

# Strategy and Management

## Our Philosophy

### Mission

- At Silvercorp, we strive to operate all aspects of our business as safely, efficiently, and sustainably as possible. Our focus is on generating sustainable growth through the optimization of innovative technology while operating in an environmentally responsible way.

### Vision

- To be a technologically advanced, well-managed, and sustainable mining company.

### Values

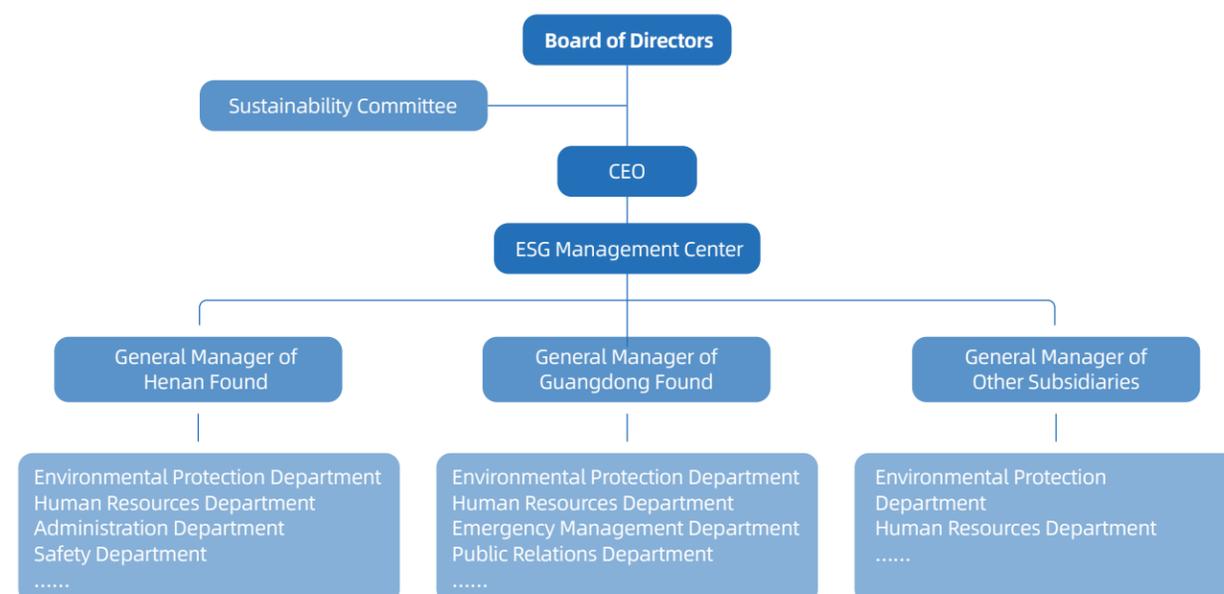
- Operate sustainably by prioritizing safety and the environment.
- Apply technology and efficient management techniques to ensure our competitiveness.
- Respect our people and enable them to achieve their potential.
- Embody the principles of honesty and integrity.
- Strive to innovate for further excellence.

## ESG Governance

### ESG Management

In Fiscal 2022, Silvercorp established the Sustainability Committee of the Board to incorporate the oversight and management of key ESG issues into board functions. Silvercorp's current ESG management structure consists of the Sustainability Committee at the decision-making and oversight

level, the ESG Management Center at the management level, and the general managers of all subsidiaries, who are directly responsible for the management and implementation of specific ESG-related operations.



### Sustainability Committee

Silvercorp is dedicated to promoting and improving safe and sustainable practices. In Fiscal 2022, we officially established the Sustainability Committee under the Board of Directors to enhance the role of the Board in the oversight of ESG matters. Chaired by Ms. Marina Katusa, Independent Director, the Committee reflects the Company's commitment to sustainability as part of our core business model: it formally integrates the ESG framework into executive-level decision-making by using ESG standards in the assessment of management performance, Company operations, safety procedures, and, where necessary, the recommendation of policy changes based on those assessments. The Committee's duties also include using ESG criteria to identify potential risks and develop risk-prevention programs, minimizing accidents. In the unlikely

case that an ESG incident does occur, the Committee oversees its investigation and handles any ensuing legal issues.

#### Policy Disclosure

To view the *Charter of the Sustainability Committee* of the Board in full, please click on the file or scan the QR Code. Charter of the Sustainability Committee of the Board



[Charter of the Sustainability Committee](#)

### ESG Management Center

Silvercorp has established the ESG Management Center in Beijing, which reports directly to the Sustainability Committee of the Board. Chaired by Vice General Manager Mr. Peng Lichang, the ESG Management Center consists of an estimate of 3 FTE and operates with the support of management staff of ESG-related functional departments, such as environmental protection, safety, human resources, investor relations, and public relations. The ESG Management Center is responsible for planning the Company's sustainability system at the management level, and coordinating, promoting, and overseeing the implementation of specific key ESG matters

of the subsidiaries; their tasks include developing ESG vision, strategic framework, principles, and management policies, examining key ESG trends, identifying ESG risks and opportunities in the industry, formulating relevant response plans, integrating ESG strategies into corporate decision-making, investment and operations, preparing sustainability reports and other ESG disclosure documents and providing them to Senior Management, formulating annual ESG work plans for subsidiaries, and overseeing the ESG practices of the subsidiaries.

