



ESG MANAGEMENT



ESG Governance

Silvercorp has established a three-tier ESG governance framework to ensure effective management and implementation of ESG initiatives throughout the Company.



Decision-making Level 1

The Sustainability Committee of the Board, which is the only Board committee that Chairman Rui Feng participates in, is responsible for formulating and driving Silvercorp's ESG strategy.

Sustainability Committee
To enhance the Board of Directors' involvement in ESG-related decision-making and oversight, the Company has established the Board Sustainability Committee chaired by Ms. Marina Katusa, an independent director. Chairman of the Board, Dr. Rui Feng, also sits in the Sustainability Committee, which is the only Board committee in which he participates.

- Sustainability Committee Responsibilities**
- To oversee the policies and management procedures for ESG topics and make recommendations for ESG management based on regulatory and statutory changes.
 - To oversee the collection and assessment of Company-wide ESG performance metrics on worktime lost, reclamation, accident reporting, energy use and intensity, ESG crisis management plans, and safety.
 - To oversee annual ESG reporting and review the Company's performance on various ESG topics; identify and monitor current and potential ESG risks and opportunities and develop corresponding risk mitigation plans.
 - To review and evaluate management performance regarding ESG objectives and metrics recommended by the Committee and approved by the Board.

Management Level 2

The ESG Management Center based in the Beijing Management Center of Silvercorp, including members of the Vancouver-based Investor Relations team, is headed by Mr. Peng Lichang, President of Silvercorp China. The Center coordinates and oversees ESG operations of various mines, ensuring the effective implementation of ESG programs and reporting.

ESG Management Center
Silvercorp has established an ESG Management Center based in Beijing, which reports directly to the Sustainability Committee of the Board. Mr. Lichang Peng, President of Silvercorp China, acts as the director of the ESG Management Center. The Center is responsible for planning the Company's sustainability-related matters at the executive level, coordinating, and overseeing the implementation of all ESG-related matters across subsidiaries.

The ESG Management Center's responsibilities include formulating ESG vision, strategy, framework, principles, and management policies; monitoring industry ESG trends, identifying ESG risks and opportunities, and developing response plans; implementing ESG strategies in corporate decision-making, investment, and operations, and preparing the Company's sustainability reports and ESG disclosures. In addition, the Center is also responsible for formulating annual ESG work plans for subsidiaries, ensuring inter-departmental coordination on ESG-related work, and overseeing subsidiary ESG practices, focusing on climate change, environmental protection, safety, employee relations, and community engagement.

Implementation Level 3

The General Managers of the Company's subsidiaries act as directors of ESG-related matters, ensuring the frontline implementation of ESG initiatives.

ESG Management and Implementation at Subsidiaries
Each subsidiary's General Manager oversees ESG affairs, ensuring coordinated implementation by relevant functional departments, such as Safety, Environmental Protection, Human Resources, and Administration. These departments are responsible for implementing the ESG targets set by the head office, overseeing the specific ESG practices for achieving the overall ESG strategic objectives, and conducting effective communication with internal and external stakeholder groups.

STAKEHOLDER ENGAGEMENT

Materiality Assessment

In Fiscal 2024, Silvercorp conducted a new round of sustainability issue identification and evaluation process following the GRI Standard. We first identified the number of ESG topics critical to the industry, and constructed a materiality assessment matrix based on stakeholder surveys to assess their importance to Silvercorp's stakeholders. The process resulted in a materiality matrix with 6 core ESG issues plotting how each sustainability issue ranked in its "impact on Silvercorp's sustainable development" and "impact on stakeholders". While no major changes occurred in identified material issues for Fiscal 2024, we intensified our safety training efforts during the year, attaching greater priority to safety-related topics due to more stringent regulatory requirements on safety. The results of this year's materiality assessment have been reviewed and confirmed by the Board's Sustainability Committee to ensure their accuracy and reliability. Identified material topics were incorporated into our risk assessment and management system to enhance the Company's risk response capabilities.

Materiality Assessment Steps

Identification

We assessed policy trends and opportunities in the metals and mining sector based on a study of recent macroeconomic policies, industry trends, and the sustainability focuses of industry peers, considering our development strategy and plans, identifying 21 issues of high relevance to both Silvercorp and our stakeholders.

