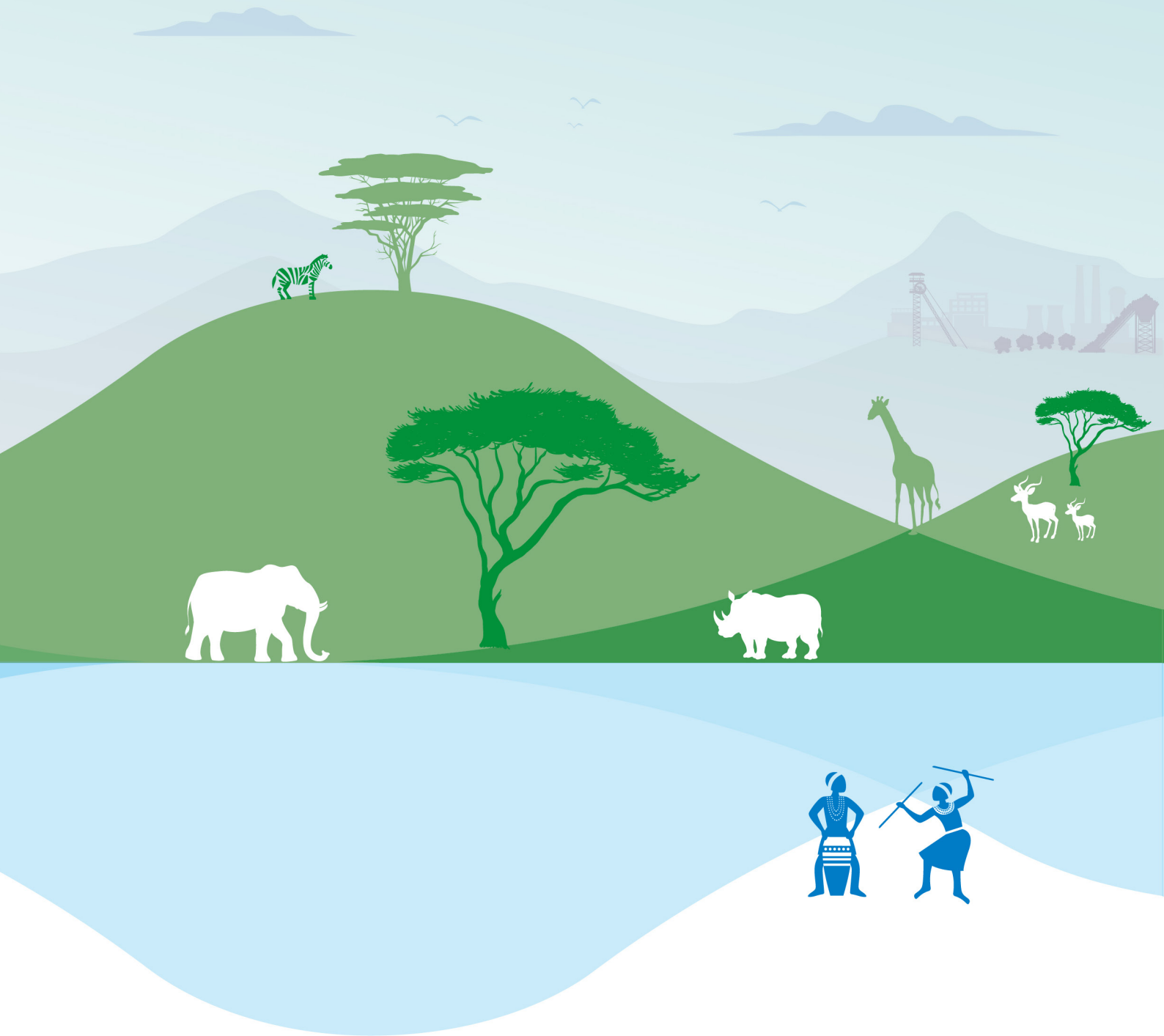


HBIS RESOURCES CO.,LTD.

Stock Code: 000923



2023 HBIS RESOURCES CO.,LTD.

**Environmental, Social and
Governance (ESG) Report**

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Foreword

Information about the Report

The Report is the fourth social responsibility report and Environmental, Social and Governance (ESG) Report released by HBIS Resources Co., Ltd. to the public. It aims to truly reflect the development and practical achievements in ESG of the Company in 2023, report the operation of the Company to stakeholders, and help shareholders, creditors, partners, employees and other stakeholders have an in-depth perspective on the Company's social responsibility practice activities. We hope to strengthen communication with stakeholders, build consensus and promote sustainable development through the release of the ESG report.

Reporting Period

The Report is an annual report, covering the period from January 1, 2023 to December 31, 2023. To enhance the comparability and foresight of the Report, some data and contents are appropriately extended.

Scope of the Report

The Report covers "HBIS Resources Co., Ltd." and its branches and subsidiaries. Unless otherwise specified, the scope of the Report is consistent with that of the Company's annual report.

Basis of Preparation

- United Nations 2030 Sustainable Development Goals (SDGs)
- *Sustainability Reporting Guidelines* (GRI Standards) issued by the Global Reporting Initiative
- *Guidelines of the Shenzhen Stock Exchange for Self-regulation of Listed Companies No. 1 - Standardized Operation of Listed Companies on the Main Board Market* issued by Shenzhen Stock Exchange
- *Guidelines on Corporate Social Responsibility Reporting for Chinese Enterprises (CASS-ESG 5.0)* issued by Chinese Academy of Social Sciences

Data Sources and Reliability Assurance

All the information and data quoted in the Report is sourced from official documents, statistical reports and financial reports of HBIS Resources Co., Ltd. The internal data and public information of various functional departments and business units have been counted, summarized and reviewed by the Company. At the same time, unless otherwise specified, the types and amounts of currencies involved in the Report herein are stated in CNY. In case of any discrepancies between the financial data and the annual report, the latter shall prevail.

Reference Explanation

For the convenience of expression and reading, "HBIS Resources Co., Ltd." is hereinafter referred to as "HBIS Resources", "the Company" or "We"; "HBIS Group Co., Ltd." referred to as "HBIS Group"; and "Palabora Mining Company Proprietary Limited" as "PMC".

Unit Descriptions

In the Report, the monetary amounts related to the South Africa Rand are converted into CNY at the exchange rate at the end of the reporting period (December 31st, 2023).

Report Access

To practice the concept of low-carbon, environmental protection and sustainable development, the Report can be read online or downloaded electronically on the company website (<http://www.hbiszy.com/>), CNINFO (<http://www.cninfo.com.cn/>). For more information about the Company beyond the Report, please refer to the Company's Annual Report or visit the Company's website.

Feedback

We are very concerned about your opinions on our ESG work and the Report of the Company. For ideas and suggestions for the Report, please contact us as follows. We would like to express our sincere gratitude for your valuable comments.

Address: No. 385 Tiyu South Street, Shijiazhuang,
Hebei, China

Fax: 0311-66508734

Tel.: 0311-66500923

E-mail: xgdsb@sina.com

Statement of the Board of Directors

The Company has established an Environmental, Social and Governance (ESG) Committee under the Board of Directors in accordance with the provisions of laws and regulations such as the *Company Law*, *Code of Corporate Governance for Listed Companies* and *Standardized Operation of Listed Companies on the Main Board Market*, normative documents, as well as the *Articles of Association*. The Committee is mainly responsible for overseeing and guiding the effectiveness of the Company's ESG initiatives, as well as offering opinions and suggestions.

The Board of Directors is the highest decision-making body on environmental, social and governance matters. It takes full responsibility for the Company's ESG strategies and reporting, approves the Company's sustainable development strategies, policies, goals and risks, follows up the progress in achieving ESG goals promptly, and achieves more independent, efficient and professional ESG management under the Board of Directors. Members of the ESG Committee are elected by the Board of Directors, work under the leadership of the Board of Directors and are responsible to the Board of Directors. They regularly report annual ESG-related work to the Board of Directors. They are mainly responsible for studying the Company's ESG policies, strategies and performance; formulating the strategic planning, implementation rules and other goals of ESG management; guiding and supervising the implementation of the Company's environmental, social responsibilities and corporate governance work, supervising the actual performance and completion of goals, and putting forward corresponding suggestions; reviewing the Company's ESG-related reports and other major matters.

The Company attaches great importance to ESG governance and continues to build an ESG governance system. Based on the external socio-economic macro environment and the Company's development strategy, the Company regularly evaluates important ESG issues and incorporates them into the overall strategy of the Company for consideration, so as to supervise issue management and performance.

The Report discloses in detail the progress and effectiveness of the Company's ESG work in 2023, which has been reviewed and approved by the Board of Directors. The Board of Directors and all directors of the Company guarantee that there are no false records, misleading statements or major omissions in the Report, and they are jointly and severally liable for the authenticity, accuracy and completeness of the information contained herein.



Message from the Chairman



Wang Yaobin

Chairman and Director of ESG Committee
HBIS Resources Co., Ltd.

In 2023, we actively responded to the "Dual Carbon" goals, deeply integrated corporate operation development with ESG by improving the top-level design of ESG, and promoted the long-term value construction of the Company through ESG development. We continued to optimize our governance structure, strengthened ESG risk management and control, and continuously expanded and strengthened our business through compliant and trustworthy operation, so that investors and stakeholders could share development dividends.

We have gradually improved corporate governance and contributed to the sustainable development. ESG has become an indicator for the sustainable development of enterprises. We have actively integrated the ESG concept into corporate governance and adhered to the overall leadership of the Board of Directors on ESG. The Board of Directors has passed a resolution to establish an ESG Committee to escort the sustainable, healthy development and safe and efficient operation of the Company. We have further standardized the human ethics work and set up a Human Resources Committee and a Social, Ethics and Technical Committee under the Board of Directors of PMC to supplement the duties of the Board of Directors. We have also strengthened the disclosure of compliance information, continuously disclosed social responsibility reports and environmental, social and governance (ESG) reports to the public, promoted investors' understanding and recognition of the Company, and maximized the overall interests of the Company and shareholders.

We have created a positive and energetic work environment for employees. We have adhered to the principle of "three localizations" (i.e. benefit localization, employment localization and cultural localization), and sincerely respect every employee from different nationalities, cultures and races. We have safeguarded and protected the legitimate rights and interests of every employee through a series of systems such as the *Employment Equity, Industrial Relations, Leave, Overtime, Medical Aid, Risk-Based Fatigue Management, Sexual Harassment*. We pay attention to the interests of female employees and publicize the importance of female employees to the Company by holding a "Women In Mining" Activity every year so that female employees can enjoy the same rights and treatment as male employees in the Company. We have implemented employee development plans, improved employees' working skills through training and testing, and issued professional qualification certificates to employees who pass examinations to stimulate their growth potential. We implemented the measurement accident prevention plan, the safe work procedures HIRA (Hazard Identification and Risk Assessment) and Xiya-Xiya (Continuous Hazard Identification) strictly at work, and clearly defined employees' "right of refusal" for the hazardous working environment to reduce safety risks

in production operations. Taking "Zero Harm" as our pursuit goal, we have continuously created a safe working environment for employees. We have won the "Top Employer" certificate of South Africa six times in total.

We have promoted quality and efficient cooperation. With the goal of "being the most competitive enterprise in the industry", we make full use of our advantages in whole process in the copper market, magnetite cost and vermiculite quality in each market of South Africa based on annual customer surveys to mine, process and sell copper, iron ore, vermiculite and other products, providing customers with more reliable products with higher quality. We strictly abide by the local laws and regulations of South Africa, carry out full life cycle management on suppliers, and give priority to local African women and suppliers with higher B-BBEE levels to help the sustainable development of the supply chain. We have continuously expanded the scope of cooperation with government agencies, universities and upstream and downstream enterprises, and have established win-win partnerships with the Limpopo Department of Public Works, Roads and Infrastructure, the University of South Africa, the University of the Witwatersrand, Murray & Roberts, etc.

We have actively engaged in coping with climate change and practicing the "Dual Carbon" goals. As a resource enterprise, we have a deep understanding of the potential impact and risks of climate change on business operations. We have completed the environmental impact assessment report and environmental management plan in accordance with the Mineral and Petroleum Resources Development Act of South Africa, and gradually promoted PMC, a main production enterprise of the Company, to pass ISO 14001 environmental management system certification. We have attached importance to the implementation of energy management, water resources use, "three wastes" emission control, etc., and won a tough battle against pollution prevention. During the reporting period, we reduced 16 million kWh of energy use and more than 16,000 tons of carbon dioxide emissions. To protect the precious ecological environment, we have

long adhered to the biodiversity management plan and installed surveillance camera systems, which have greatly reduced the amount of wildlife trapping. We have also actively formulated a land restoration plan to restore about 22 hectares of land and promote the harmonious coexistence of human beings, industry, wild animals and cultural heritage.

We have worked together with stakeholders to build a harmonious future. With the standpoint of win-win development, we have built a solid foundation for development, supported the development of small and medium-sized enterprises in local communities in South Africa, supported youth employment, carried out a series of community-based activities such as material donations and infrastructure construction to benefit the people, letting local people enjoy more fruits of reform and development of the Company. During the reporting period, we have built infrastructures such as schools, asphalt road and sewage treatment pumping stations for local communities, and made various public welfare donations to local areas with an amount of over CNY 10 million, significantly improving the living environment of local communities and benefiting over 100,000 people in the surrounding areas.

Though there is a long way to go, we'll reach the end if we keep moving forward. In 2024, we will seek opportunities and development while meeting social needs and addressing challenges, unswervingly strive to become stronger, better, and bigger, and enhance our capabilities and levels of international operations. We will continue to play an active role in improving local people's livelihood, engaging in public welfare undertakings, and promoting cultural exchanges. We will seek friendships, energetically promote the high-quality development, and give back to shareholders and society.

About Us

Company profile

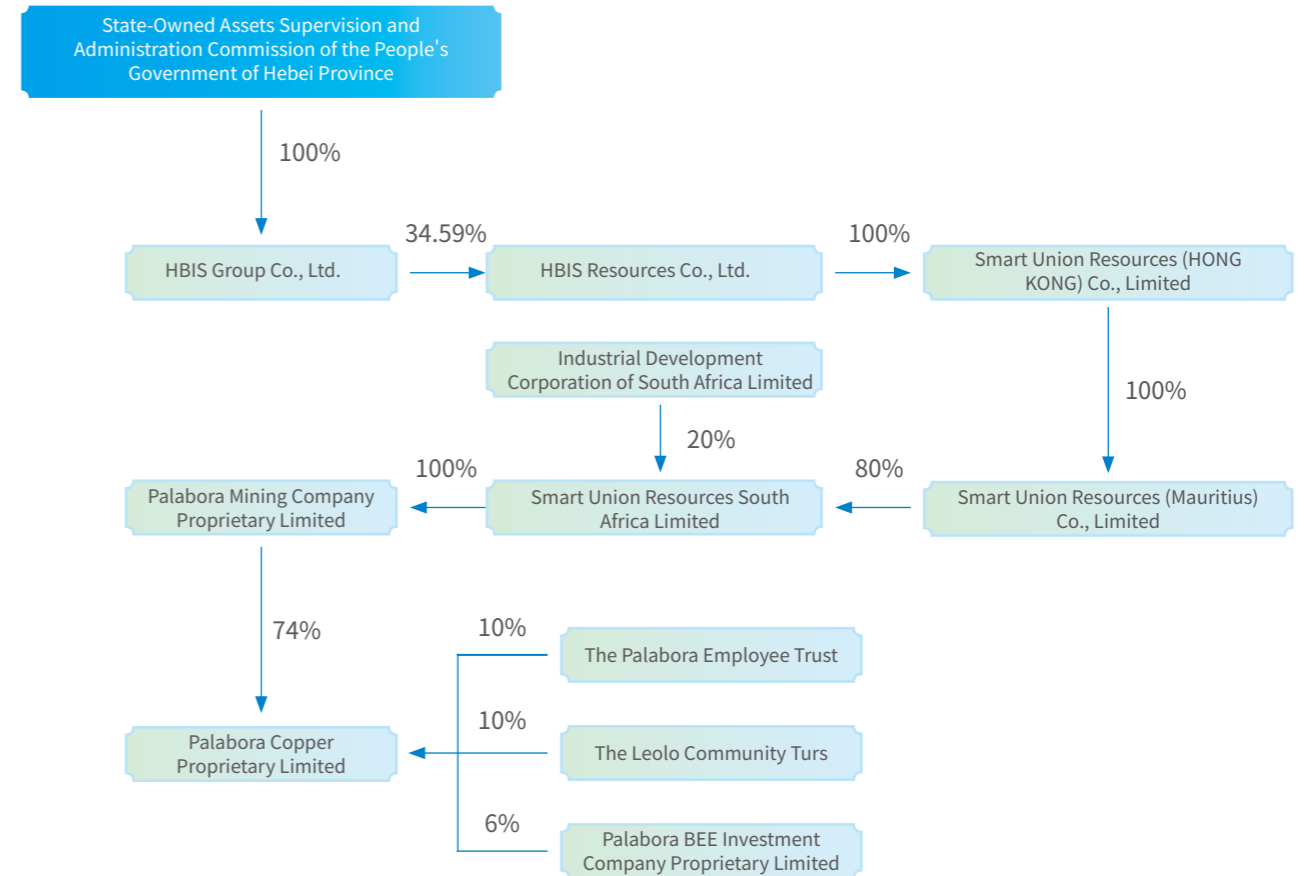
HBIS Resources Co., Ltd. (HBIS Resources), founded in 1950, was listed on the Shenzhen Stock Exchange on July 14, 1999 (stock code: 000923.SZ), with its registered address in Zhangjiakou City, Hebei Province. It is a local state-owned holding listed company. The Company indirectly controls PMC through Smart Union Resources (HONG KONG) to carry out mining, processing and sale of copper, iron ore and vermiculite, forming an industrial layout with mining and processing in South Africa and products sold to North America, Europe, Asia and other regions, with strong competitiveness in both local and international markets.



