# 1.4 Address Climate Change

Silvercorp is committed to following the goals and principles outlined in the United Nations Framework Convention on Climate Change and the Paris Agreement, actively advancing efforts to address climate change. In response to the risks and opportunities arising from global climate change, Silvercorp has integrated climate action into its core corporate strategy. This includes establishing a climate governance framework, formulating strategies to address climate change, conducting scientific climate risk assessments and management, and setting GHG emissions indicators and targets. While exploring decarbonization pathways and strengthening climate resilience, the Company proactively identifies and leverages business opportunities arising from the global low-carbon transition. At the same time, Silvercorp remains committed to a green and low-carbon operating philosophy, systematically advancing energy conservation and consumption reduction initiatives, continuously improving energy efficiency, and optimizing its energy mix.

## 1.4.1 Climate Governance

Silvercorp incorporates climate governance into its ESG management framework. Through its Sustainability Committee, the Board of Directors has made climate-related issues a regular topic of discussion, holding periodic specialized meetings to systematically assess the progress and effectiveness of the Company's climate risk management, strategy implementation, and climate-related objectives. The Board has delegated decision-making authority to the Sustainability Committee, which is responsible for overseeing the assessment of climate-related impacts, risks, and opportunities, developing climate strategic plans, and setting climate-related goals. The ESG Management Center, as the management-level body, is responsible for promoting the implementation of the climate strategy, defining carbon reduction pathways, developing annual action plans, monitoring progress, and evaluating performance. At the operational level, each subsidiary acts as the implementing body, with the General Managers assuming the primary responsibility for emission reduction initiatives implementation and overseeing the full-process indicator system for centralized climate-related management.

## 1.4.2 Climate Strategy

Silvercorp actively integrates climate change response into its development strategy, exploring new development models for promoting green and low-carbon mining. Adhering to the principle of "high efficiency, low emissions," the Company sets and strives to achieve emissions reduction targets. Focusing on resource efficiency and circular utilization, Silvercorp continues to optimize its energy mix, phase out the use of coal, and explore pilot projects for renewable energy utilization, achieving both emissions reductions and cost savings. Additionally, the Company is accelerating innovation and application of low-carbon technologies. This includes the use of XRT intelligent optoelectronic ore sorting systems for automated waste rejection and ongoing improvements in mineral processing. Outdated processes and equipment are gradually being phased out, while new energy equipment is being introduced in lighting, transportation, heating, and cooling to boost energy efficiency. Both the Henan and Guangdong subsidiaries have successfully passed the annual audit for energy management system certification, continuously improving their energy consumption management systems and advancing energy management standards. These efforts support the sustainable development and green, low-carbon transition of mineral resource operations.

## 1.4.3 Climate Risk and Opportunity Management

Silvercorp primarily follows IFRS S2 standards to systematically analyze the impact of climate factors on its operations, identifying both physical and transition risks. In alignment with China's "Dual Carbon" goals, Silvercorp continually enhances its climate risk management processes, strengthens relevant capabilities, and ensures the effective implementation of climate risk response strategies, while also identifying and seizing related business opportunities.

| Risk Type | Risk Description | Risk Impact | Response Measures |
|---|---|---|---|
| **Physical Risks** | | | |
| **Acute Risks** | **Increased frequency of extreme weather events such as heavy rainfall, floods, and typhoons** | ■ Lead to potential operational disruptions and accidents, including mine closures, damaged transportation routes, and risks of tailings dam failure due to rising water levels<br>■ Result in reduced production capacity and potential harm to personnel, and may cause environmental and safety incidents | ■ Establish a robust meteorological monitoring system to track climate change and extreme weather alerts in real-time, ensuring proactive preparedness<br>■ Strengthen the construction of key infrastructure at mining sites, including flood control, drainage, and power supply systems, to enhance the site's resilience to disasters<br>■ Develop comprehensive emergency response plans for extreme weather events, adjusting production schedules as necessary to minimize the impact of extreme weather on operations |
| **Chronic Risks** | **Global warming and changes in precipitation patterns** | ■ May lead to accelerated rock weathering and increased soil erosion, potentially undermining mine stability and operational conditions<br>■ Result in rising infrastructure costs, increased equipment maintenance expenses, and higher insurance premiums, all of which could place strain on cash flow | ■ Continue advancing green mining practices and accelerate the transition to renewable energy to reduce dependence on fossil fuels, while lowering operational costs and reducing carbon emissions<br>■ Adopt increasingly heat-resistant and corrosion-resistant materials for infrastructure construction of mines to minimize damage |
| **Transition Risks** | | | |
| **Policy and Regulation Risks** | **The ongoing introduction of more stringent international environmental and carbon reduction regulations** | ■ A growing number of countries worldwide have set clear carbon peak and carbon neutrality targets, tightening environmental and climate regulations and introducing stricter emission standards and environmental policies<br>■ Climate policies vary across different countries and regions, and frequent adjustments and changes to these policies increase compliance complexity and elevate operational risks for businesses | ■ Closely monitor national and local environmental policies and regulations to ensure full compliance with requirements in production and operation, avoiding regulatory violations<br>■ Strengthen the monitoring and assessment of climate change risks, develop responsive strategies, and drive the implementation of internal policies |
| **Technology Risks** | **Rapid advancements in green mining and mineral processing technologies** | ■ Traditional high-energy consumption and high-pollution mining methods are at risk of being phased out, requiring application of and investment in new technologies to adapt to the low-carbon transition | ■ Increase R&D investment in areas such as clean energy and low-carbon technologies to support the transition to green and low-carbon mining practices and operations |
| **Market and Investment Risks** | **Potential decline in market demand for carbon-intensive products** | ■ Growing demand for green minerals and low-carbon products may reduce demand for traditional mining resources<br>■ Increasing investor focus on ESG factors leads to an investment preference for companies engaged in low-carbon and sustainable development | ■ Adjust product offerings and portfolios based on market demand, increasing the production of low-carbon products with high added value<br>■ Explore diversified financing channels to lower financing costs and seek financial solutions for addressing climate change |
| **Reputation Risks** | **Delayed ESG action or the occurrence of related negative incidents** | ■ Poor performance in addressing climate change may erode consumer and investor trust, damaging brand reputation | ■ Strengthen brand reputation by publishing sustainability reports and engaging in social responsibility initiatives to showcase the Company's climate change efforts to enhance public image |

