification of climate-related opportunities). (c) the extent to which, and how, the processes for identifying, assessing, prioritising and monitoring climate-related risks and opportunities are integrated into and inform the issuer's overall risk management process.	1.5 Addressing Climate Change

Note: The Company will continue to focus on the phased approach for the new climate-related disclosure requirements (the New Climate Requirements) set out in Part D of Appendix C2 of the "Consultation Conclusions on the Enhancement of Climate-related Disclosures under the Environmental, Social and Governance Framework" and consider appropriate disclosure in future financial years.



Aspects	Climate-related disclosure content	Corresponding Chapters
Metrics and Targets	Greenhouse gas emissions	1.5 Addressing Climate Change
	Climate-related transition risks	1.5 Addressing Climate Change
	Climate-related physical risks	1.5 Addressing Climate Change
	Climate-related opportunities	1.5 Addressing Climate Change
	Capital deployment	N/A
	Internal carbon prices	N/A
	Remuneration	N/A
	Industry-based metrics	1.5 Addressing Climate Change
	Climate-related targets	1.5 Addressing Climate Change
	Applicability of cross-industry metrics and industry-based metrics	N/A

Reader Feedback

Hello! Thank you for reading this Report. In order to continuously improve our reporting, we would particularly appreciate your feedback and suggestions. Please help us by completing the relevant questions in the feedback form and submitting your feedback to us using one of the following methods:

Email: IR@jinxunec.com

Tel: 0871-65238475

YOUR INFORMATION

Name:		
Employer:	Position:	
Contact number:	Fax:	Email:

MULTIPLE-CHOICE QUESTIONS (PLEASE CHECK THE APPROPRIATE BOX (✓))

Options	Excellent	Good	Average	Poor	Very poor
1. This Report provides a comprehensive and accurate account of our significant economic, social, and environmental impacts	☐	☐	☐	☐	☐
2. This Report's responses to and disclosures regarding issues of concern to stakeholders	☐	☐	☐	☐	☐
3. The information, metrics, and data disclosed in this Report are clear, accurate, and complete	☐	☐	☐	☐	☐
4. The readability of this Report, including its logical structure, content organization, language and wording, and layout design	☐	☐	☐	☐	☐

OPEN QUESTIONS

1. What other information do you think is important to know that is not included in this Report?
2. Do you have any suggestions for our future ESG reporting?

We sincerely thank you for your interest in and support of Jinxun Resources!



雲南金潯資源股份有限公司
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