Industrial layout of the Company



Shareholding structure

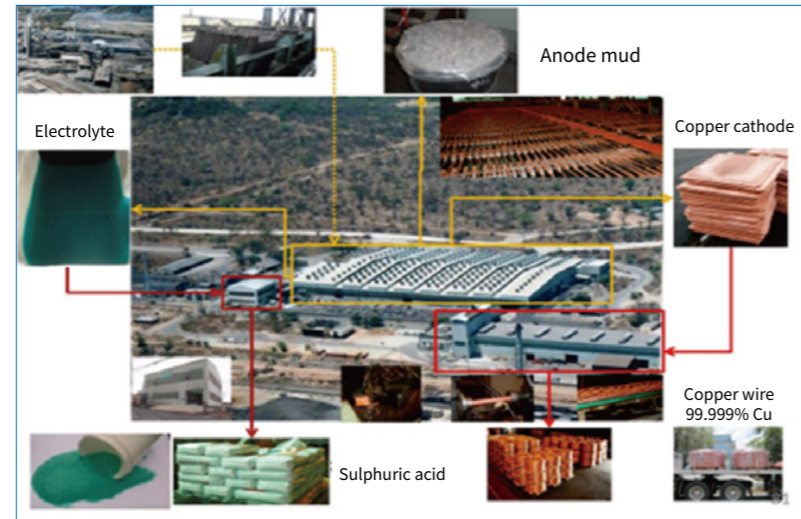


Product introduction

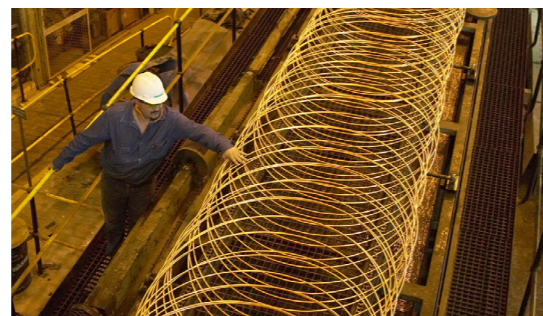
	Main products of the Company		
	Copper	Magnetite	Vermiculite
Process	Underground mining, flotation and smelting	Magnetic separation of storage ore and copper tailings	Open pit mining and beneficiation
Reserve	Approximately 960,000 tons	Approximately 150 million tons (including surface and underground)	Approximately 16 million tons
Products	Copper rod, cathode copper and concentrate	Iron ore	Grade 1-5 finished products
Main sales regions	South Africa	China	Europe, North America and Asia

Copper

The PMC is the largest copper wire manufacturer in South Africa, with stable sales to end customers. As the second-largest economy in Africa, South Africa has great potential for infrastructure development and its demand for copper wires will maintain steady growth. After the Phase II Copper Project is put into production, it is expected that the production and operation period of the copper mine can last for 13.5 years, which will continue to ensure PMC's market influence and industry position in South Africa's copper products and provide stable profit guarantee for the Company.



Rolled Copper Wire Coils

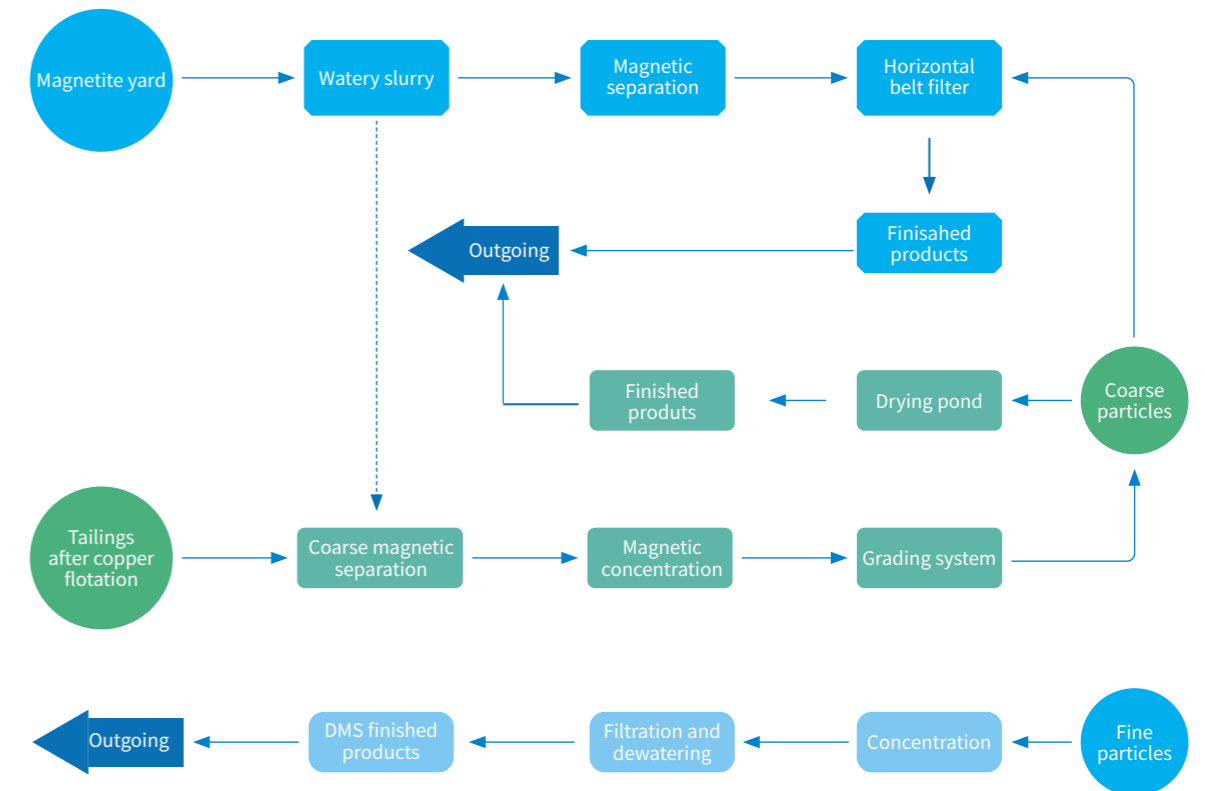


Production Line for Rolling Copper Rods



Magnetite

The Company's magnetite is an associated product separated from copper ore processing. After decades of copper mine production, about 130 million tons of magnetite are stockpiled on the ground with an average grade of 58%. At the same time, underground production will increase magnetite products every year. In 2024, PMC plans to implement a magnetite quality improvement project, with the aim of further improving the grade of fine iron powers, increasing premium sales, and alleviating the tight transport capacity within South Africa.



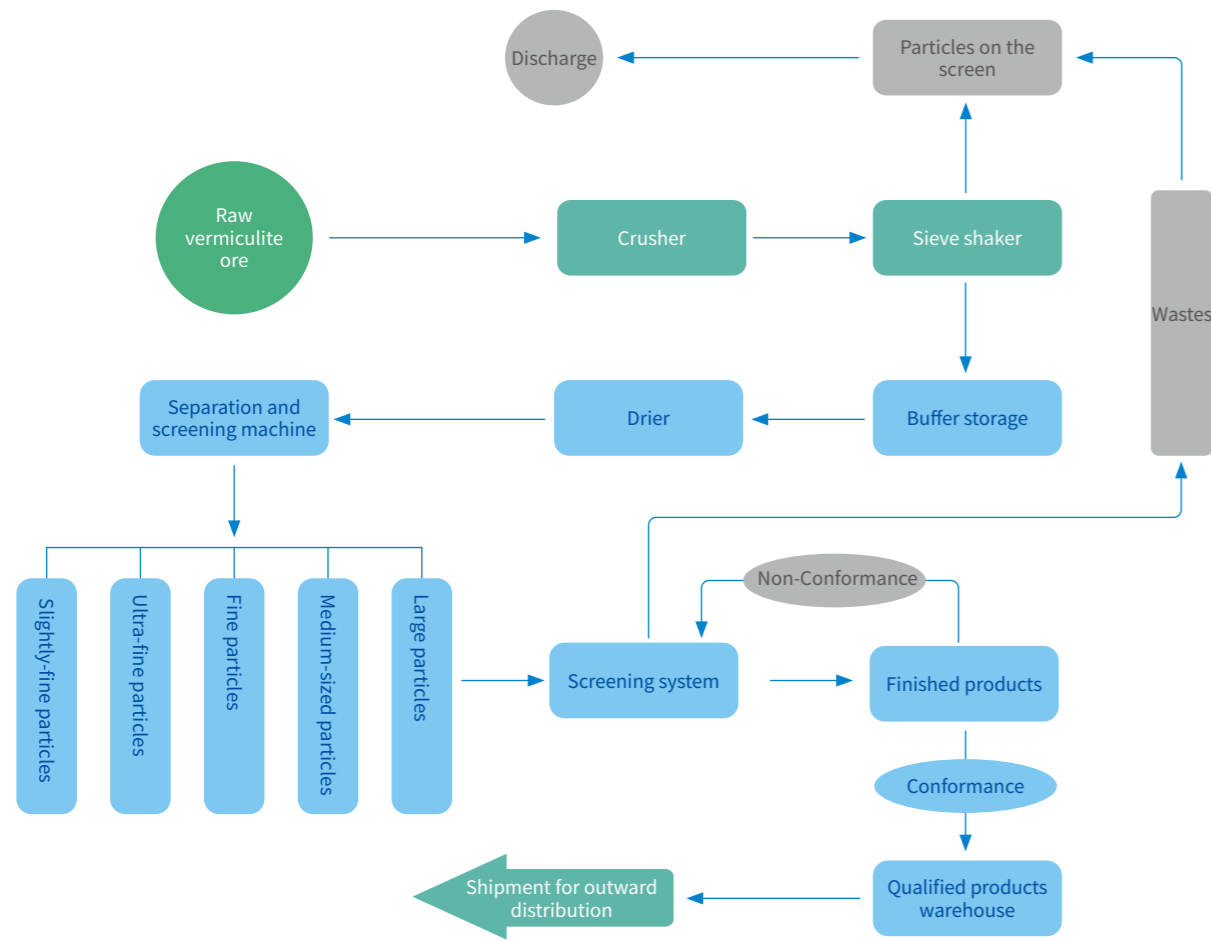
Sampling and Testing in Magnetite Production



Magnetite Production Site

Vermiculite

Vermiculite ore of PMC, as the main mine producing vermiculite in South Africa, is one of the top three vermiculite ores in the world. The output of vermiculite accounts for about 1/3 of the global share. Due to the high grade and quality of vermiculite ore of PMC, PMC has established a firm supply relationship with downstream vermiculite customers and exported vermiculite to North America, Europe and Asia for a long time.



Vermiculite in Experimental Tray



Vermiculite for Delivery in the Finished Products Warehouse

Corporate culture



Company strategy

The Company's strategic goal is to become bigger and stronger in the field of resources and achieve sustainable and healthy development. The Company will focus on the global resource market in the future, continue to seek projects that meet its own characteristics, seize opportunities in the capital market, grasp the opportunity, realize mergers and acquisitions, expand the scale of industrial development of the Company, and enhance the sustainable profitability of the Company.

Leadership team

Wang Yaobin
Chairman

Zhao Lishu
Director and General Manager

Yao Yongbo
Director

Wei Guangmin
Director and Deputy General Manager

Bao Yanli
Director

Zhang Zhiting
Director

Shang Youguang
Independent Director

Xu Yongqian
Independent Director

Wang Zhanming
Independent Director

Fan Haiquan
Chairman of the Board of Supervisors

Lu Yaohao
Supervisor

Yan Chunlong
Employee Supervisor

Zhao Qingsong
Secretary of the Board of Directors

Yu Chao
Financial Director

Honors



Title of Honor "Top Employer 2024 Winner in South Africa"



Title of Honor "Outstanding Performance Award of Mining Enterprises in South Africa"



"Best Improved Safety Performance from the South African Institute of Mining and Metallurgy (SAIMM)"

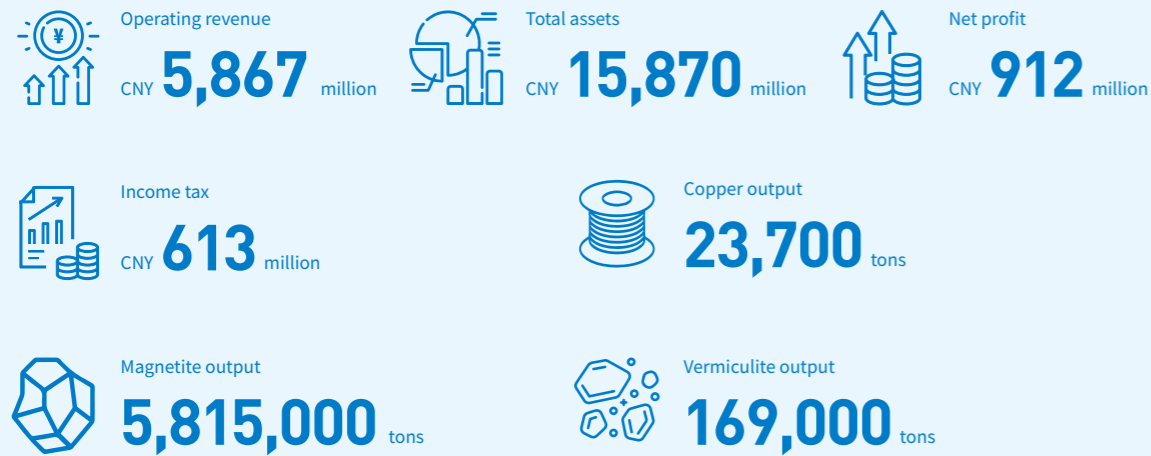


"2023 Best Improved Safety Performance from the South African Institute of Mining and Metallurgy (SAIMM)"

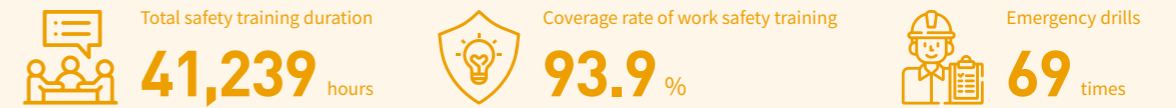


Performance in 2023

Business performance



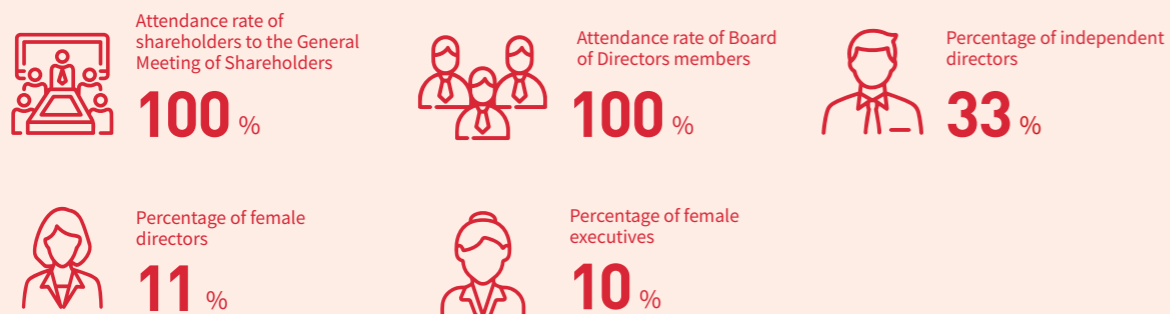
Safety management performance



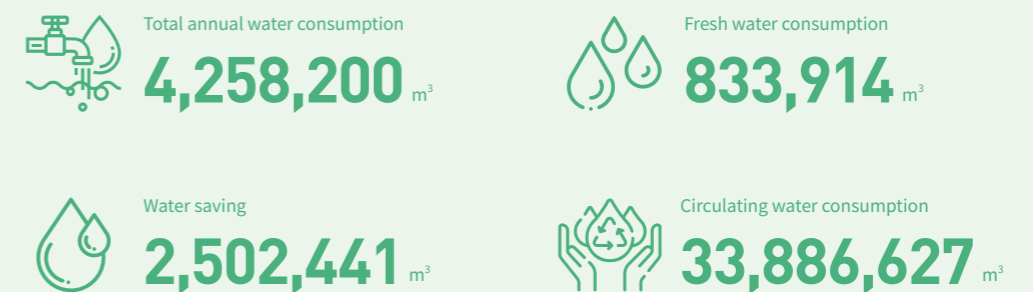
Customer service performance



Governance performance



Environmental performance





Working together with Investors to Promote Mutual Development

Our philosophy

Modern governance is the guarantee for enterprise development. Adhering to the core value of "providing value for shareholders, opportunities for employees, and fortune for society", the Company has continuously strengthened corporate governance, adhered to integrity and compliance management, done a good job in company risk prevention and control, further promoted ESG governance, and empowered enterprises to operate more sustainably with high-quality governance level.

