



# Occupational Health and Safety

01

## Occupational Health and Safety Management System

### Management System Certification

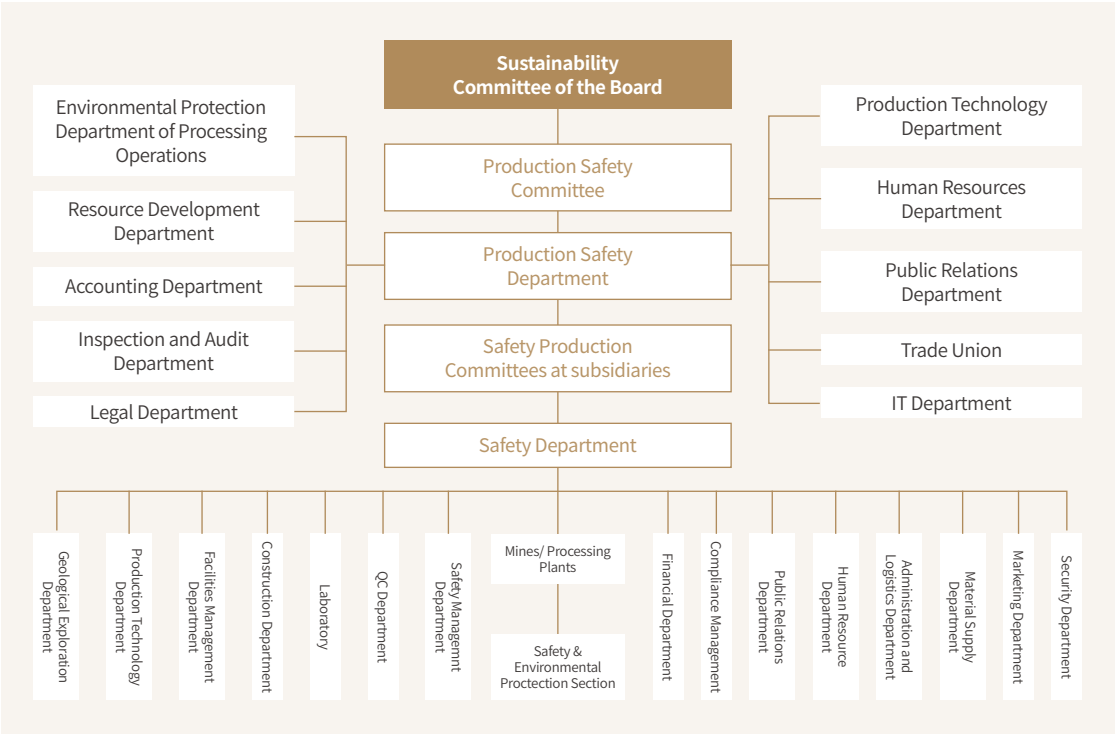
In Fiscal 2023, Henan Found and Guangdong Found successfully passed the ISO 45001 Occupational Health and Safety Management System Certification, signifying that 100% of Silvercorp's operations are now ISO 45001 certified. Other planned Silvercorp projects will seek ISO 45001 certification as soon as they become operational.



### Management Structure

Silvercorp attaches great importance to safety management and has established a robust safety management system. At the Board level, we place production safety and occupational health under the direct oversight of the Board through the Sustainability Committee of the Board. At the management level, we established the Production Safety Committee, chaired by Vice President of Silvercorp China , Mr. Song Hong, with the Safety Management Department of the head office

as the implementation unit, and supported by other departments at the Beijing Management Center. At the implementation level, all of our subsidiaries have set up a Production Safety Committee, with the Safety Department or Emergency Management Department as the operation unit, and the Safety and Environmental Protection Division of the mines and processing plants responsible for the implementation of specific tasks.



Safety Targets

At the beginning of each year, our subsidiaries formulate their *annual Safety Work Plan* and set their annual safety targets. In Fiscal 2023, the Company initiated centralized safety management and formulated a set of universal safety management targets for both Henan Found and Guangdong Found.