Assessment

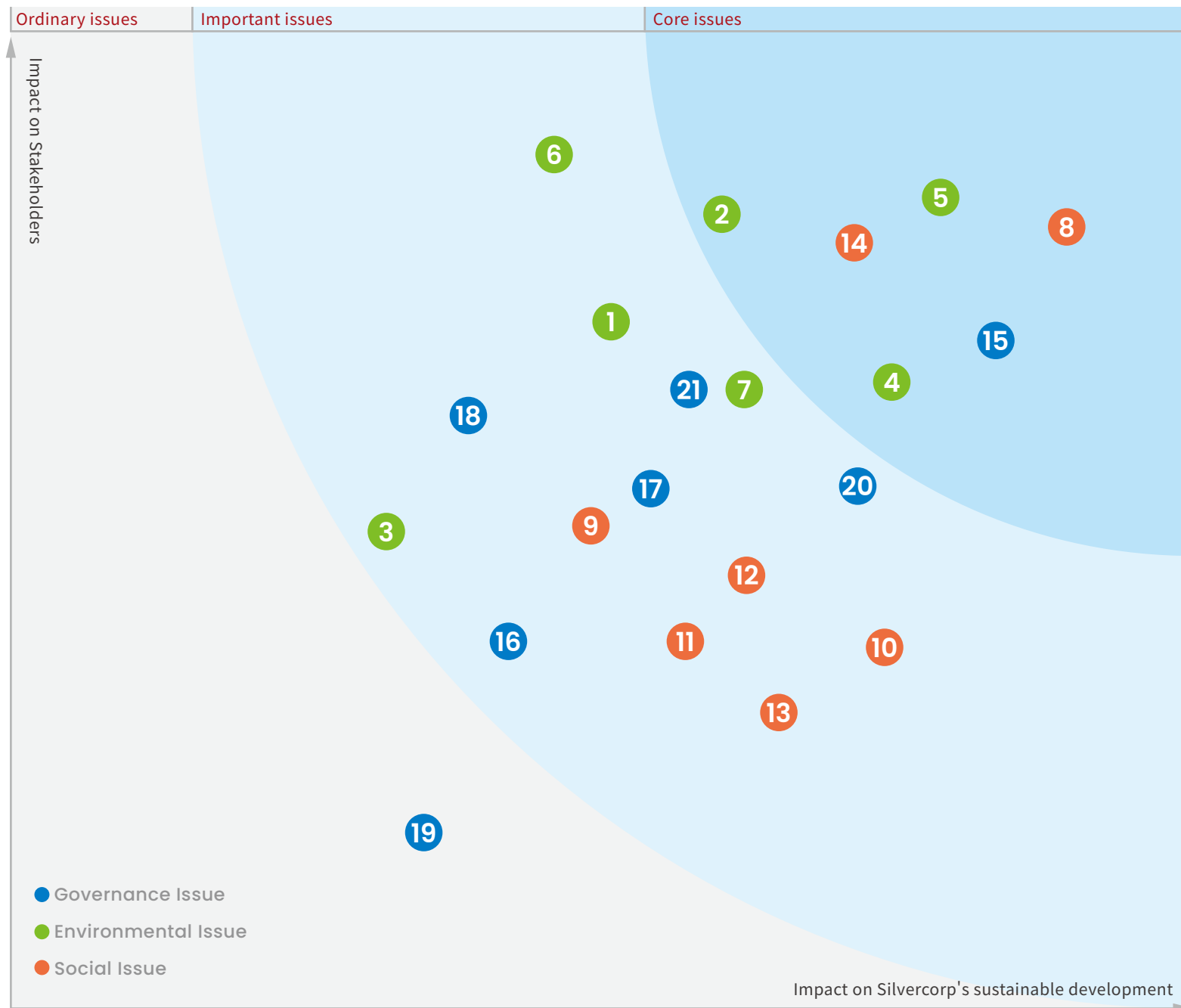
Representatives of multiple stakeholder groups, including employees, asset managers, media, industry partners, and sustainability experts, were consulted to evaluate the importance of each issue to Silvercorp. Those inputs then informed an assessment of the issue's significance along two dimensions.

Prioritization

A materiality matrix was constructed based on the two-dimensional assessment results, with differentiated management strategies.

Review

The results of the materiality assessment and the sustainability report were submitted to the ESG Management Center for review and have been approved by the Board.