| Opportunity Type | Opportunity Description | Response Measures |
| --- | --- | --- |
| **Carbon Market Opportunities** | ■ The Chinese government has launched a national carbon market, presenting a new revenue source for mining companies | ■ Leverage energy-saving and emission reduction advantages to actively participate in carbon market transactions, converting carbon allowances into economic returns |
| **Market Opportunities** | ■ With the global expansion of renewable energy and electric vehicles, demand for metals such as silver, zinc, and lead as essential raw materials is expected to increase significantly | ■ Prioritize developing metal resources with high added values and strengthen partnerships with clean energy companies<br>■ Integrate and consolidate the supply chain, and collaborate with high-quality partners to mitigate market volatility risks |
| **Technology Opportunities** | ■ Low-carbon technologies can lower operational costs and reduce greenhouse gas emissions | ■ Intensify efforts to replace traditional energy with renewable energy and explore the establishment of photovoltaic self-powering systems<br>■ Optimize energy management in mining operations to reduce energy consumption and waste generation |
| **Circular Economy Opportunities** | ■ Metal recycling (e.g., lead and copper from used batteries) can reduce dependency on primary ores and supports the principles of a circular economy | ■ Invest in or collaborate on the development of metal recycling facilities, expanding urban mining resources<br>■ Develop efficient extraction processes to recover high-purity metals from waste |

## 1.4.4 Indicators and Targets

In alignment with the requirements of global climate governance framework outlined by the United Nations Framework Convention on Climate Change and the Paris Agreement, Silvercorp is committed to the ultimate goal of limiting the global average temperature increase to within 1.5°C above pre-industrial levels. To support this goal, the Company has established an interim target to reduce its GHG emissions intensity by 20% by 2030, compared to 2020 level. In Fiscal 2025, Silvercorp achieved a 17.30% reduction in GHG emissions intensity compared to Fiscal 2020. While challenges persist, the Company remains firmly dedicated to its decarbonization path and will continue progressing steadily toward its established targets.

## 1.4.5 Greenhouse Gas Emissions Reduction

Silvercorp is actively advancing its low-carbon transition and accelerating the deployment of clean energy solutions across its operations. Currently, the Company has fully phased out the use of coal and continues to drive emissions reduction and operational efficiency through a series of targeted initiatives, including the procurement of energy-efficient equipment, implementation of energy-saving technologies, upgrades to automated processes, and utilization of waste heat recovery systems. In addition, the Company is progressively integrating new energy technologies into key operational areas—such as lighting, transportation, heating, and cooling—while decommissioning high energy-consuming equipment. Solar photovoltaic systems supply electricity for office operations, and energy storage projects are underway to enable peak-valley load shifting and ensure emergency power supply. Furthermore, the use of electric ore transport vehicles is being expanded to reduce reliance on traditional fossil-fuel-powered transportation and associated carbon emissions.

Silvercorp places strong emphasis on the systematic management of greenhouse gas emissions. In Fiscal 2025, the Company established a clear accounting of its total GHG emissions, emissions intensity, and disaggregated Scope 1 (direct) and Scope 2 (indirect) emissions. This data provides a critical foundation for setting and implementing future emissions reduction targets.

### Major Sources and Types of Greenhouse Gas Emissions

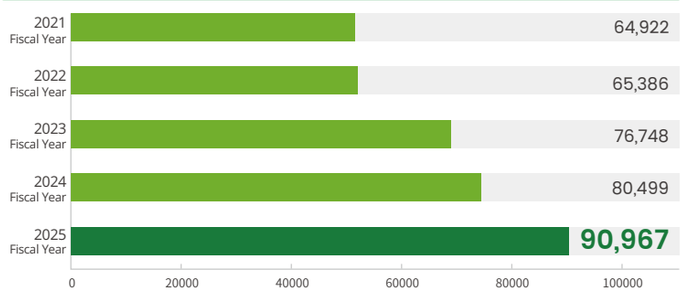
| Henan Found | Guangdong Found |
|---|---|
| Emissions from electricity consumption, diesel and gasoline usage, and the use of industrial explosive materials, resulting in the release of nitrogen oxides | Emissions from electricity consumption, diesel and gasoline usage, and the use of industrial explosive materials, resulting in the release of nitrogen oxides |

**In Fiscal 2025**

Total greenhouse gas emissions: **90,967** tonnes of $CO_2$ equivalent

Among which
Direct GHG emissions (Scope 1): **2,284** tonnes of $CO_2$ equivalent
Indirect GHG emissions (Scope 2): **88,683** tonnes of $CO_2$ equivalent

**Total Greenhouse Gas Emissions** (Unit: tonnes of $CO_2$ equivalent)




**Greenhouse Gas Emissions Intensity**
(Unit: tonnes of $CO_2$ equivalent / million dollar revenue)