Annual Safety Targets

- » 0 incident of work-related death or serious injury (contractors included)
- » Minor injury accident rate below 3‰
- » 0 incident of serious equipment-related accidents
- » 0 incident of major fire, explosion, and poisoning accidents
- » 0 incident of injuries from occupational accidents
- » 100% Safety hazard rectification rate
- » 0 incident of major traffic accidents in mining areas
- » 100% certification rate for special operation personnel
- » 100% pass rate of safety training
- » 100% pass rate of special equipment inspections
- » 100% safety confirmation implementation rate
- » Maintain the title of "Safety Enterprise"

Management Mechanism

Stage 1. Plan

Analyze existing conditions to identify safety problems, which will be studies to identify their causes or contributing factors, and set targets and formulate rectification strategy or plan accordingly.

Stage 2. Do

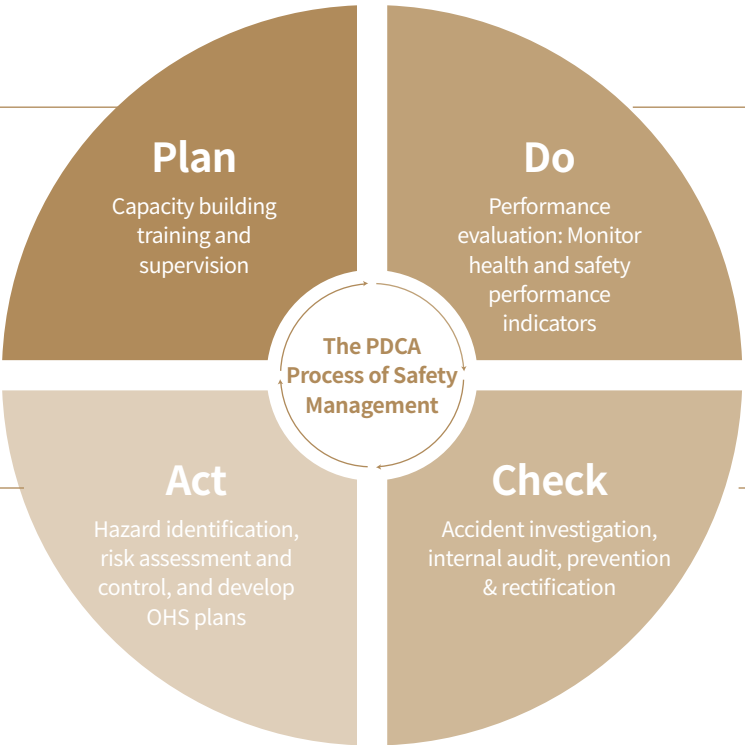
Implement the rectification plan.

Stage 3: Check

Check and verify implementation results to see if the expected results are achieved.

Stage 4: Act

Summarize the whole process, including assessment and developing SOPs, to provide the basis for the next round of PDCA cycle.



## Developing Production Safety Policies

Silvercorp strives to build an effective production safety system and has formulated over a hundred of specific safety policies. Starting in 2019, the Company mobilized its internal resources and compiled the *Metal Mine Safety Production Refinement Management and Digital Transformation Handbook*, comprehensively evaluating safety risks and relevant control measures accordingly, and integrating these measures into the digital management process to realize information-based dynamic monitoring of the implementation of safety policies. In Fiscal 2023, we revised a number of safety policies to optimize our safety management, including the *Double Prevention System for Classification Control of Safety Risks and Investigation and Rectification of Safety Hazards*, the *Hazardous Chemical Management Policy*, the *Production Safety Investment Guarantee Policy*, the *Safety Management Policy for Outsourced*

*Operations*, and the *Hot Work Safety Management and Approval System*. We also improved employees' awareness of safety risks prevention and emergency response by posting safety risk bulletin boards in workshops and revising the *Emergency Plan for Safety Production Accidents*, aiming at further improving employees' emergency response capabilities and better protecting employees' health and safety. We also strengthened the refined management of hazardous chemical materials by revising the classification of hazardous chemical materials and adding diesel to the list for strict control. We followed recent regulatory trends and optimized a number of safety management practices to ensure more strict compliance with safety related laws and regulations in day-to-day work, including optimizing the appropriations and use of safety production investment, safety management

for outsourced operations, and hot work personnel management. In addition, in Fiscal 2023, we released our *Occupational Health and Safety Policy to the public*, allowing our stakeholders to better understand our philosophy and targets of occupational health and safety management.