Our actions

- We have established a corporate governance structure coordinated and operated by the General Meeting of Shareholders, Board of Directors, Board of Supervisors and the Management;
- We have been rated as Grade A of the annual information disclosure evaluation of the Shenzhen Stock Exchange for three consecutive years, and there was no punishment due to violations of information disclosure during the reporting period;
- We have established an Environmental, Social and Governance (ESG) Committee under the Board of Directors to supervise and guide the effectiveness of ESG work of the Company;
- We have integrated the ESG concept into the whole management process through measures such as report compilation and participating in training.

SDGs:



Governance enhancement

The Company strictly abides by the requirements of laws, regulations and normative documents such as the *Company Law*, *Securities Law*, *Code of Corporate Governance for Listed Companies* and the *Rules for the Listing of Stocks*. It actively innovates governance methods and optimizes corporate governance structure. The Company has formulated various rules of procedure and working rules to standardize operation and established a corporate governance structure coordinated and operated by the General Meeting of Shareholders, Board of Directors, Board of Supervisors and the Management. A corporate governance mechanism for decentralized and hierarchical management of decision-making, supervision and operation has been established to ensure the healthy and sustainable development of the Company.

General Meeting of Shareholders

The Company formulated the *Rules of Procedures of the General Meeting of Shareholders* in accordance with the provisions and requirements of the *Company Law*, *Securities Law*, *Rules for the General Meetings of Shareholders of Listed Companies* and *Articles of Association*, to clarify the functions and powers of the General Meeting of Shareholders, standardize the legality and effectiveness of the convening, proposal and notice, holding and deliberative procedures of the General Meeting of Shareholders. A combination of on-site voting and online voting to attend the meeting are adopted to ensure that all shareholders, especially minority shareholders, can fully exercise their rights.

During the reporting period, the Company held 2 sessions of General Meeting of Shareholders and approved a total of 10 proposals at the meeting, including the 2023 Annual Work Report of Board of Directors, Work Report of Board of Supervisors, Annual Report, financial settlements, system revisions, etc.



Board of Directors

The Company formulated the *Rules of Procedures for the Board of Directors* in accordance with the *Company Law*, *Articles of Association* and other relevant rules, and set up the Board of Directors as the executive organization of the Company. The Board of Directors consists of nine directors, including three independent directors and one female director. The nomination and appointment of members of the Board of Directors take into account many factors such as gender, age, cultural and educational background, professional experience and skills. The professional ability of directors covers business management, finance, engineering, law and other professional backgrounds. During proposal deliberation and decision-making, they can make brainstorming, scientific and prudent decisions from different professional backgrounds on behalf of different stakeholders.

During the reporting period, the Company held a total of 5 meetings of the Board of Directors and approved 37 proposals at the meeting, including the 2022 annual profit distribution, internal control self-evaluation, risk assessment report, etc.

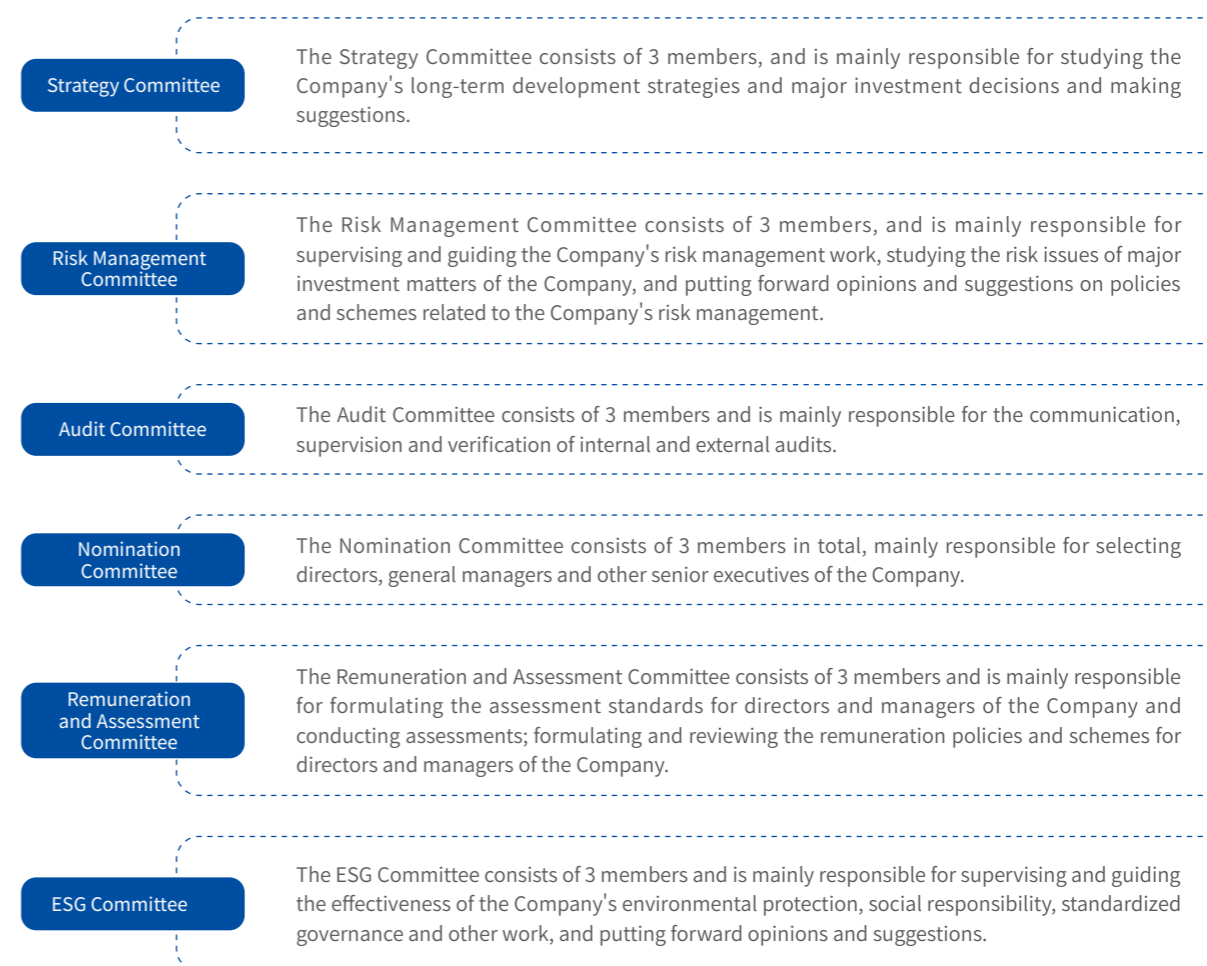
Board of Supervisors

The Company formulated the *Rules of Procedures for the Board of Supervisors* in accordance with the relevant provisions of the *Company Law*, *Guidelines for Articles of Association of Listed Companies*, *Rules for Governance of Listed Companies* and *Articles of Association*, and established the Board of Supervisors as the supervisory organization of the Company. The Board of Supervisors is responsible to the General Meeting of Shareholders and supervises the performance of duties by directors and the management of the Company and financial activities of the Company. The Board of Supervisors consists of 3 supervisors, including 1 employee supervisor.

During the reporting period, the Company held a total of 3 meetings of the Board of Supervisors with an attendance rate of 100%. A total of 13 proposals were approved at the meetings, including regular reports, re-employment of audit institutes, special reports on the storage and use of raised funds, etc.

Special Committees

The Company has set up six committees according to the *Company Law*, *Code of Corporate Governance for Listed Companies*, *Articles of Association* and the *Rules of Procedures for the Board of Directors*: Strategy Committee, Risk Management Committee, Audit Committee, Nomination Committee, Remuneration and Assessment Committee, ESG Committee. Each committee consists of three directors. Among them, independent directors account for more than half. At the same time, rules of procedures for those committees have been formulated respectively to standardize work processes and give full play to the functions of each committee.



Human Resources, Social and Ethics Committee

To further standardize the human resources ethics work in South Africa, PMC has set up a Human Resources Committee and a Social, Ethics and Technical Committee under the Board of Directors according to the relevant provisions of the *Company Law*, *Articles of Association* and *Code of Practice for Corporate Governance Reporting in South Africa Countries*, and formulated relevant articles of association to supplement the duties of the Board of Directors.

The Committee has focused on the impact of the Company on stakeholders, implemented and oversaw matters such as human resources, remuneration and nomination duties, and social and ethical responsibility on behalf of the Board of Directors to ensure that the activities of the Company have a positive impact on employees, communities and the environment.

During the reporting period, the Human Resources Committee of PMC held 3 meetings in total, including business ethics and integrity reports, internal audits, etc. The Social, Ethics and Technical Committee held 4 meetings in total, including project progress descriptions, performance reports, etc.

Integrity and compliance

The Company has strictly abided by the *Administrative Supervision Law*, *Anti-money Laundering Law* and other relevant laws and regulations, continuously improved the compliance management policies and systems, adhered to integrity operation, strengthened investor relations management, and created a standardized and legalized operating environment.

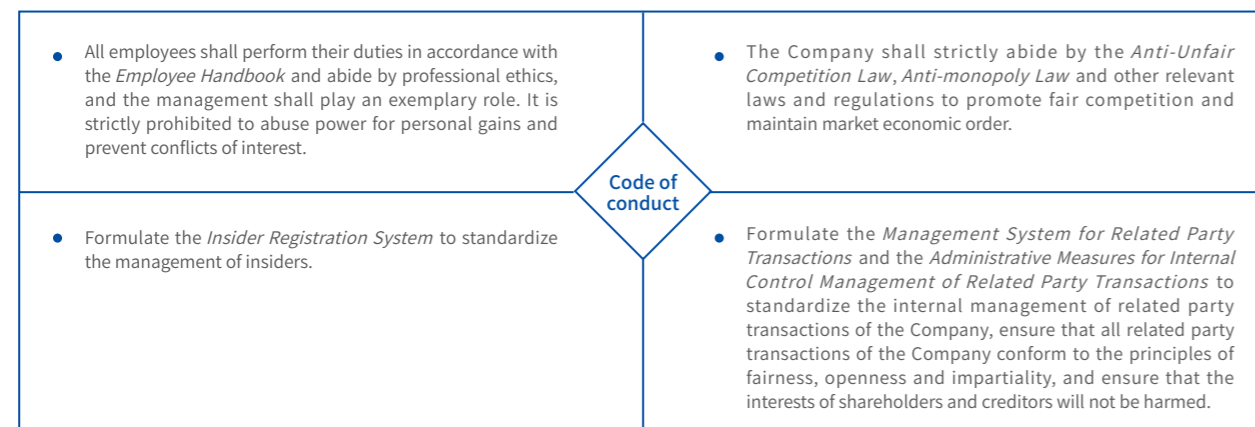
Compliance operation

The Board of Directors and special committees of the Company shall, in accordance with the relevant requirements of the *Opinions of the State Council for Further Improving the Quality of Listed Companies*, carry out a penetrating and all-round compliance review for the Company, continuously improve the compliance operation management system, establish an effective compliance management system, and strengthen the standardized operation ability of listed companies; focus on the identification, evaluation and management of major compliance areas and violation risks, and effectively respond to compliance risks in production and operation from four stages of compliance risk identification, compliance risk assessment, compliance risk management and compliance risk monitoring, timely prevent and resolve various risks, build a solid firewall for the Company's risk control management, and maintain the Company's market image.



Business ethics

The Company has adhered to abide by business ethics, opposed any form of commercial bribery and corruption, and strictly investigated the internal corruption of the Company; adhered to the principles of legitimacy and fairness in business competition, and never infringed upon the legitimate rights and interests of other operators and consumers. In 2023, the Company did not engage in major corruption and unfair competition.



Protection of investors' rights and interests

The Company formulates the *Management System for Investor Relations* in accordance with the *Company Law*, *Securities Law*, *Law of the People's Republic of China on Guarding State Secrets*, *Rules for the Listing of Stocks*, the *Guidelines on Investor Relations Management of Listed Companies* and other relevant laws, regulations and normative documents to strengthen communication with investors through adequate information disclosure and exchange. It strengthens communication with investors by fully disclosing and exchanging information, promotes investors' understanding and recognition of the Company, realizes the maximization of the overall interests of the Company and the interests of shareholders through strategic management behaviors. In 2023, the Company increased communication with investors by issuing announcements, holding general meetings of shareholders, opening company websites, carrying out and participating in performance briefings, online collective reception days for investors, analyst meetings, symposiums and other forms.

The Company attaches great importance to strengthening the disclosure of compliance information. It discloses important matters in a true and detailed manner through channels such as *China Securities Journal*, *Securities Times*, *Shanghai Securities News*, *Securities Daily* and CNINFO. In 2023, the Company disclosed 86 announcements, including 4 periodic reports and 82 other documents. The Company has been rated as Grade A of the annual information disclosure evaluation of the Shenzhen Stock Exchange for three consecutive years, and there was no punishment due to violations of information disclosure during the reporting period.



Risk prevention and control

By establishing an organizational structure with clear rights and responsibilities and scientific and reasonable rules and regulations, the Company has built a good internal control environment, created a professional and efficient risk prevention and control system, helped the Company continuously improve its risk management ability, and laid a foundation for the stable and sustainable operation of the Company.

Internal audit

The Company has formulated the *Internal Audit System* in accordance with laws and regulations such as the *Audit Law of the People's Republic of China*, *Regulations on Internal Audit Work of the Auditing Commission*, the *Rules for the Listing of Stocks* and the *Standardized Operation of Listed Companies on the Main Board Market* to continuously optimize the internal control system and improve the internal control system. The Internal Control and Audit Department is responsible for carrying out audit work within the scope authorized by the Audit Committee of the Board of Directors and checking and supervising the establishment and implementation of the Company's internal control system and the authenticity and integrity of the Company's financial information. The Internal Control and Audit Department is responsible to the Audit Committee and reports to it.





PMC has stipulated the responsibilities of employees in various positions in internal control. Senior managers take ultimate responsibility for the control system, the executive management and committee is responsible for setting guidelines and a global vision of the enterprise, the Internal Control and Audit Department monitors the permanence and efficiency of the control system, and all employees are responsible for participating in the implementation of internal controls.


Risk management

Since its establishment, the Company has been strengthening risk management and strictly abiding by various management methods such as the *Sensitive Information Screening System*, *Rules of Procedures for the Risk Committee of the Board of Directors*, *Administrative Measures of Comprehensive Risk Management and Administrative Measures of Compliance Risk Management*. It has established a perfect risk management operation mechanism to improve the Company's risk prevention and control capabilities, to ensure the Company's legal and compliant operation, safe and stable operation. In 2023, the Company has continued to strengthen risk prevention and control works, revised and improved various rules and regulations, completed early warning and emergency disposal measures for major risks and hidden dangers, promoted risk prevention and control to deeper levels, and effectively prevented and responded to major risks and hidden dangers. During the reporting period, there were no major risk events in various risk areas such as production and operation, sales, safety and environmental protection and investment.