### ESG Management and Implementation in Subsidiaries

The general manager of each subsidiary of the Company is directly responsible for the overall management of ESG affairs in each subsidiary, while the Safety Department, Environmental Protection Department, Human Resources Department, and Administration Department are responsible for implementing ESG matters related to

each department, ensuring the realization of the ESG targets set by the ESG Management Center, overseeing the specific practices for achieving overall ESG objectives, and coordinating their communication with key stakeholder groups.



## Our Goals and SDGs

Our Targets	Our Actions	Progress in Fiscal 2022
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### ► Safety

Number of work-related fatalities 0	There were no work-related fatalities, including contractors, in Fiscal 2022.	✓
Reduce LITR	LTIR reduced to 0.55 from 0.65.	✓
All major operating entities covered by the Occupational Health and Safety Management System Certification	Both Henan Found and Guangdong Found passed the ISO45001 certification in Fiscal 2022.	✓

### ► Environment

All major operating entities covered by the Environmental Management System Certification.	Both Henan Found and Guangdong Found passed the ISO14001 certification in Fiscal 2022.	✓
All major operating entities covered by the Energy Management System Certification.	Both Henan Found and Guangdong Found passed the ISO50001 certification in Fiscal 2022.	✓
0 Major environmental incidents	There were no major environmental incidents in Fiscal 2022.	✓
Reduce water intensity	Water intensity reduced from 8,623.44 m <sup>3</sup> /million dollar revenue to 7,925.94 44 m <sup>3</sup> /million dollar revenue.	✓
Improve water recycling and utilization rate	Water recycling and utilization rate increased from 83.4% percent to 83.52%.	✓
Reduce COD discharge	COD discharge was reduced from 12.68 tonnes to 11.69 tonnes.	✓
Reduce GHG intensity	GHG intensity reduced from 338 tCO <sub>2</sub> e/million dollar revenue 300 tCO <sub>2</sub> e/million dollar revenue.	✓
Reduce the emission of air pollutants	Emissions of nitrogen oxide emissions increased slightly.	!
Improve the utilization rate of non-hazardous waste	Comprehensive utilization rate of tailings increased from 7.57% to 11.24%; Comprehensive utilization rate of waste rock increased from 46.91% to 49.86%.	✓
Implement energy conservation and emissions reduction projects	Replaced 28 air compressors, saving 400,000 kWh of electricity annually; upgraded the energy efficiency of shaft lift and automation transformation, saving 60,000 kWhs of electricity, equivalent to a Scope 2 emissions reduction of 31 tCO <sub>2</sub> e; adopted the Nielsen gravity separation process, achieving a higher yield rate while reducing carbon emissions; purchased four new electric trucks, expected to reduce Scope 3 emission 380 tCO <sub>2</sub> e.	✓
Develop and implement a biodiversity conservation plan	Carried out biodiversity surveys by Silvercorp staff; implemented restoration measures in ecologically disturbed areas.	✓
Reclaim disturbed land that is no longer required for operations	In Fiscal 2022, reclaimed a total of 3.62 hectares of land. For the unclaimed land, proceed orderly according to the the land reclamation plan.	⋯

Our Targets	Our Actions	Progress in Fiscal 2022
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### ► Society

No community disputes across all mining areas	There were no community disputes in Fiscal 2022.	✓
Annual charitable donations	Donated \$3.6 million to support infrastructure construction, educational assistance, and rural tourism.	✓
Support local economic development	Provided subcontracting opportunities to local residents where possible; hired 72.46% employees locally.	✓
Help communities improve local infrastructure	Supported the development of public infrastructure in targeted aid areas including healthcare, transportation (\$0.5 million), and education (\$0.1 million).	✓

### ► People

Establish human rights management system	Established the human rights management system, with a Company-wide human rights management framework of public commitment, management system, and employee capacity building.	✓
Strengthen employee vocational training	Increased vocational training investment by 24%, number of training sessions by 121%, training participation by 83%, and total training time by 185%. (see Page 96 table)	✓
Ensure an equal and fair workplace for female employees	The Company forbids any gender-based discrimination on employee recruitment, salary assessment, career promotion, and other key career decisions. The Employee Representative Meeting has formulated the <i>Collective Contract for the Protection of Special Rights and Interests of Female Employees</i> to guarantee equality and fairness for female employees in terms of remuneration and benefits. Violations of this policy may lead to termination.	✓

### ► Governance

Improve ESG management system	Established the Sustainability Committee at the Board level and the safety and environmental protection committees at the management level to focus on key ESG issues and achieve centralized management of them.	✓
Improve ESG-related policies	Revised a number of policies, including our <i>Whistleblower System</i> , the <i>Code of Business Conduct and Ethics</i> , our <i>Anti-Corruption Policy</i> , and the Compensation Claw-back Mechanism.	✓
Improve supplier ESG management assessment	Revised requirements for suppliers, putting forward requirements on production process, environmental compliance, packaging reduction, and transportation compliance, etc.	✓
Increase investment in R&D and industry-university-research cooperation	R&D spending increased from \$7.4 million to \$8.5 million.	✓

✓ Accomplished    ⋯ In progress    ! Not accomplished

## Our Business Model