### Policy Disclosure

To view the *Occupational Health and Safety Policy* in full, please click on the file or scan the QR Code.

[Occupational Health and Safety Policy](#)



### Actions in Fiscal 2023

- Henan Found and Guangdong Found intensified the implementation of the "Three-Party Safety Confirmation System" further clarifying the scope, personnel, procedure, and supervision and inspection requirements for safety confirmation.
- The Company revised five policies to further improve the timeliness and effectiveness of safety management, including the *Double Prevention System for Classification Control of Safety Risks and Investigation and Rectification of Safety Hazards*, the *Hazardous Chemical Management Policy*, the *Production Safety Investment Guarantee Policy*, the *Safety Management Policy for Outsourced Operations*, and the *Hot Work Safety Management and Approval System*.
- The Company implemented the safety standardization management system and the occupational health and safety system by establishing the Safety Standardization Leading Group, and carrying out self-evaluation and rectification based on the safety standardization scoring checklist.
- Henan Found and Guangdong Found both set their occupational health and safety management targets, including sub-targets for functional departments.
- Henan Found and Guangdong Found carried out the annual review of the occupational health and safety management system, and both successfully passed the annual review.





## Production Safety Operation Mechanism and System Guarantee

## Dual Preventive Mechanism

The Dual Prevention Mechanism serves as a firewall against safety accidents and consists of two phases: risk classification and risk management. Risk classification provides the precondition and foundation for risk management. Ensuring robust risk classification can help eliminate, mitigate, or control certain risks and reduce the possibility and severity of accidents. Risk management is the next level of risk classification by identifying the failures, defects, or deficiencies of risk control measures and taking proper measures to rectify them.

Silvercorp has promoted the development of the Dual Prevention Mechanism through the establishment of the Dual Prevention Mechanism Safety Standardization Working Group, which works to oversee its planning and implementation. The Working Group links the facility operations database, the work activities database, and the corporate risk database to the results of routine hazard inspections using the Eblog App, ensuring that the processes of risk classification and risk management are recorded in their entirety.

## Three-Party Safety Confirmation System

The Three-Party Safety Confirmation System is a comprehensive safety supervision and inspection system initiated by Henan Found. The safety of each mining operation must be inspected and confirmed by three individuals, (1) a senior Silvercorp technical personnel, (2) the Contractor Manager, and (3) a mining crew team leader before it can commence. Any safety risks or deficiencies that are identified must be dealt with immediately and the safety of the operations must be confirmed by the three parties once again, with all three parties present during the whole process. By implementing this system, we can ensure the safety of our operations with "pre-conditioned prevention on each detail, and by all accountable parties."



## Risk Management

Silvercorp believes that occupational health and safety-related risks are preventable by improving employee awareness, optimizing management methods, increasing safety investment, and realizing qualitative management. With a continuous focus on occupational health and safety prevention and management, the Company has comprehensively identified, assessed, and classified its occupational health and safety risks, and developed a safety risk assessment list, a risk classification and safety hazard investigation and rectification list, and a major risk list, aiming at eliminating these risks as much as possible. The Company also assessed the risk factors associated with different production posts, equipment and facilities, and work flows from the aspects of personnel, equipment, material, environment, and management. The identified safety risks were classified using the LEC method, with

relevant risk control measures from the aspects of engineering control, management control, personnel protection, and emergency control, ensuing robust risk management based on risk classification.

In Fiscal 2023, we revised and optimized the *Double Prevention System for Classification Control of Safety Risks and Investigation and Rectification of Safety Hazards*, including new requirements for safety risk public reminders, such as posting safety risk bulletin boards in workshops, and the requirement for more extensive risk education and skills training to ensure that all management staff and employees shall have the basic understanding of safety risks and how to prevent them from happening and how to cope with them in emergencies.



