

ESG Management

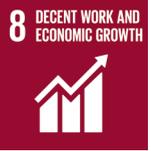
ESG Strategy

As a responsible miner, we are committed to integrating environmental, social, and governance factors into our business strategy and generating impactful change in the communities in which we work and live. Through the integration of ESG factors into our strategic planning, operations, and management, we are able to bring about sustainable economic, social, and environmental value to all stakeholders. A significant portion of our ESG strategy is rooted in the identification of innovative ways to integrate technology into our systems and management to optimize our performance/operations; through the optimization and enhancement of our systems we are able to make more impactful and lasting change in our communities and environment.

We recognize that our business and operations have significant impacts on the local communities and environments and that it is our duty as a responsible mining company to drive progress and growth in both of these areas. As a result, over the fiscal 2021 year we proceeded to align our sustainability strategy with the United Nation's SDGs. The 17 SDGs serve as a blueprint for achieving a more sustainable future by addressing global challenges such as poverty and climate change, in accordance with the 2030 Agenda for Sustainable Development. We have organized them under our 5 pillars: Transparency and Compliance, Health and Safety, Talent Retention and Development, Sustainability and Environment, and Our Community.



Supporting SDGs

SDGs								
Content	<p>End poverty in all its forms everywhere</p>	<p>End hunger, achieve food security and improved nutrition and promote sustainable agriculture</p>	<p>Ensure healthy lives and promote well-being for all at all ages</p>	<p>Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all</p>	<p>Achieve gender equality and empower all women and girls</p>	<p>Ensure availability and sustainable management of water and sanitation for all</p>	<p>Ensure access to affordable, reliable, sustainable and modern energy for all</p>	<p>Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all</p>
Silvercorp actions in Fiscal 2021	<ul style="list-style-type: none"> • Provided 4,428 direct jobs for people and employed over 50 new college graduates and veterans every year, with 60% of the employees hired locally; • Provided indirect employment and income-generating opportunities through the supply and distribution of production materials and logistics support materials, mineral product transportation, infrastructure project construction, catering and living services, etc.; • Paid taxes to the government in places where we operate and boosted the economic development of surrounding communities where our business is located. 	<ul style="list-style-type: none"> • Invested US \$1,032,601 building new roads in Xiayu Town, including tunnels with a total length of 5.5 kilometers. The roads were opened to traffic in January 2021, making it easier for villagers to travel and transport goods; • Implemented the local employment policy and provided regionally competitive compensation and benefits packages. 	<ul style="list-style-type: none"> • Provided a comfortable working environment and ensured employee health and safety; zero clusters of COVID-19 cases at the Company since its outbreak; • Carried out occupational disease prevention and control, set up occupational health files for employees, and provided annual physical examinations to protect employees' physical and mental well-being. 	<ul style="list-style-type: none"> • Carried out the education assistance program providing scholarships for employees' children; made social donations in the area of education, which totalled US \$103,260 in Fiscal 2021; • Improved the employee education and training program; recorded 8,000 employee participations in Fiscal 2021; vocational training coverage reached 100%. 	<ul style="list-style-type: none"> • Upheld gender equality, setting up the Female Workers Committee within the trade union, held regular meetings to hear from female workers, and encouraging female employees to participate in the Company's management; • Established an equitable compensation system to ensure men and women receive equal pay for equal work. 	<ul style="list-style-type: none"> • Assisted in the water supply project for villagers in Gaocun Town, Yun'an District, Yunfu City, Guangdong Province, benefiting 80 households and over 360 villagers by giving them access to safe, clean drinking water. 	<ul style="list-style-type: none"> • Phased out gas-powered vehicles and encouraged employees to buy energy efficient vehicles to accelerate energy infrastructure transformations; • Replaced less-energy-efficient equipment. 	<ul style="list-style-type: none"> • Improved production efficiency, reduced labor intensity, and enhanced resource utilization efficiency through automated, digitized, and intelligent electrical solutions; • Provided competitive compensation and benefits and a comfortable working and living environment.

								
<p>Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation</p>	<p>Reduce inequality within and among countries</p>	<p>Make cities and human settlements inclusive, safe, resilient and sustainable</p>	<p>Ensure sustainable consumption and production patterns</p>	<p>Take urgent action to combat climate change and its impacts</p>	<p>Conserve and sustainably use the oceans, seas and marine resources for sustainable development</p>	<p>Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, halt and reverse land degradation, and halt biodiversity loss</p>	<p>Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels</p>	<p>Strengthen the means of implementation and revitalize the global partnership for sustainable development</p>
<ul style="list-style-type: none"> Invested US \$7,408,438 in scientific research throughout the year; 183 researchers and 53 patents; Built platforms for industry-university-research collaboration and established cooperative relationships with China University of Geosciences, Jilin University, and Central South University. 	<ul style="list-style-type: none"> Formulated the Human Rights statement which formally prohibits child labor, forced labor, and discrimination based on any non-work factors such as gender, sexual orientation, ethnicity, and religious beliefs. 	<ul style="list-style-type: none"> Contributed to the Rural Revitalization National Strategy in China, invested over US \$1.1 million building roads in Xiaoyu Town, where our mine is located and promoted the construction of the urban-rural integrated development system. 	<ul style="list-style-type: none"> Published sustainability reports on a regular basis and proactively disclosing ESG-related information to enhance transparency; Advocated sustainable and transparent procurement; encouraged suppliers and contractors to fulfill their responsibilities to improve the environmental and social performance of the supply chain. Continuously improved resource utilization; invested US \$5.2 million and founded Hongfa Building Materials and Aggregates Co., Ltd. to achieve comprehensive utilization of the waste rock. 	<ul style="list-style-type: none"> Responded to the Chinese government's goal to achieve peak carbon emissions before 2030 and carbon neutrality before 2060 while continuously controlling and reducing GHG emissions; Hired a professional consultancy to conduct a carbon accounting to improve the Company's statistical method for GHG emissions; Optimized the energy consumption structure of the Company's business with a view of achieving "high utilization and low emissions". 	<ul style="list-style-type: none"> Replaced water transportation with land transportation altogether near the Gu County Reservoir to protect the water resources and underwater ecosystem. 	<ul style="list-style-type: none"> Commissioned a professional agency to carry out a comprehensive environmental assessment of the area before launching new mining projects, including a biodiversity assessment, and strictly avoiding ecological and nature reserves; Carried out geological restoration and land reclamation; planting 67,132 saplings, sowing 2,372kg of grass seeds, and reclaiming 6.03 hectares of land in Fiscal 2021. 	<ul style="list-style-type: none"> Laid down EHS requirements for suppliers in bidding descriptions to push suppliers and contractors to strengthen their safety and environmental protection management; Improved compliance management, respected the code of business conduct, and strictly prohibited corruption and bribery. 	<ul style="list-style-type: none"> Participated in industry organizations and initiatives and serving as an Executive Council Member in the China Mining Federation, the China Gold News, and the Canada China Business Council, to actively promote the development of the industry.