

Climate Change Response 1.4

The Company recognizes the systemic impacts of climate change on mining operational continuity, asset resilience, and value chain integration. It aligns its approach with the objectives of the United Nations Framework Convention on Climate Change and the Paris Agreement, integrating climate considerations into corporate strategy and decision-making. Through robust governance, risk management, and operational optimization, the Company continuously enhances energy efficiency management, drives the low-carbon transition of its operations, and strengthens its resilience to climate-related risks.

1.4.1 Climate Governance

Silvercorp integrates climate governance into its ESG management framework, with the Board bearing ultimate oversight responsibility for climate-related issues. Through the Sustainability Committee, the Board includes climate change as a standing agenda item and holds periodic dedicated meetings to systematically review climate risk management performance, strategy implementation progress, and climate-related targets. The Board has delegated the Sustainability Committee as the decision-making body responsible for coordinating the analysis of climate-related impacts, risks, and opportunities, developing climate strategy and response plans, and setting strategic climate-related targets. At the management level, the ESG Management

Center is responsible for advancing climate strategy implementation, defining carbon reduction pathways, developing annual action plans, and monitoring progress and evaluating performance. At the operational level, subsidiaries' general managers serve as the primary responsible persons for implementation, overseeing the implementation of emission reduction initiatives and establishing a comprehensive KPI system for centralized management. In terms of performance management, the Company has incorporated energy use efficiency and energy conservation performance into business unit performance evaluations, linking them to operational management performance.



1.4.2 Climate Strategy

We integrate climate factors into the Company's overall development strategy, focusing on three core dimensions: operational continuity, cost controllability, and product market adaptability. By optimizing the energy mix, strengthening infrastructure resilience, and improving resource efficiency, we aim to reduce climate-related uncertainties. We adhere to the principle of "high efficiency, low emissions," and continuously advance decarbonization and efficiency improvement across all operating regions.

Operational Continuity



Mining operations are highly dependent on electricity, fuel, water resources, transportation infrastructure, and tailings storage facilities. Extreme weather events such as heavy rainfall, flooding, heatwaves, droughts, and geological instability may affect mining, processing, logistics, and safety performance. To enhance resilience, the Company implements flood control and drainage facilities, flood routing analysis for TSFs, rainwater-sewage separation, water supply reserves, emergency response plans, and seasonal on-site monitoring during the flood period. These measures strengthen operational adaptability to extreme weather and resource fluctuations variability across all operating regions.

Cost Controllability



Energy consumption is a key driver of both operating costs and GHG emissions in mining operations. The Company integrates energy efficiency improvement into both cost management and decarbonization efforts. Key initiatives include equipment electrification, energy-efficient upgrades of compressed air systems, production scheduling optimization, installation of photovoltaic systems to partially offset electricity use in office and domestic areas, and XRT intelligent pre-sorting to reduce energy intensity in downstream processing. The Company also monitors the impact of electricity mix and price fluctuations on Scope 2 emissions and operating costs, while continuously improving energy data management accuracy.

Product Market Adaptability



The global energy transition continues to drive demand for photovoltaics, energy storage, electrification, and grid infrastructure, supporting long-term demand for metals such as silver and zinc. The Company is committed to improving resource efficiency and metal recovery rates to enhance the alignment of its product portfolio with a low-carbon economy. It also responds to growing expectations from investors and customers regarding low-carbon materials, transparent emissions disclosure, and responsible supply chain practices, and continues to enhance climate-related reporting and sustainable procurement management.

1.4.3 Climate Risk and Opportunity Management

In alignment with IFRS S2 Climate-related Disclosures and the TCFD framework, the Company has identified physical risks (acute and chronic) and transition risks (existing and emerging regulations, technology, legal, market, and reputational risks) across all operating regions. These climate risks have been assessed using qualitative and semi-quantitative assessments following the TCFD framework and integrated into the Group's enterprise risk management system, ensuring alignment with safety, environmental, and operational governance. In the next phase, the Company plans to incorporate globally recognized climate scenarios such as IPCC Representative Concentration Pathways (RCP/SSP) and IEA Net Zero Emissions to conduct climate resilience stress testing and quantitative analyses for core assets. This will enable a more scientific assessment of potential impact from extreme weather events, energy costs, carbon pricing, and capital expenditure requirements under different climate pathways.