Check the water supply facilities

### Safety Performance

Safety Accidents	Fiscal 2023	Fiscal 2022	Fiscal 2021
Number of lost time injuries ( LTI) (case) <sup>Note 1 Note 2</sup>	2	5	6
Lost work time (hour) <sup>Note 1 Note 3</sup>	2,194	4,596	3,008
Number of work-related injuries (case) <sup>Note 1 Note 4</sup>	2	5	6
Lost time injury rate (LTIR) <sup>Note 1 Note 5</sup>	0.25	0.55	0.65
Number of work-related fatalities <sup>Note 1</sup>	0	0	0

Note 1: Includes both employees and contractors.

Note 2: Number of lost time injuries are the number of incidents of employees leaving their jobs due to occupational health and safety accidents during work hours.

Note 3: Lost work time (hour) refers to the number of lost work hours corresponding to each lost time injury.

Note 4: Number of work-related injuries refers to the number of lost work hours and casualties defined as work injuries by the *Work Injury Insurance Regulations*.

Note 5: Calculation of lost time incident rate (LTIR): (Number of lost time injuries/Work hours)\*1 million hours.

## Performance Appraisal System

In Fiscal 2023, we established the ESG Performance Appraisal System, including the million-hour loss of work incident rate (LTIR) indicator into the appraisal system and linking the indicator with the performance appraisal of various management levels to further implement the accountability of safety production management.





## Occupational Health and Safety Capacity Building

### Safety Awareness Building Activities



#### Training

The general manager of each subsidiary organizes an annual safety training plan to ensure that every employee meets or exceeds the statutory annual training time requirement of 20 hours. New employees are strictly required to complete a 72-hour safety training program. Mining crews receive regular safety training on the 10th, 20th and 30th day of each month.



#### Cultural Awareness

Safety themed bulletins, posters, banners, slogans, warning signs, and safety hazard reminders are placed in prominent positions in mining areas to enhance the awareness of the safety culture. Mining crews hold pre-shift meetings and recite the safety oath before work commences.



#### Activities

Regularly organize and carry out safety activities, such as the Safety Production Month, Family Visit, Safety Lantern Riddle Guessing, Safety Knowledge Contest, and the Safety Awareness Day theme activity, etc.



#### Assessment Mechanism

Urge employees who violate safety regulations and have poor safety awareness to improve through assessment.



GRI:3-3,403-5

## Safety Training

The Company has formulated and implemented the *Production Safety Training Policy* and the *Safety Education and Training Management Policy*, actively carrying out various safety education and training programs to improve the risk prevention awareness and accident prevention and handling capabilities of all workers. In Fiscal 2023, the Company conducted a total of 1,773 safety training sessions, with an average training time of 36.36 hours per person.

Safety Training	Fiscal 2023	Fiscal 2022	Fiscal 2021
Number of safety training sessions	1,773	2,188	2,033
Average safety training hours per worker (hour)	36.36	41.07	34.90
Average safety training hours per employee (hour)	31.37	28.79	20.49
Average safety training hours per contractor (hour)	37.57	41.49	41.50

## Emergency Prevention and Response

With a focus on prevention, active response, safety, and people, Silvercorp has established a robust emergency response system. The Company has formulated general and specific emergency plans and on-site emergency response plans and filed them with local emergency management authorities, and established a strong emergency response team, which conducts emergency rescue drills twice a month.

The Company makes annual plans for emergency drills and on-site emergency response drills at the beginning of each year, and actively carries out the drills as planned. The emergency drills cover a wide range of situations involving occupational health and safety, including poisoning and suffocation, falling, fire emergency, explosion of dynamite storage, explosion of pressure vessel, flood control of TMF, etc.

### Case: Henan Found Organized Emergency Response Skills Competition



Emergency response skills competition in Henan Found

In Fiscal 2023, Henan Found organized an Emergency Response Skills Competition, during which the company invited instructors from Luoyang Emergency Rescue Center to provide conducting two days of intensive training for its emergency rescue team of employee volunteers and organized an emergency rescue competition in its No.1 Pressing Plant.

In Fiscal 2023, Henan Found conducted a total of 19 special emergency drills, 22 on-site emergency response drills, and carried out 24 emergency trainings.