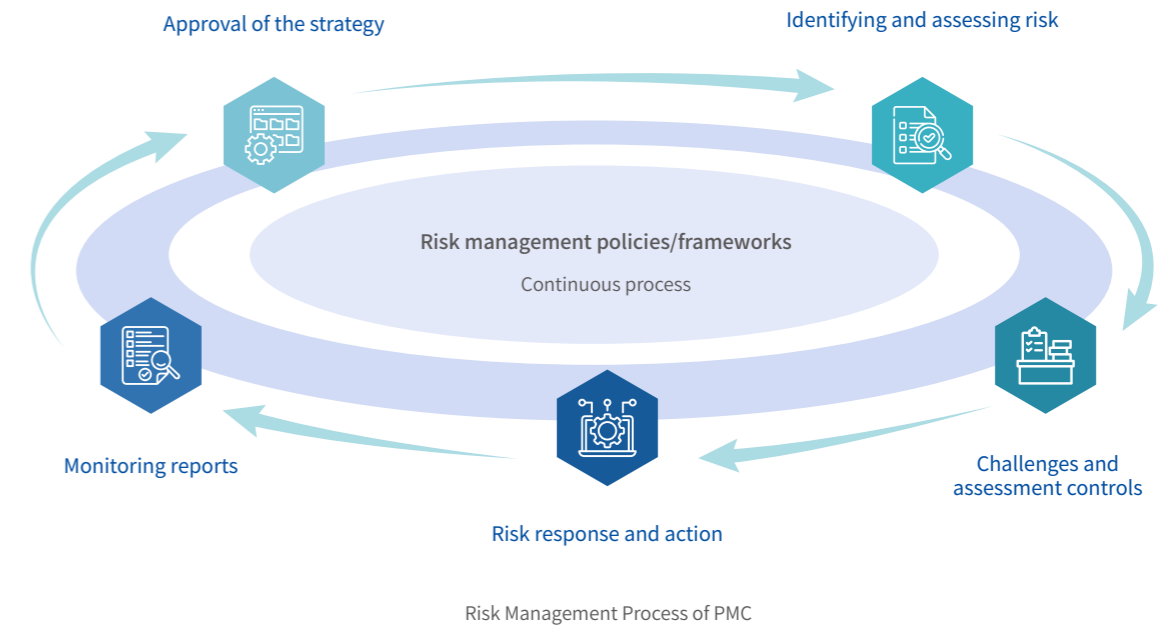
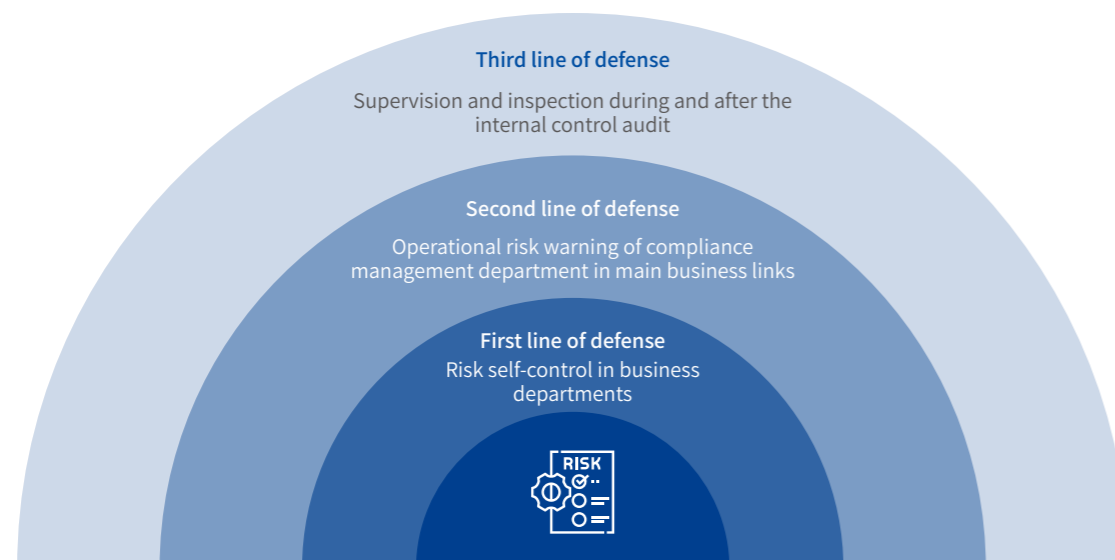
Three levels

1  Board of Directors
It is the highest decision-making body for risk management and is responsible to the Board of Shareholders for the effectiveness of risk management.

2  The Management
It is responsible to the Board of Directors for the effectiveness of risk management. The Compliance Management Department is responsible for daily risk management.

3  Functional Departments and Offices
Each business department is the front-line department of risk management. The Internal Control and Audit Department audits, evaluates, reports and tracks the rectification of the control of major risk matters of the Company as well as the integrity and effectiveness of the Company's risk management system, and is directly responsible to the Board of Directors.

Three lines of defense



ESG governance

The international community is paying more and more attention to corporate social responsibilities, and ESG has been developed rapidly. Corporate social responsibility shows a trend of strengthening rigid constraints. The Company attaches great importance to ESG work and is committed to deeply integrating ESG governance into the production and operation business. It has continuously improved the ESG management system and has continuously played a role of ESG in helping the high-quality development of the Company.

ESG Committee

The Company has set up an ESG Committee, which is responsible for supervising and guiding the effectiveness of the Company's environmental protection, social responsibility, standardized governance and other work, and putting forward opinions and suggestions. ESG Committee work under the leadership of and are responsible to the Board of Directors. The ESG Committee members are elected by the Board of Directors and consist of three directors, including at least one independent director.

The main responsibilities of the ESG Committee are as follows

- Study the Company's ESG policies, strategies and performance to make them comply with relevant laws, regulations and standards;
- Put forward update suggestions on the Company's environmental protection, social responsibility and standardized governance;
- Study and formulate the strategic planning, implementation rules and other goals of ESG management;
- Take appropriate countermeasures for ESG-related risks and opportunities that have a significant impact on the Company's business;
- Guide and supervise the implementation of corporate environmental, social responsibility and corporate governance work, monitor and check the fulfillment of goals and make recommendations accordingly;
- Deliberate the Company's reports and other major matters related to ESG;
- Handle other matters authorized or assigned by the Board of Directors.

ESG practice

In 2023, the Company actively practiced its ESG concept and integrated it into the whole process of management through measures such as preparing and issuing reports and participating in training to promote the Company's gradual sustainable development. The Report is the Social Responsibility Report and Environmental, Social and Governance (ESG) Report prepared and released in the fourth year of the Company. It systematically sorts out and summarizes the practice and effectiveness of responsibility fulfillment and discloses it to stakeholders.

Case The Company Participated in the HBIS Group's Social Responsibility/ESG Training Meeting in 2023

The Company took the initiative in ESG work and actively participated in the start-up training meeting for HBIS Group's 2023 Sustainable Development Report, so as to deeply study ESG-related knowledge, understand ESG situation requirements and enterprise ESG management improvement suggestions, and improve its own ESG management level.

Identification of substantive issues

The Company attaches great importance to the analysis and identification of substantive issues in ESG work. The Company identifies substantive responsibility issues that are practically concerned by all stakeholders and have important significance for the development of the Company in combination with its own business areas, divides the identified issues into "major issues", "important issues" and "general issues", and focuses on response and improvement during development.

Major issues

Work safety, ensuring product quality, waste management, improving service quality, business ethics and transparency, energy management, water resources management, coping with climate change, human rights protection, community relations, employee training and development, occupational health and safety, biodiversity, tailings management

Important issues

Economic performance, industry development promotion, compliance management, strategic sharing mechanism and platform, regional economic development promotion, legal employment, framework of Board of Directors, risk management, natural disaster emergency management, environmental management system

General issues

Information security, customer management, intellectual property protection and technological innovation, freedom of association and collective bargaining, charity, rural revitalization, supply chain responsibility

Communication with stakeholders

The Company communicates smoothly with investors and the public in accordance with the principle of "truthful, comprehensive, timely and sufficient" information disclosure. The Company disclosed the Company's ESG work by organizing annual and semi-annual performance briefings, publishing reports, etc. In 2022, the Company took the initiative to upgrade its social responsibility report into an ESG report and further strengthened communication with stakeholders.





Working together with Employees to Build a Better Future

Our philosophy

The Company adheres to the people orientation of "People Excellence", and strives to practice the value proposition of "providing employees with complete remuneration and a good working environment, so as to return their contributions to the Company". The Company has adhered to safeguarding the basic rights and interests of employees, paying attention to their physical and mental health, encourage them to learn and grow, balancing their work and life, and realizing the common breathing and destiny between enterprises and employees.

Our actions

- PMC has been certified as the "Top Employer" in South Africa six times;
- Implemented the Measurement Accident Prevention Plan (MAP) to promote work safety and achieve "Zero Harm";
- Successfully held the 7th Annual Certification Conference of Professional Qualifications for Companies in PMC to improve employees' skills;
- Established a new Women in Mining Executive Committee to promote greater responsibilities for capable women.

SDGs:



Rights and interests protection

The Company strictly abides by the local *Employment Equality Law, Equal Employment Law, Labor Relations Act* and other relevant policies and regulations. It has set up an Employee Relations Department to continuously standardize the employee management system, implement diversified equal employment, improve the remuneration and benefits system, strengthen democratic management and communication, and safeguard and protect the legitimate rights and interests of each employee.

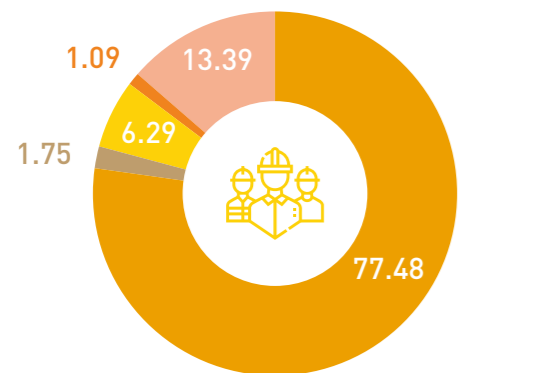
Diversified and equal employment

The Company abides by the *Constitution of South Africa* and other local laws and regulations, establishes diversified and equal employment relations, and protects the basic rights and interests of employees; adheres to the equal treatment of employees with different nationalities, ethnic groups, races, skin colors, genders, religious beliefs and cultural backgrounds, and opposes forced labor and hiring child labor; pays attention to the employment of disabled people, women and other special groups; focuses on the employment of local residents and increases employment opportunities in local communities; improves the coordination mechanism of labor relations, actively builds harmonious and stable labor relations, and safeguards the legitimate rights and interests of employees. In 2023, the Company had 3,944 employees in total and all of the employees signed labor contracts with the Company.



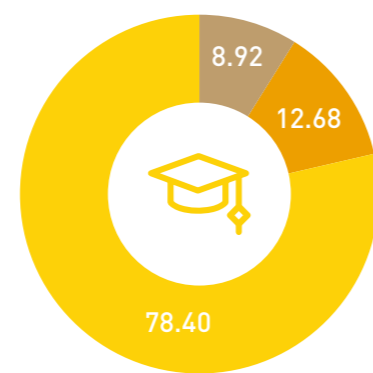
Employee Composition(unit: %)

Specialty Composition



- Production personnel
- Sales personnel
- Technician
- Financial personnel
- Administrative personnel

Educational Attainment



- Bachelor's degree and master's degree or above
- College degree
- Technical school and high school or below

Case PMC Won Six "Top Employer" Certifications in South Africa

The "Top Employers Association" is a global authority dedicated to recognizing excellent HR practices. PMC won six "Top Employer" certifications in 2016 - 2024 (not participating in the selection from 2020-2022). It is not only proof of its obvious effectiveness in managing staff but also marks that PMC has met the requirements for diversity, inclusiveness and digitalization of personnel recruitment.



PMC Won the "Top Employer South Africa 2024" Certification



Management Team Member of PMC

Improving remuneration and benefits

The Company has always adhered to the concept of "employees are the most valuable wealth" and guaranteed that employees' benefits have sufficient competitiveness in the same industry.

Remuneration policies

According to the remuneration assessment standard of "remuneration determined by post, remuneration changing with post, result-oriented and performance floating standard", the Company formulates the post remuneration grade sequence for different posts respectively and pays employees according to their actual positions and comprehensive abilities. The Company reviews the remuneration system every year and provides different incentive plans for employees at different levels.

Benefit policies

Benefit policies. The Company has formulated a complete benefit system for employees to comprehensively escort them to work and grow healthily and comfortably in the Company, and enhance their sense of belonging and happiness. In 2023, the coverage rate of the Company's medical aid insurance was 100%, the coverage rate of the pension fund insurance was 100%, and the per capita paid annual leave days were 34.

2023

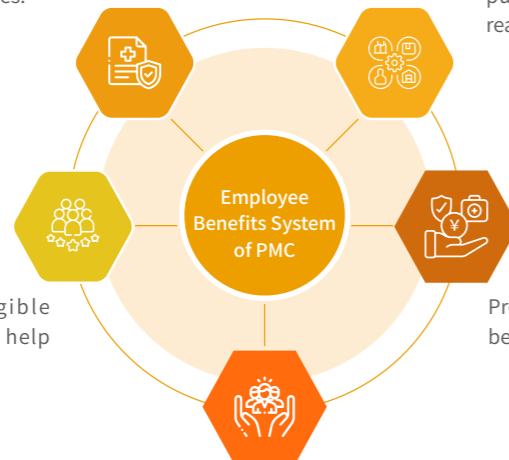
Coverage rate of the medical aid insurance
100 %

Coverage rate of the pension fund insurance
100 %

Per capita paid annual leave days
34 days

Providing medical aid programs for employees so that they and their families can enjoy the best health care services.

Providing rent subsidies for new employees to settle down in Phalaborwa, and house purchase subsidies for employees to buy real estate.



Providing scholarships to eligible employees and their families to help them improve their skills.

Providing employees with good retirement benefits (pension fund plans).

Allowing the employees to participate in the Company's ownership plan as a beneficiary and can enjoy benefits for another 5 years after retirement.

Employee labor union construction

To broaden the communication channels with employees and effectively understand their needs, PMC issued documents and systems such as the *Employee Relations Recognition Agreement* and *Labor Association and Consultation Forum*, established and improved employee participation mechanism, including but not limited to managed and organized monthly labor union meetings, transformation consultation forum (also serving the purpose of the future forum) and Employment Equity Committee. The National Union of Mineworkers of South Africa Union (NUM), the Association of Mineworkers and Construction Union (AMCU) and SOLIDARITY were established, with regular meetings to discuss workplace concerns. In 2023, 82.5% of employees joined the labor union.

2023

Proportion of employees joined the labor union

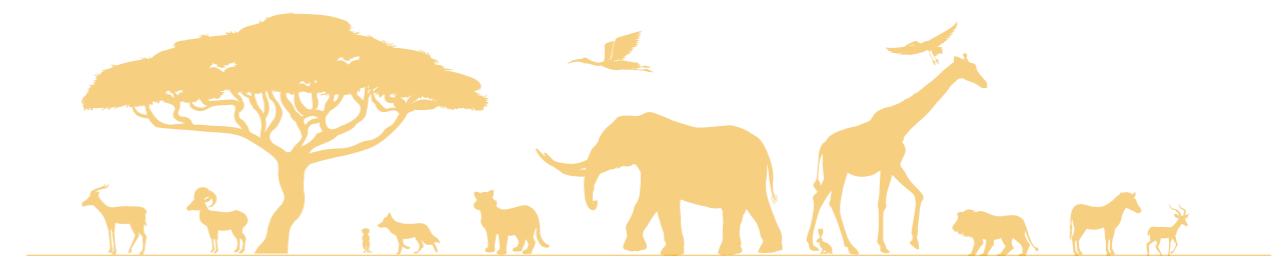
82.5 %

Case PMC Negotiated with the Labor Union to Sign a Substantive Agreement on Employee Remuneration and Employment

In March 2023, after four weeks of remuneration negotiations of PMC with the National Union of Mineworkers of South Africa Union (NUM), and the Association of Mineworkers and Construction Union (AMCU), a substantive agreement on remuneration and employment conditions was reached to meet employees' needs and highlight the image of "Top Employer" in South Africa.