In terms of the financial management of climate-related risks and impacts, the Company is progressively integrating the management of climate-related risks and opportunities into capital expenditure planning and tracking them across climate transition, physical adaptation, risk management, and climate-related opportunity dimensions. In Fiscal 2026, climate-related capital expenditure at the Ying Mining District and the GC Mine totaled approximately USD 1.00 million, of which approximately USD 0.17 million was allocated to transition-related investments such as equipment upgrades and energy-efficiency retrofits, and approximately USD 0.84 million was allocated to physical adaptation measures,

including drainage and flood control systems, slope stabilization, water supply systems, dust suppression equipment, emergency communications, and smart mining management systems. The Company has also included expenditures for extreme weather preparedness, slope and drainage system maintenance, emergency drills, and environmental liability insurance within its climate-related risk management budget, totaling approximately USD 0.28 million. Investments in energy-efficient equipment, production upgrades, and digitalization systems have been classified under climate-related opportunity investments, totaling approximately USD 0.34 million. Based on existing capital expenditure plans, the Company has preliminarily estimated a climate-related capital requirement of approximately USD 10.02 million over the next decade, of which approximately USD 8.32 million is expected to be allocated to physical risk adaptation and approximately USD 1.69 million to transition-related response, providing a financial foundation for future capital allocation, budgeting, and climate resilience enhancement.

To proactively respond to emerging carbon pricing and carbon asset management trends and guide low-carbon capital allocation, the Company is assessing the feasibility of implementing an internal carbon price assumption into capital investment decisions. Pilot initiatives will be carefully evaluated based on business applicability, data availability, and organizational readiness.



Silvercorp Climate Risk Matrix

Risk Category		Risk Description	Impact Horizon	Potential financial impact	Mitigation Measures / Management Approach
Physical Risks	Acute	Extreme rainfall and flooding cause water accumulation in mining areas and abnormal water level rise in tailings storage facilities, which may lead to overtopping or operational interruptions	Short to medium term	Production interruptions, tailings facility safety incidents, infrastructure repair and reconstruction costs	The Company continues to strengthen flood protection systems across its mining areas and tailings facilities by constructing flood control infrastructure, conducting flood routing analyses, maintaining drainage systems, and enhancing monitoring and inspections during the flood season, thereby improving resilience to extreme rainfall events (<i>see the "Tailings Facility Management" section for details</i>)
		Extreme heat and severe weather reduce equipment performance and increase personnel health and safety risks	Short to medium term	Reduced production efficiency, increased workforce health and safety costs	Optimize work schedules and adjust production plans during extreme weather; improve ventilation and cooling systems; strengthen the personal protective equipment (PPE) provision and safety training; establish meteorological early warning and emergency response mechanisms (<i>see the "Health and Safety" section for details</i>)
	Chronic	Changes in precipitation patterns and prolonged drought may reduce water availability, affecting processing efficiency and production continuity	Medium to long term	Increased water supply costs, reduced production efficiency, and potential shutdown risks	Strengthen water storage and allocation capacity; increase mine water and process water recycling; optimize processing to reduce surface water intensity; implement water-use prioritization for drought conditions (<i>see the "Water Resource Management" section for details</i>)
		Rising temperatures and changing climate conditions accelerate rock weathering and soil erosion, increasing geotechnical risks	Medium to long term	Increased infrastructure maintenance costs, slope instability risks, increased long-term capital expenditure	Integrate climate adaptation into mine design; enhance slope stability standards; implement reinforcement, protection and ecological restoration measures; use climate-resilient materials; conduct routine inspections and maintenance (<i>see the "Health and Safety" section for details</i>)
Transition Risks	Policy	Stricter climate policies and emissions regulations may increase compliance obligations and carbon-related costs	Medium to long term	Increased compliance costs, potential carbon pricing costs, and carbon taxes	Monitor climate and environmental policy changes; conduct forward-looking compliance assessments and adjust operational strategies; reduce emission intensity through energy mix optimization and technology upgrades; incorporate potential carbon costs into investment decisions
	Technology	Advances in low-carbon technologies increase the need for equipment upgrades and process improvements	Medium term	Increased capital expenditure, technology replacement costs	Promote low-carbon technologies and equipment upgrades, such as replacing conventional fuel-powered equipment with new energy alternatives; carry out process optimization and automation upgrades; phase out high-energy-consuming equipment
	Market	Changes in demand for low-carbon products may affect product mix and market competitiveness	Medium to long term	Revenue volatility and market demand uncertainty	Optimize product mix, increase the proportion of high-value-added metals; strengthen cooperation with clean energy industry partners; improve product market adaptability
	Reputation	Increased investor expectations regarding climate performance may affect access to capital and financing condition	Medium to long term	Higher financing costs or restricted access to capital	Continuously improve climate governance and disclosure practices, enhance transparency and consistency; strengthen investor engagement