## Management of Hazardous Materials and Civil Explosives

Silvercorp has formulated the *Hazardous Chemical Management Policy* and is committed to strictly complying with the laws, regulations and international conventions of the countries where we operate and does not use any prohibited chemicals. The main hazardous chemicals involved in our operations include nitric acid, hydrochloric acid, sulfuric acid, sodium peroxide, and potassium nitrate. Strict registration is required for the check-in, check-out, and use of hazardous chemicals, which are kept in dedicated storage facilities equipped with both video and personnel surveillance. For explosives such as nitric acid, a cofferdam is built around the nitric acid storage tank area to contain the impact of the damage in case of tank leakage.

Regarding the management of civil explosives, the Company strictly abides by the laws, regulations and international conventions of the country where it operates the production is located, and has formulated the *Management Measures for Civil Explosives*, ensuring the strict filing, registration, and approval of the purchase, check-in, check-out, and use of civil explosives. The Company also strictly manages the annual certificate review and skill training of blasting engineers, and strictly evaluate the safety conditions of explosives depots in mining areas.

## Production Safety Investment

In Fiscal 2023, the Company's total production safety investment reached \$4.8 million, which was used to upgrade a variety of safety management equipment.

Production Safety Investment	Fiscal 2023		
	Ying Ming District	GC Mine	Total
Total production safety investment (\$)	3,332,536	1,470,698	4,803,234
Investment in safety equipment (\$)	2,799,507	46,644	2,846,151
Investment in protective equipment (\$)	267,923	395,787	663,710
Inspection fee for safety equipment (\$)	70,414	96,508	166,922
Hazard rectification expenses (\$)	83,886	855,536	939,422
Production safety training expenses (\$)	82,237	19,116	101,353
Others (\$)	28,569	57,107	85,676

## Actions on Fiscal 2023

### Henan Found

- Designed, purchased, and installed personnel positioning system for mine shafts without such system in LM Donggou mine and LM Xigou mine;
- Installed personnel positioning, monitoring and surveillance, wireless network, and communication systems in the central Shagou mine;
- Upgraded video monitoring and surveillance system for multiple mines;
- Installed online monitoring systems at the 12th TMF Dam for monitoring internal displacement and the infiltration line, and online water level monitoring system for No.6 Shaft.

### Guangdong Found

- Contracted a third-party technology company to rebuild the shaft safety monitoring and surveillance system, the personnel positioning system, the communication system, and the broadcasting system, and smoothly completed the interconnection with the early warning system of the Guangdong Provincial Department of Emergency Management. All six major safety systems of the Company function properly in compliance with the *Construction Code for the Six Major Safety Systems for Metallic and Non-metallic Underground Mines*.





## Contractor Safety Management

The Company actively implements contractor safety management, applying the same standards for employees and contracted workers. In order to encourage contractor safety, we have included indicators such as contractor safety training and contractor safety performance in daily assessments of the safety management department, allowing our safety management department to apply the whole process safety management of "eligibility-performance-evaluation" to contractors.

In Fiscal 2023, the Company revised the *Safety Management Policy for Outsourced Operations*, adding certain articles of the *Provisions on Strengthening the Safety Management of Outsourced Metal and Non-metallic Underground Mine Engineering Operations* to the Company's outsourcing safety management system to align with the latest regulatory requirements. Henan Found and Guangdong Found actively carried out safety training for contractors. In Fiscal 2023, Henan Found carried out a total of 933 safety training sessions for contractors, with a total participation of 23,132 person-times and a total training time of 5,958 hours, while Guangdong Found carried out a total of 994 safety training sessions for contractors, with a total participation of 4,932 person-times and a total training time of 9,951 hours.

In Fiscal 2023, the Company carried out a total of 1,927 safety training sessions for contractors, with a total participation of 28,064 person-times and a total training time of 15,909 hours.





### Safety Qualification

Review the contractor's mine safety production license and corresponding qualifications and exclude contractors who do not meet the qualification requirements.

### Whole Process Inspection

Strengthen the contractors' safety management practices and implement whole-process supervision and inspection of the contractor's operation site, such as managers on-site supervision in mines, mine entry and exit well control of workers, special operator deployment, hazard investigation and management, and occupational disease prevention.