Agreement Signing Site



Safety and health

The Company has always been concerned with the safety and health of employees, formulates and improves policies and systems related to their physical and mental health, relieves fatigue in a timely and moderate manner, avoids long-term and continuous work, and ensures the health of employees during work. During production, the Company adheres to the policy of "safety first and prevention foremost", strives to achieve the sustainable production goals of "Zero Harm", strengthens safety management and emergency training, enhances employees' awareness of work safety, and realizes "safety from the heart".

Employees' health management

The Company promotes all employees to undergo occupational hygiene and personal health standard medical checkups to ensure that employees are working in the right positions in accordance with the provisions of the *Code of Conduct for Employees*, Safety, Health, Environment and Quality (SHEQ) Policy; educates employees to actively pay attention to their own health and provide health management services; actively masters the policies and procedures of health related to mine work; supervises and checks employees' health risks at all times, and reports employees' physical conditions to the superior in time; timely reports any violation of health standards; reports openly and honestly any health-related incidents; establishes Palabora Copper Mine Clinic for medical examinations, accidental injuries etc. and voluntary counseling & HIV status testing and Employee Assistance Program (EAP) as required.

Rights of mineworkers under the Occupational Diseases in Mines and Works Act

The *Occupational Diseases of Mines and Workers Act of 1973* confers a range of rights on mineworkers, all mineworkers and former mineworkers suffering from lung diseases due to exposure to harmful dust in the mine have the right to apply for compensation from the State; the mineworkers shall receive regular medical examinations during their employment to check whether they have lung diseases, and at the same time are entitled to a free welfare medical examination every two years; when a mineworker dies for any reason, the family has the right to request an autopsy free of charge to determine whether the mineworkers suffered from occupational lung disease at the time of death and if so, to apply to the State for compensation.

Dr. MGIBA'S CORNER TAPEWORMS

Neglected Parasitic Infection - Neurocysticercosis

Neurocysticercosis is a preventable parasitic infection caused by larval cysts of the pork tapeworm (*Taenia Solium*). The larval cysts can infect various parts of the body causing a condition known as cysticercosis. Larval cysts in the brain cause a form of cysticercosis called neurocysticercosis which can lead to seizures.

Neurocysticercosis, which affects the brain and is the most severe form of the disease, can be fatal. Neurocysticercosis is considered a Neglected Parasitic Infection, one of a group of diseases that results in significant illness among those who are infected and is often poorly understood by health care providers due to under diagnosis and the expensive nature of investigations required.

How people get neurocysticercosis:

A person gets neurocysticercosis by swallowing microscopic eggs passed in the faeces of a person who has an intestinal pork tapeworm. For example, a person eats undercooked, infected pork and gets a tapeworm infection in the intestines.

Poor hand hygiene after use of bathroom with inadequate or no hand washing may result in person contaminating food or surfaces with faeces containing these eggs. These eggs may be swallowed by another person if they eat contaminated food. Once inside the body, the eggs hatch and become larvae that find their way to the brain. These larvae cause neurocysticercosis. The process can be recycled to others if there's no treatment or

good hand washing.

Risk factors for acquiring neurocysticercosis:

People are at a higher risk for getting neurocysticercosis by swallowing parasite eggs if they:

- Eat under cooked pork meat of parasite infested pig
- Live in a household with someone who has a pork tapeworm with poor hygiene practise
- Eat food made by someone with a pork tapeworm infection

In general, most people with neurocysticercosis are people who come from regions where the disease is prevalent, especially in villages or unconstructed pig farming with no immunisation program. Neurocysticercosis is a preventable disease. Good hand washing practices and treating people infected with intestinal tapeworms could drastically reduce the number of new infections. Why be concerned about neurocysticercosis? Neurocysticercosis is a leading cause of adult-onset epilepsy worldwide. It is costly to diagnose and treat, but entirely preventable.



PMC Popularized Health Knowledge in Internal Publications

Management of work safety

The Company attaches great importance to work safety, and the leadership regularly holds work safety meetings and conducts accident analysis, prevention and risk assessment to identify risks. It also initiates emergency plans and control measures to identify unsafe working procedures or improper working conditions and minimize the possibility of accidents at work. In 2023, the Company implemented a Measurement Accident Prevention Plan (MAP) to reduce risks and achieved work safety with zero harm. During the reporting period, the Company achieved remarkable results in work safety through the strict implementation of a series of safety measures. There were 5 lost time injuries (LTI) (the upper limit standard is 13), and the lost time incident frequency (LTIFR) is 0.08 (the upper limit standard is 0.32).

The Company adheres to the concept of "Safety is a top priority for PMC", transmits the work safety concept and policies to every employee, and encourages all employees to pay attention to work safety issues actively. In 2023, the Company carried out 41,239 hours of safety training with the coverage rate of work safety training reaching 93.9%.



Occupational Health and Safety Management System Certificate

2023

Hours of safety training
41,239 hours

Coverage rate of work safety training
93.9 %

Case PMC Established an Emergency Response Team

The PMC Emergency Response Team, which consists of employees and volunteer capable of responding during emergencies after highly rigorous in training to minimize injury and ultimately save lives. On September 28, 2023, an employee of South Africa suddenly fainted due to illness while working in the smelter. His colleague immediately alarmed and notified his supervisor and emergency response team. Members of the Emergency Response Team of PMC immediately arrived at the scene to deliver the fainted employee out of danger.



The Company Commended the Emergency Response Team

Case Magnetite Department Won Safety Awards in the 2022/2023 MMMA Award Cycle

PMC has always been recognized as a leader in work safety in the mining industry. In the 2022/2023 Mine Metallurgical Managers' Association of South Africa (MMMA), PMC won two awards in the safety category, once again consolidating its position in work safety.



Member of Magnetite Department, PMC



The Smelter Renovation Project (SRP) team completed 2 million hours of zero lost man-hours and zero medical injury since the project launch in 2016



Scene of the "Zero Harm" Cup Football Games

Growth promotion

The Company attaches great importance to talent cultivation and development. By launching various talent programs, it builds a capable, enterprising and dedicated employee team to promote the career development and personal growth of employees; actively encourages employees to take the initiative to carry out professional training to achieve common development between employees and the Company.

Smoothing development channels

The Company provides a performance development plan (PDP) for each employee to help them achieve career development. The Company links the performance management system with business objectives, evaluates the overall ability of potential employees openly and progressively, further encourages and supports outstanding employees through mentoring and coaching programs, accelerated learning plans and leadership development strategies, and gives guidance to correct errors for poorly performing employees. It optimizes the promotion system, creates a career development path for employees according to the work attributes of each department, gives priority to internal promotion, and continuously makes smooth the career development channel. In 2023, the turnover rate of employees was 3.28%.

Case PMC Rewarded Individuals or Teams with Outstanding Performance

PMC has launched the Employee Value Proposition program to reward individuals and teams who have demonstrated excellent services and positive working attitudes at work. In 2023, the Company awarded four of PMC employees the "Innovation Award" for their outstanding contributions to innovation.



Employees Who Received the "Innovation Awards"

Encouraging employees to learn

The Company strives to provide employees with fair education, training and development opportunities. It provides corresponding technical and behavioral skills training programs for different categories of professional positions. As of 2023, PMC has held seven consecutive annual vocational qualification certification meetings to recognize outstanding employees who have successfully completed vocational skills training or industry projects. The Company helped to solve the skill gap in the industry and significantly improve the skills of employees; provided mandatory training on specific policies and regulatory responsibilities to ensure that employees could continuously accumulate and update their skills and experience. At the same time, the Company provided various forms of learning assistance such as grants to eligible employees so that they could improve their work skills. In 2023, a total of CNY 36,696,148 was invested in employee training, and the average training duration was 53 hours per capita.

Employee Training System of PMC

Induction training (employees)	<ul style="list-style-type: none"> Promoting the integration of new employees into the organization Measuring satisfaction index 	
Scheduled training courses	<ul style="list-style-type: none"> Booking training activities and keeping learning records 	
CTS	<ul style="list-style-type: none"> Providing computer-based security and technical training for employees 	
Online learning	<ul style="list-style-type: none"> Care about employee development in soft skills areas 	
External training	<ul style="list-style-type: none"> Document and plan training needs to drive employee development 	



PMC Conducted Technical Training for Operators and Maintenance Personnel



PMC Awarded Certificates to Graduates at the Annual Vocational Qualification Conference

Happy workplace

A happy workplace environment can stimulate employees' work vitality and recognition of the Company. The Company attaches great importance to improving the well-being of employees, especially the care for female employees, and promotes more women to stand in the center of the workplace with a complete system. It regularly holds activities to strive to form a happy workplace atmosphere throughout the Company through rich forms of activities and improve the work enthusiasm and efficiency of employees.

Caring for female employees

PMC attaches great importance to the recruitment of female employees, aims at reaching or exceeding 25% of female employees, and helps them solve the problems faced in mining through the "Women In Mining" system. In 2023, PMC established a new Women in Mining Executive Committee to enable women employees to proactively organize and manage resources and promote greater responsibilities for capable female employees.



New WIM Executive Committee Member

Maternity leave policy

The Company insists on giving a special welfare system to female employees during pregnancy, maternity leave and lactation in accordance with relevant national regulations to effectively protect the rights and interests of female employees. PMC established an applicable maternity leave policy, which provided eligible female employees with a maximum of 6 hours of paid vacation per week to facilitate the care of infants.

Anti-sexual harassment

PMC has prepared the *Sexual Harassment* to eliminate sexual harassment in the workplace and take disciplinary action against all employees convicted of sexual harassment.



Jane van Wyk, an Employee of PMC, Became the World Champion of Women's Shotgun in 2023

Balancing work and life

To make the majority of employees adjusted in their spare time, the Company attaches great importance to balancing the work and life of employees and organizes employees to jointly carry out diversified theme activities, interesting activities, festival activities, etc., to enhance employee cohesion and show their personal charm and value. In 2023, the employee satisfaction of PMC was 81.8%.

PMC Heritage Day Celebration

Traditional Day Activity



Valentine's Day Activity



The 2nd Family Marathon



SHEQ Spring Walking



Case PMC Held "Long-term Service Award" Activity

Employee recognition is an important part of a healthy working environment and culture. On November 17, 2023, PMC held a long-term service award activity to commend 48 employees who have served the Company for many years, motivate them and fully affirm their loyalty and sense of mission.



Awarding Ceremony of "Long-term Service Award"



Working together with Partners to Achieve Mutual Benefits

Our philosophy

With the goal of "being the most competitive enterprise in the industry", the Company adheres to the marketing concept of "customer-oriented" and the quality policy of "Science and Technology Lead the Future, Green Development Promotes Development". It is committed to establishing transparent and ethical relationships with suppliers, customers and governments, so as to promote the Company to take solid steps on the road of high-quality development.

Our actions

- The Company conducts regular customer surveys every year to understand customers' views on the service;
- The Company continuously improves the procurement systems such as *Preferential Policy* and *Preferential Procurement Policy*, and standardizes the Company's procurement management work and process;
- The Company established a Supplier Evaluation Committee to evaluate the qualifications of suppliers;
- PMC signed a memorandum of understanding with the University of South Africa to actively carry out academic exchanges and strategic cooperation;
- PMC participated in the 10th Annual Social and Labour Plan Conference, which was endorsed by its President.

SDGs:



Customer service

The Company continues to implement rules and regulations such as *Marketing and Sales Strategy Policies*, *Customer Service and Complaint Procedures* and *Customer Requirements* to ensure that the Company protects customers' rights and interests in accordance with ISO 9001, ISO 14001 and other standards, strengthens quality management, insists on innovation empowerment, and is committed to providing customers with more high-quality and reliable products. Win the trust of customers. The Company timely responds to customer complaints, standardizes the customer complaint handling process and improves customer satisfaction.

High-quality products

The Company makes full use of its competitive advantages in the copper wire market, magnetite cost advantage as a by-product and rich vermiculite resources in South Africa to exploit, process and sell products such as copper, iron ore and vermiculite, strengthens product quality management, registers quality risks and environmental risks during product production and sales, and provides customers with high-quality mineral products stably. It collects relevant information on customers' views and opinions on products and stops losses of nonconforming products according to relevant standards. The ex-factory pass rate of the Company's products reached 95% during the reporting period.

The Company adheres to the quality policy of "Science and Technology Lead the Future, Green Development Promotes Development", advocates and supports value creation and innovation culture, adopts innovative technologies, completes the transformation of the smelter supporting the copper phase II project, provides a guarantee for the smooth production of copper phase II, effectively improves the quality of copper products, and promotes the Company's capacity to a new level. During the reporting period, the Company invested CNY 32,827,838 in process technology improvement and research.

2023

Product ex-factory pass rate
95 %

Investment in process technology improvement and research
CNY **32,827,838**

Case Flotation Plant Recovery Rate Improvement Project Participated in the Appraisal of the "Outstanding Contribution Award for Scientific and Technological Innovation"

The flotation mill recovery improvement project is mainly to optimize the production of the new flotation mill, increasing the copper recovery from 75% to 85% while maintaining the copper grade of copper concentrate at 28%-30%. In 2023, the flotation mill recovery rate improvement project was recommended for the "Outstanding Contribution Award of Scientific and Technological Innovation".



Flotation Plant Recovery Improvement Project Team



High-Quality Cathode Copper Produced by PMC



Certificate of Quality Management System Certification

Excellent services

The Company adheres to the marketing concept of "customer-oriented" and practices responsible marketing; conducts a customer survey once a year to understand the overall view of customers on the Company's services; updates the list of customers in time and records it in "Pivot" and SAP to ensure customer information security; timely handles customer complaints based on the *Customer Service and Complaint Procedures*, monitors customer complaints, and attaches importance to improving the customer service quality. During the reporting period, the Company's complaint resolution rate was 100% and customer satisfaction was 100%.

Customer complaint handling measures of PMC

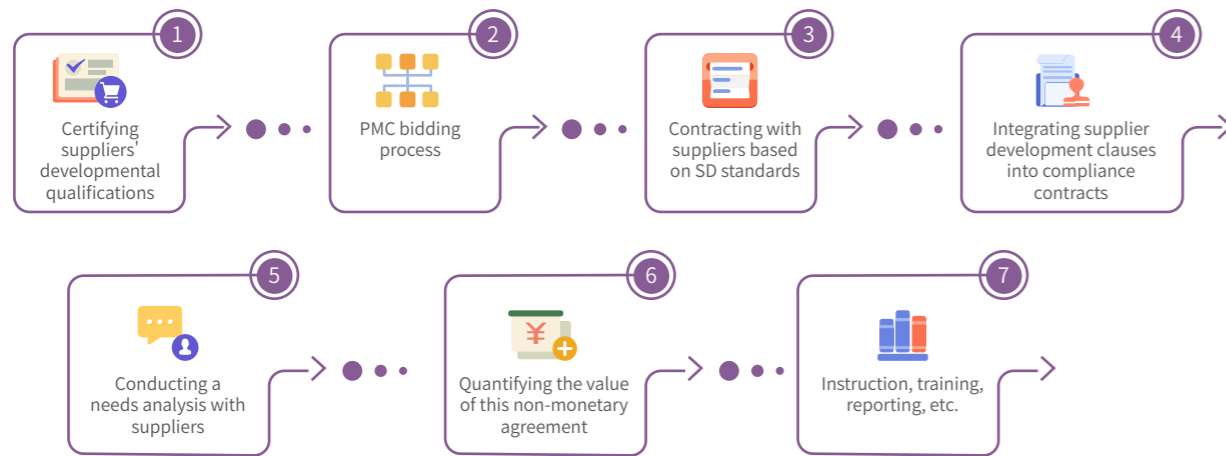
- Actively handle quality objections to avoid them escalating into formal customer complaints;
- After receiving customer complaints, the sales and administration specialist shall contact relevant personnel in time to ensure that customer complaints are resolved promptly;
- Record customer complaints in the "Pivot" system and analyze complaint information to prevent similar complaints from happening again;
- Convene a meeting to study and determine the responsible department when dealing with cross-department customer complaints;
- Send reminder letters to the parties involved in the incident every week during the handling of customer complaints;
- The survey conducted in the business area is expected to receive initial feedback within 7 working days.