Silvercorp Climate Opportunity Matrix

Opportunity Category		Opportunity Description	Impact Horizon	Potential financial impact	Management Measures / Implementation Pathways
Market Opportunities	Climate Transition-Driven	Energy transition drives growth in photovoltaics, energy storage, and other industries, supporting long-term demand for silver	Medium to long term	Revenue growth driven by higher metal prices, with potential for significant annual revenue increases at current production levels	Optimize resource development and product mix, improve production and recovery efficiency of key metals such as silver; strengthen collaboration with clean energy industry partners; align production plans with market demand
Cost Opportunities	Operational Optimization	Renewable energy adoption reduces energy costs and mitigates exposure to price volatility	Short to medium term	Lower electricity procurement costs, reduced exposure to energy price volatility, and improved long-term cost stability	Expand photovoltaic applications in office and residential areas to replace part of purchased electricity; assess opportunities to increase renewable energy use in production processes; optimize energy mix and improve energy efficiency
Technology Opportunities	Efficiency Improvement	Adoption of new energy equipment improves energy efficiency and reduces fuel costs	Short to medium term	Lower diesel consumption costs and equipment maintenance costs; improved production efficiency	Replace conventional fuel-powered equipment with new energy alternatives; integrate automation and process optimization to improve equipment efficiency; assess the adaptability of low-carbon technologies in mining operations
Technology Opportunities	Cost Reduction and Efficiency Gain	Technological progress drives resource efficiency improvement and cost optimization	Medium to long term	Higher resource utilization rate, lower unit production costs, and improved profitability	Continue to optimize mineral processing circuits and implement automation upgrades to improve resource recovery; introduce energy-saving technologies to reduce unit energy consumption; explore intelligent management systems to improve operational efficiency
Financial Opportunities	Capital Access	Improved climate performance enhances investor confidence and access to financing	Medium to long term	Lower financing costs; expanded access to green financing; enhanced company valuation and investment appeal	Advance sustainability-linked loan (SLL) arrangements by linking climate-related performance indicators (such as GHG emissions intensity, energy efficiency, and emission reduction progress) to financing costs; improve climate data management and disclosure to meet international financial requirements; and explore green loans, sustainability-linked financing instruments, and other sustainable financing solutions.
Strategic Opportunities	Business Expansion	Circular economy and resource reuse create opportunities for business expansion	Long term	Diversified revenue sources; improved resource utilization efficiency; reduced dependence on primary ores	Monitor developments in metal recycling and resource recovery technologies; assess opportunities in related business areas; explore collaboration models with third parties

1.4.4 Climate Indicators and Targets

The Company has established a GHG emissions accounting system covering Scope 1 and Scope 2 emissions and manages emissions across all operating regions based on the operational control principle. Scope 1 emissions primarily arise from the consumption of diesel and gasoline¹⁴, while Scope 2 emissions are mainly associated with purchased electricity. The Company continues to enhance the consistency, completeness, and traceability of emissions data through energy consumption records, production system data, equipment operation records, and financial data.

Regarding value chain emissions, the Company has begun to assess the GHG Protocol requirements for Scope 3 emissions, and has conducted a preliminary review of potential emission sources across its mining value chain, including purchased goods and services, transportation, and business travel. Scope 3 emissions management remains at an early stage. As data availability and management systems continue to improve, the Company plans to progressively identify, collect, and quantify relevant Scope 3 emissions in line with international disclosure requirements. In the meantime, low-carbon considerations have been incorporated into procurement, logistics, and business travel management. The Company also encourages suppliers and logistics partners to improve environmental performance and transport efficiency, while promoting lower-carbon travel options for employees.

The Company has established an interim target to reduce GHG emissions intensity by 20% by 2030 from a Fiscal 2020 baseline. This target has not been validated by the Science Based Targets initiative (SBTi), but serves as an important guide for the Company's internal decarbonization and energy efficiency efforts. At the same time, the Company is benchmarking against the net-zero practices of global mining peers and assessing the applicability of a long-term low-carbon transition target, taking into account its own business structure, operational stage, data foundation, and technical feasibility. Based on the results of further assessments, the Company plans to develop a more feasible medium-to long-term emissions reduction pathway in the next fiscal year. The Company continues to promote equipment electrification, energy mix optimization, greater use of on-site solar power, energy efficiency improvements in key processes, and operational efficiency enhancements, while monitoring progress against its climate targets. In Fiscal 2026, the Company's GHG emissions intensity decreased by 35.01% compared with the Fiscal 2020 baseline.

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35.01%

compared with Fiscal 2020

¹⁴ During the reporting period, the Company did not include emissions from explosive use in its GHG emissions accounting. The accounting boundary will be gradually refined in the future based on data availability, applicable accounting methodologies, and disclosure requirements.