### Safety Education and Training

Ensure the continuous improvement of the safety quality and skills of workers with strict safety education and training requirements for contractors, including requiring all workers to complete the three-level safety education and training before working at the mine site; all workers are required to attend monthly safety trainings.

### Clarify Safety Management Accountabilities

Sign production safety management agreements with all contractors, clarify their production safety management accountabilities, and urge them to implement production safety management responsibilities, and sign labor contract with workers and purchase accident insurance for workers.

### Harmonized Management

Achieve harmonized management of contractors by incorporating contractors into the Company's safety management system, including regular production safety meetings, monthly special meetings on safety, comprehensive safety inspections, three-party safety confirmation, emergency drills, and the use of the Eblog App.

### Production Safety Assessment Mechanism

Established the production safety assessment mechanism for contractors, including the annual production safety assessment for contractors, the monthly production safety performance assessment for management personnel of contractors, and the monthly selection of outstanding safety teams of contractors.

## Occupational Health, Safety, and Well-being

The Company actively protect the physical and mental health of its employees



#### Training

We have established and implemented an awareness raising system for occupational disease prevention and control and use special occasions, such as the April Occupational Health Publicity Week and the June Safety Month event, to launch occupational health prevention activities for front-line workers with the theme of "Everything for the Health of Workers." We also organize the participation of occupational health personnel of each mining operation in certified training on occupational health management, and ask them to train our contractors.



#### Awareness Raising and Education

We regularly organize pop quiz events on occupational disease prevention knowledge. Every March 3rd, we organize the "Ear Caring Day" event to raise employees' awareness and skills in protecting the health of their hearing.





## Occupational Disease Prevention

Silvercorp attaches great importance to the prevention of occupational diseases. With the annual review and update of the *Work Plan and Implementation Plan for the Prevention and Control of Occupational Diseases*, the Company has developed an effective occupational disease prevention system and optimizes the system regularly. The Company strictly implements the *Workers' Occupational Health Monitoring and Record Management System* conducts regular employee health examinations, and maintains health records for all employees. We regularly hire qualified third-

party organizations to conduct annual inspections of occupational hazard factors in the office and operating environment and post findings on staff bulletin boards for public review. We also set up warning signs and warning instructions near job posts with serious occupational disease hazards and risks.

The Company provides employees with personal protection equipment that meets national or industry standards and regularly trains employees on their use. The Company also carries out a variety of activities, such

as the Occupational Disease Prevention Law Awareness Week and the Occupational Disease Quiz Competitions, to promote awareness of the *Occupational Disease Prevention Law* and relevant laws and regulations and strives to improve the working and living environment for employees to reduce the occurrence of occupational hazards and occupational diseases. In Fiscal 2023, the Company revised its policy on personal protective equipment management based on feedback and suggestions from front-line workers to better protect the occupational health of employees.

### Case: "Everything for the Health of Workers"

From April 25 to May 1, 2022, both Henan Found and Guangdong Found organized the "Everything for the Health of Workers" themed event across their frontline units to raise employees' awareness of occupational disease prevention. A wide variety of activities were organized to create a robust culture of occupational disease prevention and highlight the responsibility for occupational disease prevention, including hanging banners and posters in working areas, distribution of information brochures, organizing trainings for workers, hosting pop-quiz, etc.



Pop-quiz on occupational disease prevention

In Fiscal 2023, Henan Found won the title of "Ankang Cup" occupational health competition in Luoyang City, and Guangdong Found won the title of Guangdong Occupational Health Enterprise, and Fangqin Huang, the occupational health administrator, won the title of "Yunfu Occupational Health Expert in 2022".



Caring for employee health

## Mental Health

The Company has equipped each mining area with cultural, sports, and entertainment facilities and equipment and regularly organizes psychological counseling services to help alleviate the psychological impact of work-related pressure, remote life in the mining area, and the mental pressure from the COVID-19 pandemic and promoting the physical and mental health of employees. In Fiscal 2023, the Company provided a total of 11,142 mental health related counseling sessions for employees.