Material Issue	Issue Description
Environmental	
1 Resource utilization and waste management	To implement waste utilization projects to promote a circular economy, reducing resource waste and environmental pollution.
2 Waste management	To implement a strict waste management system, including waste classification, treatment, and disposal, to ensure waste discharge compliance and recycling.
3 Land reclamation and ecological restoration	To actively initiate land reclamation and ecological restoration projects to restore vegetation, protect wildlife habitats, and improve the ecological environment.
4 Water resource management	To implement water conservation measures, strengthen sewage treatment facilities, and protect water sources and aquatic ecosystems.
5 GHGs reduction and climate response	To promote the use of clean energy, reduce carbon emissions from production processes, and actively respond to climate change.
6 Biodiversity	To protect and restore local biodiversity through biodiversity monitoring and conservation plans, and protect rare species and ecosystems.
7 Air pollutant management	To implement strict monitoring and control measures for air pollutants, use advanced technologies to reduce emissions of pollutants such as sulfur dioxide and nitrogen oxides, strengthen pollution control efforts.
Social	
8 Occupational health and safety	To enhance safety and occupational health management, improve employee safety awareness, and reduce work-related injury risks.
9 Employee rights protection	To establish a robust system to safeguard workplace rights, enhance compensation and benefits, improve employee communication, support and foster employee engagement to enhance their sense of belonging.
10 Respecting human rights	To abide by international human rights principles and frameworks, safeguard the rights of employees and suppliers, forbid forced labor and discrimination, and ensure equal employment and fair treatment.
11 Community relations and community development	To value community communication, engage in public welfare activities, participate in community economic and social development projects, support local economic development, and build harmonious relationships with local communities.
12 Vocational training and development	To establish mechanisms for vocational skills training and career development to enhance employee capabilities and competitiveness.
13 Responsible supply chain	To establish a robust supply chain management mechanism to address environmental and social issues, promoting sustainable supply chain development.
14 Disaster prevention and emergency management	To develop disaster early warning systems, strengthen disaster risk assessment and prevention, formulate emergency plans, and enhance preparedness and efficiency to emergency response.
Governance	
15 TMF management	To implement strict tailings management facilities (TMFs) risk management, identify safety hazards, develop emergency response mechanisms, and ensure TMF safety and stability.
16 Research and innovation	To increase R&D investment, advance production and environmental protection technologies to enhance technological competitiveness and sustainable development capabilities.
17 Compliance management and system certification	To optimize our internal compliance mechanisms, provide comprehensive compliance training, and ensure overall compliance in corporate activities to reduce compliance risks.
18 Risk management	To formulate risk control mechanisms and response measures to enhance risk resistance capabilities.
19 Board governance	To optimize Board governance to enhance decision-making capabilities, strengthen oversight of decision-making processes, and maintain effective corporate governance structure.
20 Product and service quality	To enhance product quality management, advance technological innovations in products and services, and enhance customer satisfaction.
21 Business ethics	To establish a robust business ethics system, strengthen employee integrity education and anti-corruption, and ensure fair business activities.

STAKEHOLDER ENGAGEMENT

Stakeholder Group	Key Issues	Communication Channels	Results and Feedbacks
<p>Government and Regulators</p> 	<ul style="list-style-type: none"> GHGs reduction and climate response Disaster prevention and emergency management Waste discharge and management TMF management Water resource management Air pollutant management and control 	<ul style="list-style-type: none"> Regular communication and reporting Project review and approval Government oversight Submission of statistical reports and visit 	<ul style="list-style-type: none"> Payment of \$22.6 million to the Government Participated in 9 government studies
<p>Shareholders and Investors</p> 	<ul style="list-style-type: none"> Research and innovation Compliance management and management certification Risk management Resource utilization and waste management Corporate governance 	<ul style="list-style-type: none"> Annual reports and other statutory information disclosures Performance presentations Investor hotline and email 	<ul style="list-style-type: none"> Participated in 97 institutional investor communication meetings Held 3 quarterly earnings presentations, 1 annual earnings presentation, and 2 corporate development presentations research reports on the Company issued by relevant brokerage analysts
<p>Employees</p> 	<ul style="list-style-type: none"> Vocational training and development Employee rights protection Occupational health and safety 	<ul style="list-style-type: none"> Trade union Regular employee representative meetings Staff commendations and regular training Corporate cultural activities and events Quarterly team-building activities and events 	<ul style="list-style-type: none"> Held 2 employee representative meetings Carried out 58 team-building and corporate culture activities and events

Stakeholder Group	Key Issues	Communication Channels	Results and Feedbacks
<p>Customers</p> 	<p>Product and service quality Business ethics and transparency Research and innovation</p>	<p>Regular service communication Customer visits Questionnaire surveys Website information disclosure Hotline</p>	<p>Carried out 9 customer visits Issued 22 customer satisfaction survey questionnaires, with an overall "relatively high" customer satisfaction rating</p>
<p>Partners</p> 	<p>Corporate governance Responsible supply chain</p>	<p>Strategic cooperation negotiation Daily business communication Regular visits</p>	<p>Carried out qualification reviews for 470 suppliers</p>
<p>Communities</p> 	<p>Community relations and community development Biodiversity Land reclamation and ecological restoration</p>	<p>Charitable activities Regular community engagement activities Environmental assessment of projects Response to external investigations</p>	<p>Donated \$3.2 million in community development support, including education aid and funding for community infrastructure improvement</p>
<p>Industry Organizations and the Media</p> 	<p>Respecting human rights Biodiversity Community relations and community development</p>	<p>Press release Regular media communication ESG disclosure on corporate website</p>	<p>Had 63 pieces of media coverage of Silvercorp Won 3 ESG-related awards</p>