¹⁵ The statistical boundary for greenhouse gas emissions is the company's operating mines. GHG emissions are calculated with reference to the *Greenhouse Gas Protocol: Corporate Accounting and Reporting Standard*, the *2006 IPCC Guidelines for National Greenhouse Gas Inventories*, and the *Guidelines for Accounting and Reporting Greenhouse Gas Emissions of Mining Enterprises* issued by China's National Development and Reform Commission. Other emission factors are sourced from the *China Energy Statistical Yearbook*. GHG emissions are reported in tonnes CO₂e. Emissions of other greenhouse gases (CH₄, N₂O, HFCs, PFCs, SF₆ and NF₃) are immaterial and are therefore not separately accounted for in this report.

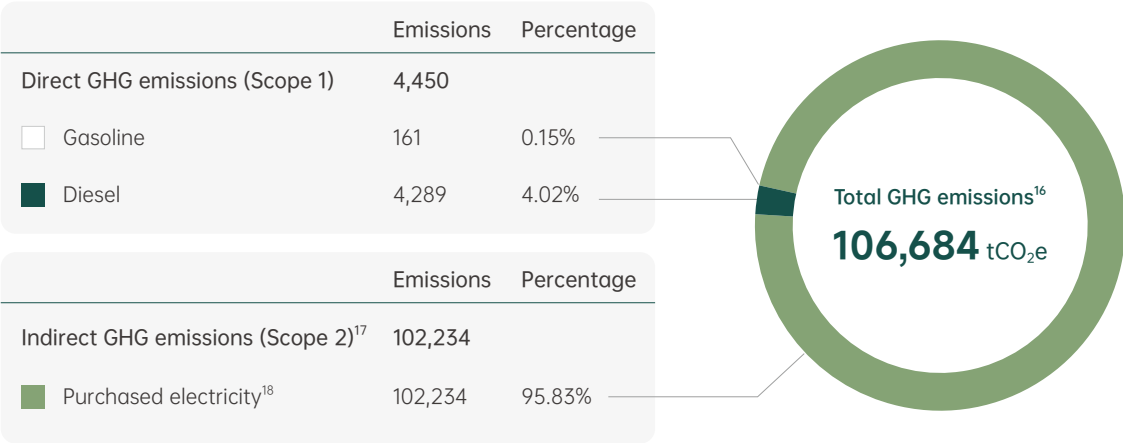
¹⁶ In this report, "total GHG emissions (location-based)" represent the sum of Scope 1 GHG emissions and location-based Scope 2 GHG emissions.

¹⁷ In this report, "indirect GHG emissions (Scope 2, location-based)" are calculated using the average grid emission factors applicable to each operating region, reflecting the average emission level of the power grids in the regions where the Company consumes electricity.

¹⁸ The GHG emission factors for purchased electricity are sourced from the *2023 Carbon Dioxide Emission Factors for Electricity* published by the Ministry of Ecology and Environment and the National Bureau of Statistics on December 31, 2025. The grid emission factors adopted are 0.5897 kg CO₂/kWh for Henan Province and 0.4419 kg CO₂/kWh for Guangdong Province. Purchased electricity emissions are calculated as "purchased electricity volume × local grid emission factor," and are reported in tonnes CO₂e.

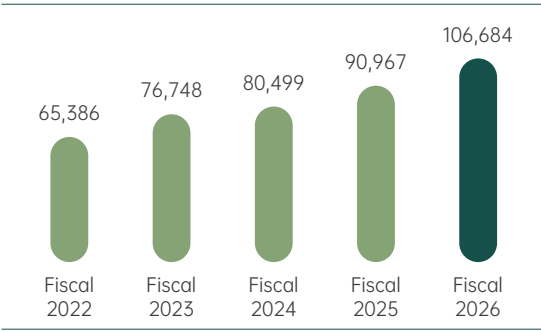
¹⁹ To improve year-over-year comparability, the Company has restated its Fiscal 2025 GHG emissions intensity. In the Fiscal 2025 report, this metric was calculated using market-based GHG emissions as the numerator and "economic value generated" as the denominator, while this report adopts the formula of "total location-based Scope 1 and Scope 2 GHG emissions ÷ operating revenue." Previously disclosed Fiscal 2025 value was 310 tonnes CO₂e / million USD revenue.

Fiscal 2026 GHG Emissions (Location-based)¹⁵ (Unit: tonnes CO₂e)



GHG emissions

(Unit: tonnes CO₂e)



GHG Emissions Intensity¹⁹

(Unit: tonnes CO₂e / million USD revenue)