Responsible procurement

The Company has continuously improved the supply chain ESG management system, made full use of local laws and regulations in South Africa such as the *Broad-Based Black Economic Empowerment Act (B-BBEE)* and the *Mineral and Petroleum Resources Development Act*, actively implemented laws and regulations such as *Enterprise and Supplier Development Policy*, and implemented *Procurement and Material Management Operating Procedures*. The Company has continuously improved the procurement systems such as *Preferential Policies* and *Preferential Procurement Policies*, standardized the Company's procurement management work and process, carried out full life cycle management of suppliers, provided training for suppliers, and helped the sustainable development of the supply chain.



PMC won the B-BBEE Level 4 Evaluation



Supplier Development Model - Based on Procurement and Transformation

Supplier access

The Company continues to improve supplier development and access, increases procurement channels, strengthens cooperation with local suppliers in South Africa, actively seeks more suitable supplier partners worldwide, continuously optimizes the supplier structure, and maintains the stability and sustainability of the supply chain. It established a Supplier Evaluation Committee to evaluate the qualification of suppliers and participate in judging whether the procurement process is compliant. PMC gave priority to local African women and suppliers with higher B-BBEE levels.

Supplier audit

The Company continuously conducts supplier ESG review and evaluation through the SAP system and ARIBA e-procurement platform, regularly evaluates the performance of suppliers, grades suppliers, and uses rating as a standard for key procurement decisions. During the reporting period, the Company conducted ESG assessment on 7 suppliers, and 62 suppliers were suspended from cooperation due to non-compliance.

Supplier training

The Company attaches importance to improving the supplier training system and carries out relevant training through the supplier development plan. If the Supplier is identified as a qualified enterprise or supplier development beneficiary, the Company may elect to support the growth of the Supplier by providing early payment, business support and other specific support specified in the supplier development agreement through the Supplier development plan.

Cooperating with partners

The Company actively carries out strategic cooperation with partners, continuously drives the coordinated development of upstream and downstream industrial chains, realizes resource sharing and complementary advantages, and ensures the safety and stability of the industrial chain and supply chain. It actively participates in industry exchanges, discusses high-quality development plans for the mining industry with industry experts and outstanding enterprise representatives, and promotes exploration and innovation in the mining industry.

Strategic cooperation

The Company has continuously improved the strategic cooperation mechanism, actively expanded the scope of cooperation with government agencies, colleges and universities, upstream and downstream enterprises, etc., launched more projects with strategic cooperation potential, and achieved win-win results with strategic partners.

Case PMC Signed a Memorandum of Understanding with the University of South Africa

Based on the concept of deepening cooperation, PMC signed a memorandum of understanding with the University of South Africa to establish close links in education and research in mining, metallurgy and other fields and jointly carried out research, data collection, policy analysis and educational activities. The Company has effectively promoted cooperative development between PMC and the University of South Africa to achieve complementary advantages.



Employees of PMC Participated in the "UNISA Open Day" Activity

Case PMC and Murray & Roberts Successfully Cooperated in the Copper Phase II Ventilation Shaft Project

The successful cooperation between PMC and Murray & Roberts in laying a ventilation shaft with a diameter of 8.5 meters and a depth of 1,200 meters was an extraordinary achievement that has vividly witnessed the careful planning and execution of PMC and Murray & Roberts for five years, which could extend the lifetime of the copper phase II project by about 13.5 years.



Group Photo of PMC Leaders with the Ventilation Shaft Project Team Members

Case PMC Carried out Multi-party Cooperation to Ensure the Safety of Mineral Resources

PMC cooperated with the Limpopo Province Department of Roads and Transport Limpopo Province, Phalaborwa Department of Transportation, and Roads Agency Limpopo to patrol the R40 Highway to encourage drivers to observe road safety rules, effectively reduce magnetite scattering and ensure road cleanliness.



PMC Worked with Partners to Patrols

Industry exchanges

The Company is committed to enhancing cooperation and communication within the industry. It actively participates in industry meetings to stay informed of the latest industry trends and developments. The Company aims to learn from advanced development experiences and share its own experience and wisdom with the industry. Furthermore, it strives to convey its advanced concepts and models to the industry and explore new ways for industry exchanges and cooperation.

Case PMC Participated in the 10th Annual Social and Labour Plan Conference

The 10th Annual Social and Labour Plan Conference was held at Midland Gallagher Convention Centre from June 28-29, 2023. PMC sent representatives to attend the meeting and communicate with companies in the same industry. At the meeting, PMC was recognized by the chairman of the meeting, and this pointed out the direction for mining enterprises to assume social responsibilities and comprehensively improve their core competitiveness.



"As a mining company, we are always at the forefront of advancing efficient community development plans and projects, actively holding and participating in industry conferences, and demanding ourselves with higher standards."

- Tshidi Ngobeni, President and Speaker of the Conference



Making Arduous Efforts for Environment Protection and Green Development

Our philosophy

The Company is committed to its environmental policy which follows the principles of "people orientation, legal compliance, work safety, energy conservation and consumption reduction, green environmental protection, and continuous improvement". The Company is actively exploring a green and low-carbon development model that complies with international standards. It has established an environmental management system to promote energy conservation and emission reduction, protect the ecological environment, and highlight its image as a responsible enterprise.

Our actions

- Make coping climate change one of the Company's key tasks and promote the construction of an environmental management system.
- Establish and improve the environmental protection emergency mechanism, enhance the emergency response ability, and cultivate employees' awareness of environmental protection;
- Continuously implement the energy management plan and water management plan, promote discharge management, and reduce the harm of "three wastes" to the environment;
- Develop a biodiversity management plan and pay close attention to the natural environment and biological protection of the area.

SDGs:



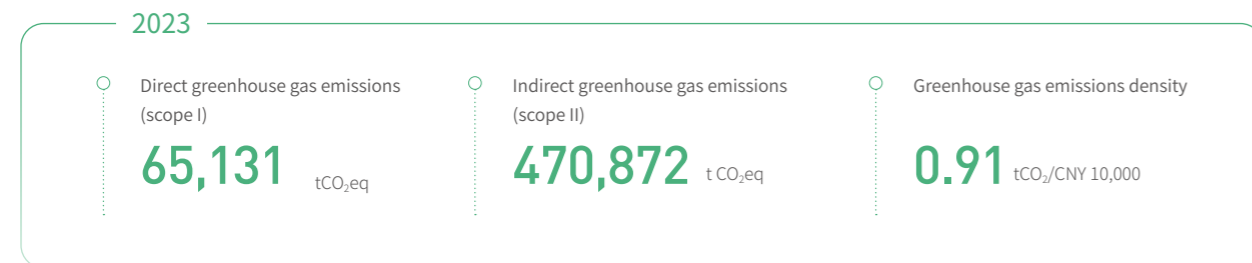
Green management

The Company is committed to coping with climate change by reinforcing the construction of an environmental management system and enhancing environmental protection emergency mechanisms. It aims to promote its green transformation and high-quality development by cultivating employee awareness of environmental protection and improving their ability to deal with environmental risks. By doing so, the Company strives to make a tangible contribution towards building a green homeland in South Africa, where people and nature coexist harmoniously.

Coping with climate change

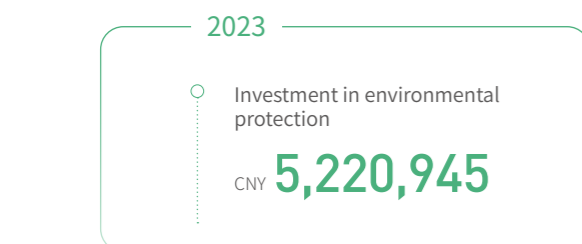
The Company has a deep understanding of the potential impact and risks of climate change on its operations, and always regards coping with climate change as one of its key tasks to mitigate the adverse effects of climate change on business operations.

The Company conducted in-depth research on greenhouse gas emission sources and found that most of the greenhouse gases emitted were indirectly from purchased electricity, while the rest came directly from the consumption of fossil fuels such as coal and diesel. The Company decided to take power use as a key control area to reduce greenhouse gas emissions. In 2023, the direct greenhouse gas emissions (Scope I) was 65,131 tCO₂eq and the indirect greenhouse gas emissions (Scope II) was 470,872 tCO₂eq, with a greenhouse gas emissions density of 0.91 tCO₂/CNY 10,000.



Environmental management system

The Company's energy consumption and pollution emissions come from PMC. According to the *Mineral and Petroleum Resources Development Act of South Africa*, PMC completed the environmental impact assessment report and environmental management plan, which were successfully approved and obtained ISO 14001 environmental management system certification. It established, implemented and continuously improved the environmental protection management system, promoted the construction of the environmental management system, and strived to achieve system compliance, up-to-standard discharge, energy conservation and consumption reduction. During the reporting period, the Company invested a total of CNY 5,220,945 in environmental protection¹.



PMC Obtained ISO 14001 Environmental Management System Certificate

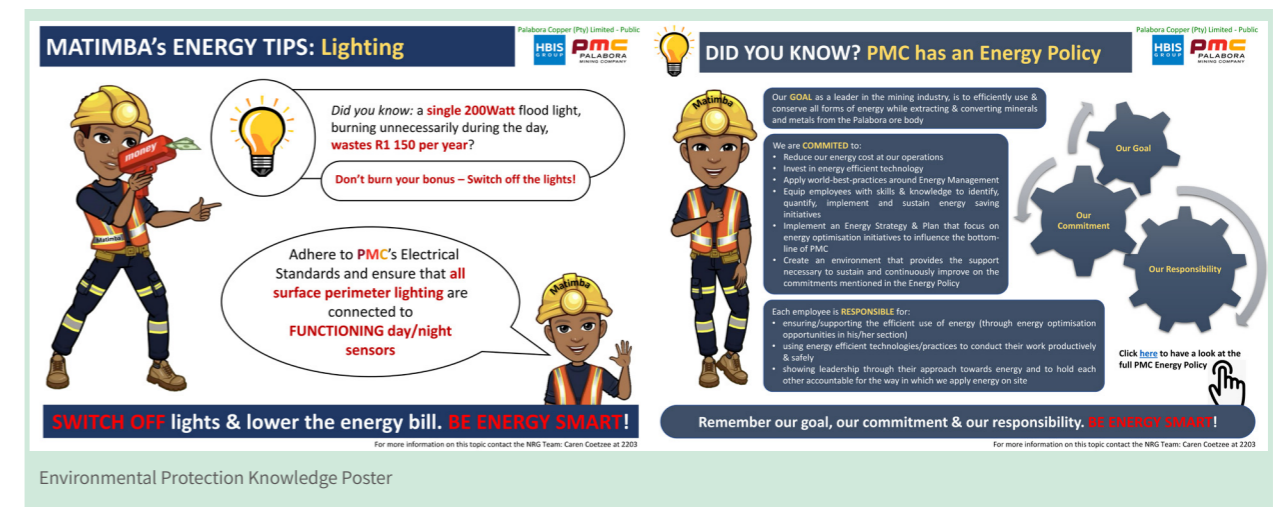
1.This data does not include expenses that could be used for environmental protection in the business, such as dust suppression and ecological restoration.

Environmental protection emergency mechanism

To cope with environmental emergencies, the Company has established a resource, training and alarm team. For hazardous chemicals involved in the production process, the Company has established material safety data sheets to ensure that countermeasures can be taken quickly in case of environmental incidents such as chemical leakage. During the reporting period, there were 11 environmental incidents occurred in PMC.

Cultivating environmental awareness

The Company has provided targeted training for employees to ensure that they understand the environmental management system of the Company and promoted the effective implementation of the environmental management system. It has clearly communicated the Company's environmental policy implementation standards to contractors and other partners at all times, ensured that partners understand their own obligations, and ensured that the environmental management system covers the whole process of the Company's business.



Green operation

The Company is committed to integrating green development into its business operations. To achieve this, it promotes three-dimensional energy management and control, plans and reasonably utilizes water resources, and strengthens the emission control of waste gas, wastewater, and residue. The Company ensures that all types of waste are disposed of properly and coordinates its economic, social, and environmental development.

Strengthening energy management

In 2012, PMC launched an energy management plan to determine, implement and maintain energy conservation projects, and strengthen the construction of its internal energy use management system. It actively created a more energy-saving and environmentally friendly internal environment, continuously improved the energy utilization rate, and promoted the benign interaction and organic integration of the Company's environmental benefits and economic benefits.

As a mining resource enterprise, the Company needs a lot of electricity to support its mining, flotation, smelting and refining processes. The Company obtained the required power from Eskom through a local substation. The Company has built a new waste heat turbine generator set rated at 4 MW, which will be ready to operate when the new smelter is put into production, and will further support its energy needs. During the reporting period, the Company consumed a total of 13,011 tons of standard coal, and implemented 12 energy management projects, reducing 16,841,074 kWh of energy use and 16,793.39 tons of carbon dioxide emissions.



Newly Built Waste Heat Turbine Generator at Smelter

Fossil energy consumption		
Vermiculite Production	Polyester fuel	560 t
	Coal	7,873 t
	Diesel	1,082 t

Power Consumption	
Copper Production	423,118.62 MWh
Vermiculite Production	17,978.02 MWh
Magnetite	21,845.45 MWh
Miscellaneous	1,156.93 MWh
Total consumption	464,099.02 MWh

Protection and sustainable utilization of water resources

The Company is committed to complying with the relevant regulations related to water resource protection. The Company is actively involved in managing water resources by developing water management plans and improving the utilization rate of these resources. The monthly water consumption in the mine premise, tailings dam area, and powerhouse area is thoroughly recorded to identify the usage of water resources. Targeted measures are then taken to control the consumption and promote the optimal use of water resources. PMC took part in local water resource management meetings to collaboratively develop a comprehensive strategy for the region. In 2023, the Company saved 2,502,441 m³ of water consumption.

Total annual Water Consumption from 2021 to 2023(unit: m³)

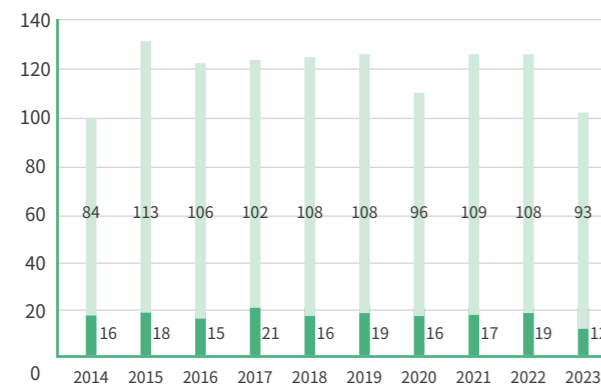


6,261,748
2021

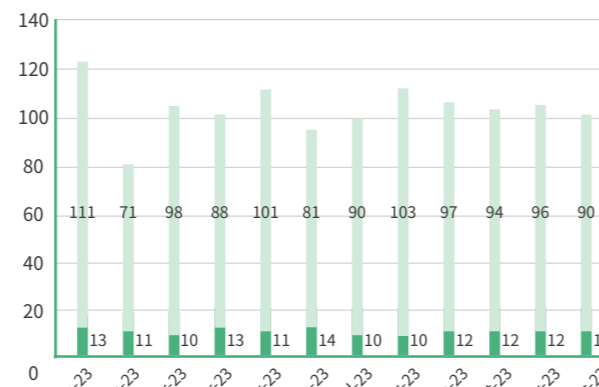
6,760,641
2022

4,258,200
2023

Water Consumption of PMC

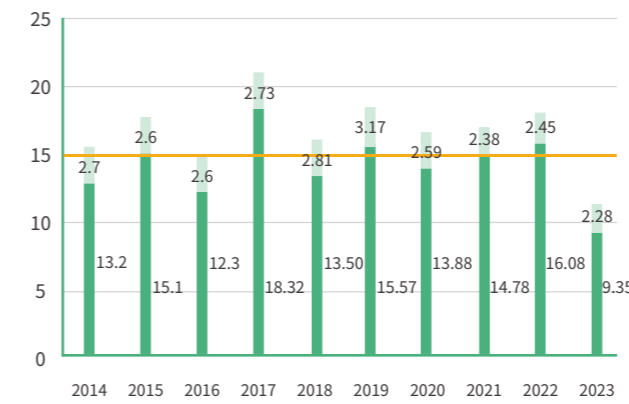


Water Consumption from 2014 to 2023 (MI/Day)

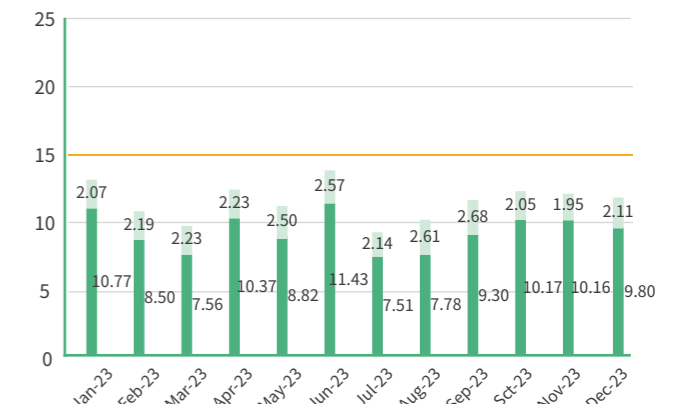


Monthly Total Water Consumption in 2023 (MI/Day)

■ Total fresh water ■ Total recycled water



Water Consumption from 2014 to 2023 (MI/Day)



Monthly Total Water Consumption in 2023 (MI/Day)

■ Raw Water ■ Potable water ■ Fresh water ceiling

Discharge and control of "three wastes"

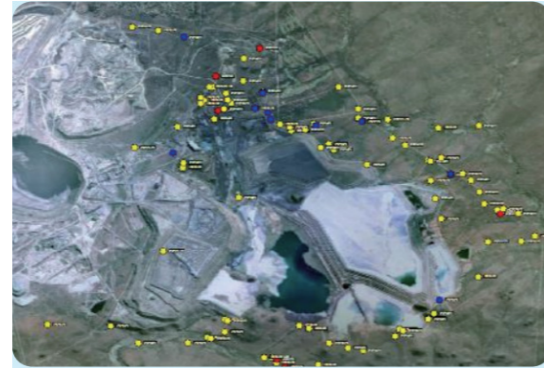
In response to the discharge of "three wastes", the Company strictly abides by national and local environmental protection regulations and standards. It not only strictly controls the discharge, but also makes remarkable efforts to reduce waste generation, improve resource utilization efficiency and promote the circular economy, to ensure the environmental compliance of its production and operation activities and help it achieve sustainable development.

Waste from the Main Business of the Company

		Ore mining	Product production	
Underground mine	Copper ore	Production of copper products	Beneficiation Pyrometallurgy Electrorefining Rolling	Pollution of reverberatory furnace waste gas, converter waste gas and dust
	Magnetite	Magnetite production	Flotation Hydraulic recovery	Dust, wastewater and other pollution
Surface ore	Vermiculite ore	Vermiculite Production	Crushing and screening Drying and separation Blowing and assay	Dust and other pollutions
		Production of other products	Concentrated sulfuric acid, etc.	Acidic wastewater and other pollution

Wastewater management

PMC has obtained many water use permits in accordance with the requirements of the *Water Law of South Africa*, which are regularly audited by external agencies. To reduce raw water consumption and evaporation from the return tailings dam, the Company has established a closed water circulation system that brings all used water resources under control for recycling within the plant. PMC monitored the seepage of tailing storage facilities, groundwater and water quality of natural rivers, with more than 45 monitoring points. PMC has excavated more than 140 borehole monitoring points to monitor groundwater, built groundwater models and monitoring systems, used monitoring data to assess the impact of wastewater discharges, and immediately adjusted water management systems.



Groundwater Monitoring Point of PMC

Waste gas management

PMC has obtained an Air Emissions Permit (AEL) to strictly comply with its emission limits for sulfur dioxide, particulate matter and dust. The main sources of waste gas from PMC are reverberatory furnaces and converters in the production of copper products. Since the converter exhaust gas is rich in sulfur dioxide, most of it is transported to acid plants for conversion into sulfuric acid to reduce sulfur dioxide emissions. At the same time, PMC has built an air quality monitoring station and a dust drop measuring instrument to monitor meteorological data, sulfur dioxide and particulate matter in real time, evaluate the impact of production on the environment and community, and ensure that emissions do not exceed the specified limits.

In 2023, the Company discharged 1,132,900 tons of waste gas, 201.22 tons of particulate matter, 2.27 tons of sulfur dioxide and 54.26 tons of nitrogen oxides in total.

Required Emission Limits of Air Emissions Permit (AEL)

Sulfur dioxide value				Dust	
191 ppb	134 ppb	48 ppb	19 ppb	≤ 600 mg/ m ³ /day	≤ 1,200 mg/ m ³ /day
10-minute mean	Average hourly value	Average daily value	Average yearly value	Residential limits	Non-residential limits

Measures taken by the Company to reduce sulfur dioxide emissions include

- Upgrade treatment equipment (including secondary hood, demister and fluoride scrubber)
- Replace primary shields to minimize fugitive sulfur dioxide emissions
- Gas treatment and scrubber maintenance
- Shutdown

Measures taken by the Company to reduce dust emissions include

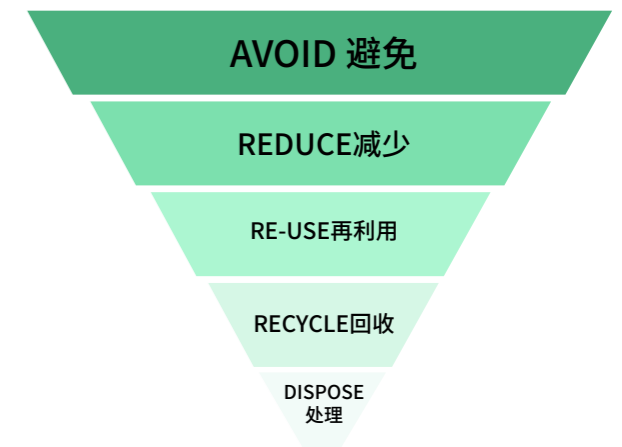
- Install electrostatic precipitators and gas scrubbing equipment on production equipment such as reverberatory furnaces
- Install sprinklers on conveyor belts and other conveying devices for regular spraying
- Regular clean-up of spills along fixed infrastructure such as the conveyors and crushers
- Install a dust suppressing system in the plant and develop a preventive maintenance program

Solid waste management

PMC has obtained a Waste Management License (WML) according to local requirements for waste discharge management, which is regularly audited by external agencies. It has established a comprehensive waste management plan, formulated the Integrated Waste Management Standard, specified the classification and disposal methods of wastes, determined the disposal process, and treated solid waste generated in production and operation according to law and regulations through reasonable use of materials, waste classification, waste recycling and reuse.

In 2023, the Company discharged a total of 821,000 tons of hazardous waste, 756 tons of non-hazardous waste and 165 tons of recycled waste. The comprehensive utilization rate of solid wastes reached 21.8%.

Hierarchy of waste management



Types and Treatment Methods of Solid Wastes

Type of wastes	Treatment method
General waste/non-minerals	Paper, plastics, cans, plastic bags, glass, wood, etc. Landfill and recycle as much as possible
Hazardous waste	Batteries, printer cartridges, chemical waste (acids, PCBs, hydrocarbons), asbestos, fluorescent tubes, etc. Placed in a specific storage yard
Minerals and processing waste	Tailings, waste rocks, slags, boiler ash, etc. Placed in specific yards
Special wastes	Tires, rubber linings, waste containing PCBs, etc. Placed in a specific storage yard

Case The Company Promoted the Smelter Renovation Project (SRP)

The Company renovated the smelting process in the smelter, and further improved its development quality by replacing the old reverberatory furnace with a double-sided blowing (DSB) electric furnace, changing the sulfuric acid plant into a double-contact double-suction device, adding converter slag cooling devices and other measures, to explore a new direction for the enterprise's transformation towards green, low-carbon and resource conservation.



Renovated Sulfuric Acid Plant



New DSB Furnace

Ecological protection

In accordance with the relevant laws and regulations of the host country, such as the *National Environmental Management Act* and the *Mineral and Petroleum Resources Development Act*, and the practical requirements of Kruger National Park, PMC strived to promote the harmonious coexistence of human beings, industry, wildlife and cultural heritage in biodiversity conservation, vegetation protection, land restoration and other aspects.

Practicing green office

The Company actively promotes a green office culture by adopting practical measures to protect the environment. It strives to create an eco-friendly work environment by focusing on energy conservation and reducing consumption. It has posted signs to save electricity and water, encourage electronic and paperless offices, reduce printing, and minimize the use of disposable office supplies. The Company advocates video and telephone conferences as an alternative to in-person meetings to reduce energy consumption. It also encourages employees to adopt green and low-carbon office and living habits to save water and electricity.

Wildlife management

As a semi-open system, there is not only the flow of wildlife but also an integrated growth system of vegetation between the mine premise of PMC and Kruger National Park. To protect the precious ecological environment, PMC has long adhered to the biodiversity management plan and paid close attention to the natural environment and biological protection in its area. In 2023, PMC implemented an anti-poaching program and installed all-mine camera systems, resulting in a significant reduction in poaching incidents and a 91 percent decrease in the number of trapped animals.



Tips:

Kruger National Park is the largest wildlife park in South Africa and one of the wildlife reserves with the best natural environment and the most animal species in the world. There are more than 1,000 kinds of animals and plants, making it a precious resource reserve in South Africa.

Flora and fauna management measures undertaken by PMC

- Formulate wildlife management procedures according to the species and characteristics of wild animals encountered;
- Set protective nets at the border between Kruger National Park and PMC to prevent wild animals from entering;
- Take traffic interventions on roads within the mine premise to ensure priority and safety of wildlife;
- Provide appropriate forage and water for wildlife coming to the mine premise, as applicable;
- Carry out a general survey of wild animals and an ecological investigation once a year, and form a wildlife investigation report and an ecological monitoring report;
- Study climatic conditions and conduct trend analysis to predict biomass;
- Establish a dedicated wildlife management team to prevent poaching, rescue injured wild animals and expel dangerous wild animals (venomous snakes, predators, etc.).

Case PMC Carried out Science Popularization on Migratory Birds

In the 17th internal publication, PMC popularized the knowledge of migratory birds in a separate edition, introduced these "amazing travelers" and their flight routes, and published some seasonal pictures of "tourists" who would come to PMC, to enhance employees' awareness of wild bird protection and help enterprises achieve positive results in protecting wildlife habitats.



PMC Popularized Migratory Birds Knowledge in Internal Publications

Wildlife on PMC Site



Wild Elephants in the Mine Premise



Wild Antelopes in the Mine Premise



Wild Birds in the Mine Premise



Wild Baboons in the Mine Premise



Zebra in the Mine Premise



Wild Egret in the Mine Premise

动物救助及转移



An Employee Rescued a Lion



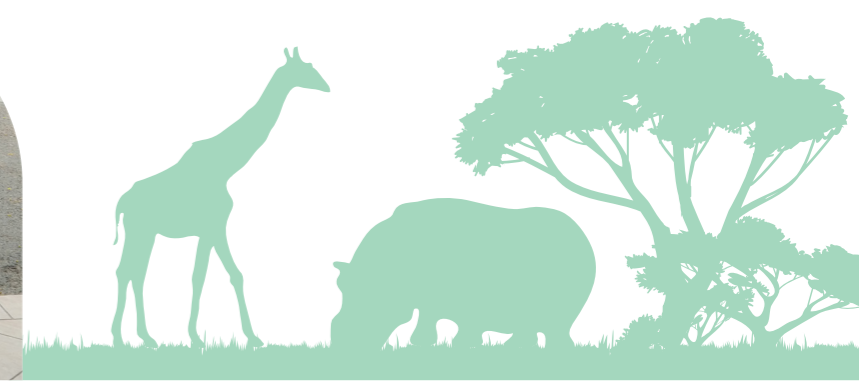
Employees Rescued a Elephant



An Employee Rescued a Python



A Warthog is Feeding on the Acacia flowers Scattered in Front of the Office



Vegetation protection in the mine premise

PMC has conducted detailed investigation and analysis on the surrounding land types and vegetation types, established a vegetation restoration plan according to the composition of plant communities, and protected local species by chemical destruction, removal from the area and burning. For land negatively affected in the mine premise, local plant species are also used for vegetation restoration. The Company is committed to maintaining the stability of ecosystems.

Vegetation Types of Plant Communities Around PMC	
Trees	Black wattle, birch, mopane, acacia, actinodaphne forrestii, dalbergia melanoxylon, dichrostachys cinerea, Barbarium africana, eucalyptus bilifolia, silver tufted leaf
Shrub	Cephalotaxus fortunei, Commiphora africanum and melhania
Grass	Indian rehmannia, eupatorium chinensis, bluestem grass, rhododendron chinensis, guinea grass and kangaroo grass
Herbs	Evolvulus alsinoides, heliotropium arborescens, Ipomoea pes-tigridis L. and xanthoceras



Wild Acacia in the Mine Mremise



Marula Trees in the Mine

Land remediation in the mine premise

PMC has actively formulated a land remediation plan. For the damage to land functions caused by production, plants are replanted in the tailings dam and rock pile, and reasonable plant species combination selection is adopted to improve plant coverage and reduce the erosion of wind and water on the surface, thus reducing the potential pollution threat to the surrounding area. By December 2023, PMC has rehabilitated approximately 22 hectares of land.

Actions to be taken for future reclamation work plans

- Covering the dumps of the tailings dam and remaining magnetite stockpiles to reduce ground and surface water pollution as well as wind erosion and soil erosion, using a harmless mixture of vermiculite waste and sowing with indigenous grass species;
- pumping of saline groundwater from around the tailings dam for a period of 10-20 years until seepage is reduced to specified values;
- Removing abandoned process facilities and replanting disturbed areas.



Comparison Before and After Rehabilitation of Waste Dumps



Working together with the Public to Create a Happy Life

Our philosophy

The Company has consistently followed the sustainable development principles of "mutual benefits" and "win-win cooperation". It has actively taken on social responsibilities, forged long-lasting relationships with local communities and businesses, and promoted harmonious and friendly relations. With a focus on long-term development, the Company has built a high-quality enterprise that is committed to promoting local growth and development.

Our actions

- Drive the development of local enterprises and talents with company advantages and resources, implement ESD programs, provide vocational training for local youth, and empower talents;
- Actively undertake social responsibilities to serve the community, strive to build a harmonious relationship with the local community, help the community improve traffic conditions and enable the community to achieve sustainable development;
- Participate in a variety of public welfare and charity activities, and continuously provide warmth for the local area by supporting the development of local education and improving medical and health conditions.

SDGs:



Development facilitation

Since it acquired PMC in 2017, the Company has continuously supported the development of small and medium-sized enterprises in local communities in South Africa and youth employment, promoted local communities thrive with advanced technologies and experiences,, and gained a good reputation in the local area. Since 2018, PMC has been actively carrying out LED projects to provide skills development and educational opportunities for residents of surrounding communities. In 2023, PMC submitted a new round of social and labor plans for the period 2023-2027.

Providing employment opportunities

The Company has continuously implemented the ESD (Enterprise and Supplier Development Policy) program to provide employment opportunities for local community personnel, especially Africans. Since 2021, it has assisted in indirectly employing more than 1,000 local community personnel.

Driving enterprise development

The Company has actively cooperated with local enterprises to involve small and medium-sized enterprises in the procurement value chain and accelerate their development.

Empowering youth growth

The Company has paid attention to the development and growth of local youth, used the own advantageous resources to provide them with vocational professional training, brought career growth opportunities and helped long-term development.

Case PMC Launched the Palabora Link Project to Promote the Development of Local Enterprises

In 2018, PMC launched a new project to support the development of local small and medium-sized enterprises and suppliers - "Palabora Link". The "Palabora Link" project supported local enterprises, created employment opportunities for community residents and reduced the economic impact of mine closure on community residents. The project beneficiaries got the priority of supply, and their equipment or services were preferred by the Company's procurement department to promote the development of local enterprises and suppliers of PMC.



PMC Facilitated Local Youth Grow



Community service

The Company insists on establishing a long-term partnership of mutual respect and mutual benefits with the local communities, contributing to the community with sincerity. In South Africa, the PMC actively develops formal and informal relationships with local communities such as Phalaborwa, Namakgale, Lulekani, Makhushane, Maseke, Mashishimale, Selwane and Majeje. It has actively formulated policies related to relationship management with local communities and met the development needs of communities by carrying out some community-based activities. During the reporting period, the Company actively carried out community services, directly benefiting 3,075 community residents and indirectly benefiting over 100,000 community residents.

Community Relations Policies

- Ensure that the needs of local communities are understood through consultation;
- Ensure that all employees correctly understand the policies;
- Cooperate with local contractors and suppliers to ensure compliance with the policies;
- Establish and maintain a mutually acceptable consultation and engagement process to build consensus with communities on shared visions and improvement actions;
- Conduct regular "community baseline assessments" to ensure updated information on social issues and economic development needs;
- Promote the development and self-sufficiency of Phalaborwa communities and workers;
- Partnering with the Leolo Community Trust to help bring harmony to the community;
- Develop and implement cultural heritage management systems with local communities.

Case PMC Provided Dietary Help for Children in the Community

From April 2023, PMC encouraged employees to donate fresh food, toiletries, clothes and blankets to the poor. In July, PMC further expanded its scope of donation. On Mandela Day, PMC prepared meals for more than 1,000 children in Phalaborwa community to give back to local communities.



PMC Donated Food to Children on Mandela Day

Case PMC Built Roads in Mashishimale Community to Optimize Community Transportation

PMC is committed to the infrastructure development of local communities. In accordance with the comprehensive development plan of the municipal government, a 3.4 km-long road was built in Mashishimale Community to help local residents easily access neighboring villages, schools and Phalaborwa Community. It was very convenient to travel and brought prosperity to the local area.



PMC Built Roads in Local Communities



PMC Donated Ambulances to Local Communities



PMC Donated Christmas Food Kits to Community Residents



PMC Donated Football Equipment to Local Communities



Public welfare and charity

The Company focuses on the field of public welfare and charity and continues to repay society with its original intention of charitable action. The Company has actively carried out charity education, charity medical care and other activities to create a social atmosphere of uplifting kindness and altruism with practical actions and implement corporate citizenship responsibility. In 2023, the total public welfare donations of the Company was CNY 10,436,183.

2023

Total amount of public welfare donations
CNY **10,436,183**

Investment in education

The Company pays attention to the development of local education and improves the school-running conditions and teaching environment in South Africa through activities such as building schools, donating materials and setting up scholarships according to the current situation of local education level, to illuminate the future path for students.

Case PMC Awarded Scholarships to 27 Outstanding Students

PMC actively carries out scholarship activities and grants generous scholarships every year to motivate outstanding students and support higher education. In March 2023, PMC awarded scholarships to 27 students who performed well in the academic year.



Group Photo of Award-winning Students

Case PMC Invested in the Establishment of a Primary School in Mashishimale Community

In August 2023, PMC, in partnership with the Leolo Community Trust, and Murray & Roberts, inaugurated a fully equipped school in Mashishimale Community. The primary school had infrastructure such as classrooms, administrative districts and restaurants. Among them, the kitchen, as part of the government's nutrition program, provided students with meals every day to help local students grow up healthily.



Delivery Ceremony for Primary School



Students Attending Primary School



Panorama of the Primary School Invested by PMC

Disease prevention

The Company pays attention to the medical and health conditions in South Africa and improves them. By donating cleaning supplies, and helping drinking water meet standards and other measures, it reduces the risk of disease transmission and protects the life and health of residents.

Case PMC Reduced the Risk of Disease Transmission

Poor sanitary conditions were the main cause of infection. The lack of cleaning supplies in local clinics in South Africa is not conducive to the health of patients. By cooperating with the local health department, PMC donated toilet paper and other materials to community clinics to reduce disease transmission rate and promote the progress of local medical and health services.



PMC Donates Cleaning Supplies to Local Clinics

Case PMC Launched the Activity of Donating Pure Drinking Water

20-26 March 2023 is the National Water Week of South Africa. Against this background, PMC called on all people to wear blue ribbons and participate in the challenge of donating bottled pure drinking water to help students in vulnerable rural schools do their best to promote local drinking water sanitation and safety.



Promotion Poster for Donation of Pure Drinking Water



Outlook for the Future

Despite all the difficulties we have experienced, we will forge ahead with courage and strive to create a more brilliant future. In 2024, we will closely follow the footsteps of HBIS Group, with the strategic goal of "getting stronger in the field of resources and achieving sustainable and healthy development" as our guide. We will continue to implement the principles of "localization" in three aspects, empower and enhance efficiency for the sustainable development of the Company, and become a builder of a happy homeland and a guardian of the ecological environment. We will actively share the achievements of development with communities, and strive to create a beautiful pattern of harmonious coexistence among humanity, industry, wildlife and cultural heritage. We will establish a global corporate citizen image with strong feelings, high sense of responsibility and tangible actions.

Appendix

Key performance

	Indicator	Unit	2021	2022	2023
Economic responsibilities	Copper output	10,000 tons	2.29	2.32	2.37
	Magnetite output	10,000 tons	948.9	859.7	581.5
	Vermiculite output	10,000 tons	15.0	17.2	16.9
	Total assets	CNY100 million	139.8	154.4	158.7
	Operating revenue	CNY100 million	65.67	50.53	58.67
	Income tax	CNY100 million	7.87	3.26	6.13
	Net profit	CNY100 million	13.01	6.66	9.12
	Attendance rate of shareholders to the General Meeting of Shareholders	%	100	100	100
	Percentage of independent directors	%	33	33	33
	Percentage of female directors	%	11	11	11
	Attendance rate of Board of Directors members	%	100	100	100
	Percentage of female executives	%	8	8	10
	Number of supplier ESG appraisals	No.	7	7	7
	Number of training sessions on suppliers	Time	—	—	3675
	Number of persons who received training from supplier	Person	—	—	5463
	Number of training sessions on supplier social responsibilities	Time	N/A	N/A	N/A
	Customer satisfaction rate	%	100	100	100
	Number of customer complaints	Time	3	1	1
	Rate of resolution of customer complaints	%	100	100	100
	Number of occurrences of product stop loss events	Time	1	1	1

	Indicator	Unit	2021	2022	2023
Social responsibilities	Female employees	Person	527	545	585
	Proportion of female employees	%	20.40	20.67	21.26
	Employee turnover	%	4.15	4.83	3.28
	Number of people employed during reporting period	Person	128	165	235
	Coverage rate of physical examination	%	100	100	100
	Signing rate of labor contracts	%	100	100	100
	Coverage rate of social insurance (medical aid)	%	50	50	100
	Coverage rate of social insurance (pension fund)	%	12.5	12.5	100
	Number of female managers	Person	5	10	13
	Proportion of female employees in middle management	%	7.79	17.00	16.43
	Per capita paid vacation	Day	34	34	34
	Investment in employee training	CNY 10,000	1,968.86	2,712.90	3,669.61
	Average training hours per capita	Hour/person	38.1	41.0	53.0
	Total hours of safety training	Hour	26,759	23,356	41,239
	Coverage rate of work safety training	%	88.4	91.0	93.9
	Number of emergency drills	Time	62	76	69
	Number of work safety incidents	Time	1,064	770	859
	Rate of special operations personnel with a certificate for work	%	3.86	4.06	3.94
	Investment in public welfare and charity	CNY 10,000	1,453.01	949.01	1,917.43

	Indicator	Unit	2021	2022	2023
Environmental responsibilities	Investment in environmental protection	CNY 10,000	—	292.02	522.09
	Non-fossil energy volume (Electricity)	10,000 kWh	47,074.02	48,731.96	45,428.92
	Total annual water consumption	10,000 m ³	626.17	676.06	425.82
	Fresh water consumption	10,000 m ³	86.79	89.25	83.39
	Quantity of water saved	10,000 m ³	25.26	-49.89	250.24
	Circulating water consumption	10,000 m ³	3,986.40	3,935.79	3,388.66
	Wastewater discharge	10,000 m ³	12.00	16.06	13.77
	Non-hazardous waste discharges	Ton	—	792	756
	Hazardous waste discharges	10,000 tons	—	96.0	82.1
	Comprehensive utilization rate of solid waste	%	30.08	29.40	21.80
	Amount of waste recycled	Ton	225	233	165
	Direct greenhouse gas emissions (scope I)	t CO ₂ eq	58,182	60,423	65,131
	Indirect greenhouse gas emissions (scope II)	t CO ₂ eq	460,337	479,456	470,872
	Volume of clean energy utilization	Ton	0	0	0
	Office power consumption	10,000 kWh	94.64	101.47	97.11

Index of indicators

Primary title	Secondary title	GRI indicator	Guidelines on Corporate Social Responsibility Reporting for Chinese Enterprises (CASS-ESG 5.0)
Foreword	-	102-1/102-45/102-46/102-50/102-52/ 102-53/102-54/102-56	P1.1-1.3、G3.7
Statement of the Board of Directors	-	-	-
Message from the Chairman	-	102-14	P2.1、P2.2
About Us	Company Profile	102-1/102-2/102-3/102-4/102-7	P4.1、P4.3
	Corporate Culture	-	P4.2
	Company Strategy	-	P4.2
	Leadership Team	102-22	P4.4
	Honors	-	P2.2
Performance in 2023	-	-	A2
Working together with Investors to Promote Mutual Development	Governance enhancement	102-10/102-18/102-23/102-24/102-25	G1.1-1.2
	Integrity and compliance	102-16/102-17/205-1/205-2/205-3/206-1	G1.3、G1.5、G1.7、G1.9、G1.10
	Risk prevention and control	102-11	G1.11
	ESG governance	102-19/102-20/102-21/102-27/102-28/ 102-32/102-40/102-43/102-44/103-2	G3.1、G3.2、G3.3、G3.5、 G3.6
Working together with Employees to Build a Better Future	Rights and interests protection	102-36/102-41/201-3/202-2/401-1/ 405/406-1/408-1/409-1	S1.1-1.9、V3.1-3.2
	Safety and health	403	S3.1-3.5、S3.8-3.12
	Growth promotion	404/412-2	S2.1-2.4
	Happy workplace	-	S1.10、S1.11
Working together with Partners to Achieve Mutual Benefits	Customer service	416/418	S4.1-4.8
	Responsible procurement	204-1/414-1/414-2	S5.1-5.6
	Cooperating with partners	102-12/102-13/416-1/417/418	S4.1-S4.6、V2.1-2.2、V2.4-2.8
Making Arduous Efforts for Environment Protection and Green Development	Green management	307-1	E1.1-1.4、E1.6
	Green operation	201-2/301-1/302/303-1/305/306	E1.8
	Ecological protection	304-2/304-3	E1.7
Working together with the Public to Create a Happy Life	Development facilitation	-	V3.3-3.6
	Community service	413-1	V3.3
	Public welfare and charity	415-1	V3.4
Outlook for the Future	-	-	A1
Appendix	Key performance	-	A2
	Index of indicators	102-55	A4
	Rating report	-	A3
	Feedback	-	A5

Rating report



Rating Report for 2023 Environmental, Social and Governance (ESG) Report of HBIS Resources Co., Ltd.

Upon the request of HBIS Resources Co., Ltd., the Chinese Expert Committee on CSR Report Rating invited experts to form a rating panel to rate the 2023 Environmental, Social and Governance (ESG) Report of HBIS Resources Co., Ltd. (hereinafter referred to as "the Report").

I. Rating Basis

Guidelines on Corporate Social Responsibility Reporting for Chinese Enterprises (CASS-ESG 5.0) issued by the Chinese Academy of Social Sciences, and Rating Standards for Corporate Social Responsibility Reporting in China (2023) issued by the Chinese Expert Committee on CSR Report Rating.

II. Rating Process

1. The rating panel reviews and confirms the Confirmation Letter on Process and Accessibility Rating Materials of ESG Reporting and associated materials submitted by the preparation team of the Report;
2. The rating panel assesses the compilation process and contents of the Report and prepares the rating report;
3. The vice chairman of the Chinese Expert Committee on CSR Report Rating, the leader of the rating panel, and the expert of the rating panel jointly review and sign the rating report.

III. Rating Conclusion Process (★★★★☆)

The Company has established an ESG Committee responsible for overseeing and guiding the effectiveness of the Company's environmental protection, social responsibility, standardized governance, and other efforts, and offering opinions and suggestions. The ESG members work under the leadership of the Board of Directors and are accountable to the Board of Directors. The Report is positioned as a crucial tool for compliance disclosure of performance information, enhancing ESG management, and strengthening stakeholder communication, with clear functional value positioning. It identifies substantive responsibility issues that are of practical concern to all stakeholders and hold great significance to the Company's development in conjunction with their respective business areas. The Report is presented in electronic, paper, and other formats, featuring leading process performance.

Materiality (★★★★★)

The Report systematically discloses the key issues of the industry, such as improving ESG governance, serving national strategies, reducing emissions of "three wastes", coping climate change, implementing safe production and sustainable supply chain. It is detailed and has excellent materiality performance.

Completeness (★★★★)

The main contents of the Report systematically disclose 76.33% of the core indicators of the industry from the perspectives of "Working together with Investors to Promote Mutual Development", "Working Together with Employees to Build a Sustainable Future", "Working together with Partners to Achieve Mutual Benefits", "Making Arduous Efforts for Environment Protection and Green Development" and "Working together with the Public to Create a Happy Life", which show good completeness.

Balance (★★★★☆)

The Report discloses negative data information such as "number of work safety incidents", "number of customer complaints", "number of lost time injury (LTI)" and "lost time incident frequency (LTIFR)", showing leading balance performance.

Comparability (★★★★★)

The Report discloses the comparative data of 49 key indicators for three consecutive years, such as "Attendance rate of shareholders

to the General Meeting of Shareholders", "proportion of independent directors", "number of female employees" and "total annual water consumption". Through horizontal comparison with the honorary title of "Top Employer in South Africa 2024", showing excellent comparability performance.

Readability (★★★★☆)

The Report systematically shows the actions and results of the enterprise to fulfill its responsibilities for stakeholders such as investors, employees, partners, environment and communities from five chapters, and responds in detail to the expectations and demands of stakeholders. The cover design integrates the local characteristic elements of South Africa and forms a picture together with the report covers of the Group and other listed companies to enhance the recognition of the Report. The high-definition large images that fit the theme are selected for chapter pages, which enhance the appeal of the Report. By presenting the effectiveness of enterprise responsibility fulfillment from a third-party perspective, the credibility of the Report is strengthened, demonstrating leading performance in terms of readability.

Accessibility (★★★★☆)

The Report is the fourth social responsibility report and environmental, social and governance (ESG) report issued by HBIS Resources. It will be published on the website of the Shenzhen Stock Exchange and its designated website (www.cninfo.com.cn) within one month from the release time of the Annual Report, and relevant news reports will be released through the company's official website, industry media and other channels to enhance the dissemination breadth of the report. The Report is available through channels such as web search, which improves the ease of access to the Report and demonstrates leading accessibility performance.

Overall Rating (★★★★☆)

According to the assessment of the rating panel, the 2023 Environmental, Social and Governance (ESG) Report of HBIS Resources Co., Ltd. is awarded a four-and-a-half rating. It is a leading ESG report.

IV. Improvement Suggestions

1. Increase the disclosure of core indicators relating to the industry to further improve the completeness of the Report;
2. Further enhance the building of ESG responsibility system and management system;
3. Increase the disclosure of negative data and negative event analysis to improve the balance of the Report.

Vice Chairman of the Chinese Expert Committee on CSR Report Rating

Leader of the Rating Panel

Expert of the Rating Panel

April 23, 2024



Scan the QR code to learn more about the corporate rating report

Feedback

Dear readers,
Thank you very much for reading the Report. We attach great importance to and look forward to your feedback on the Report. Your opinions and suggestions are an important basis for us to continuously improve the level of ESG information disclosure and promote ESG management and practice. We sincerely thank you for your valuable opinions and suggestions!

1. Your overall assessment of our ESG performance is?

Excellent Good Average Below average Poor

2. Your overall assessment of the Report is?

Excellent Good Average Below average Poor

3. How do you think we are doing in stakeholder communication?

Excellent Good Average Below average Poor

4. How do you think we are doing in terms of product liability?

Excellent Good Average Below average Poor

5. How do you think we are doing in terms of environment, safety and occupational health?

Excellent Good Average Below average Poor

6. How do you think of our employee responsibilities?

Excellent Good Average Below average Poor

7. How do you think we're doing with community responsibilities?

Excellent Good Average Below average Poor

8. What are your opinions and suggestions on our performance of ESG and the Report?

You can contact us by:

Address: No. 385 Tiyu South Street, Shijiazhuang, Hebei, China

Tel.: 0311-66500923

E-mail: xgdsb@sina.com

HBIS RESOURCES CO.,LTD.

Address: No. 385 Tiyu South Street, Shijiazhuang, Hebei, China

Tel.: 0311-66500923

Fax: 0311-66508734

E-mail: xgdsb@sina.com

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