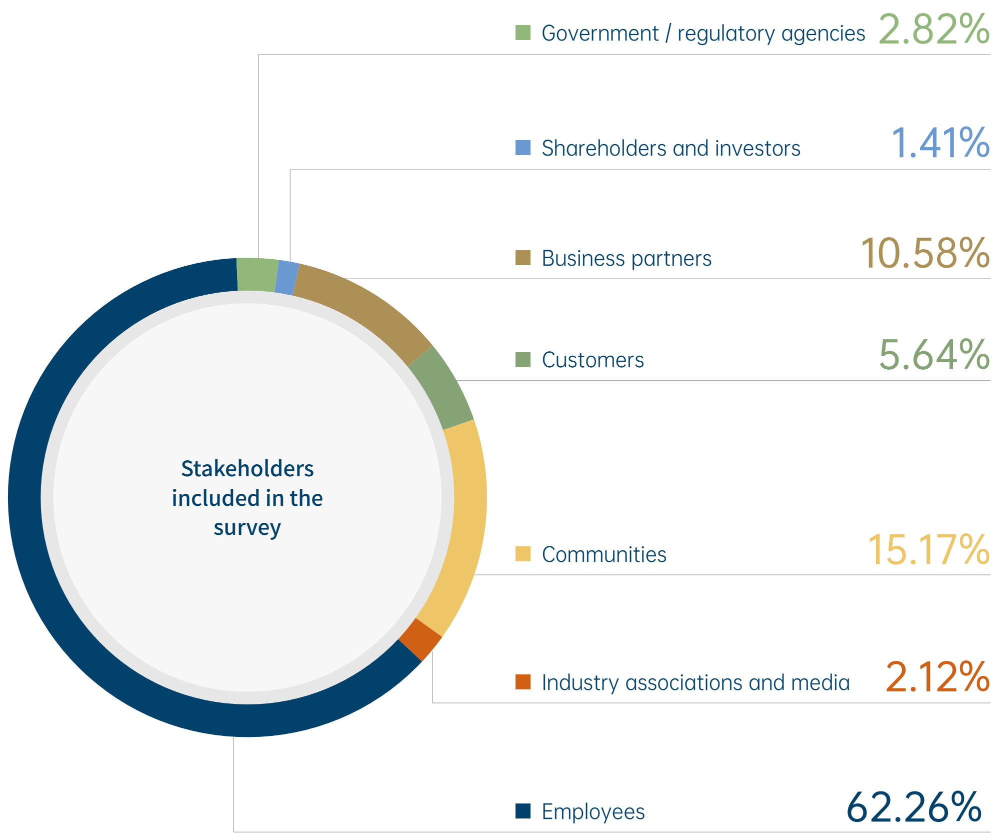
# Materiality Assessment

## Materiality Assessment

In Fiscal 2026, Silvercorp continued to reference GRI Standards and sustainability disclosure practices in the metals and mining industry to conduct its annual materiality assessment. The assessment was based on impact materiality, with qualitative consideration of financial relevance, incorporating investor concerns, industry trends, and corporate strategy. The Company developed a materiality analysis matrix based on two dimensions: "impact on Silvercorp's sustainable development" and "significance to stakeholders." Material issues were then assessed and prioritized to inform reporting focus, ESG management improvement, and cross- jurisdictional risk control.

In Fiscal 2026, in response to changes in the Company's global footprint, the stakeholder survey was expanded. An online questionnaire was distributed in four languages—Chinese, English, Spanish, and Russian—resulting in 567 valid responses (China: 322; Ecuador: 186; Canada: 23; Kyrgyzstan: 18; corporate level: 18). Feedback was collected from internal and external stakeholders, including government and regulatory agencies, shareholders and investors, employees, customers, business partners, communities, industry associations, and media. By integrating international sustainability standards, key mining industry issues, peer practices, and corporate strategy, a total of 27 material issues were identified across environmental, social, and governance dimensions.




### Identification

- The identification process considers macroeconomic policies, international standards and guidelines, industry trends, and the sustainability focus of industry peers. It aims to clarify the policy direction, development opportunities, and risks in the metals and metal mining industry. By aligning with Silvercorp's strategic development and relevant planning documents, key issues of significant importance to both Silvercorp and its stakeholders are identified

### Assessment

- The Company conducts an annual identification of its key stakeholders
- Stakeholder questionnaires are distributed in Chinese, English, Spanish, and Russian versions, targeting stakeholders in different countries where the Company operates. After collecting the responses, the data is compiled and analyzed

### Prioritization

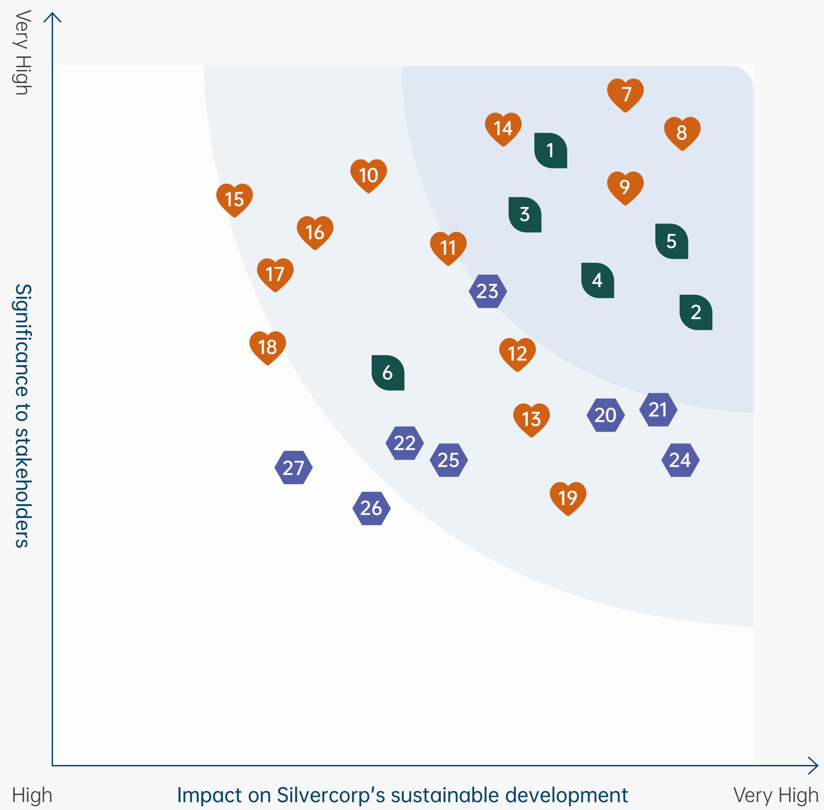
- Aligning with two dimensions of the materiality matrix, the Company comprehensively evaluates stakeholder expectations, industry development trends, and its own business strategy to prioritize various issues
- Internal expert discussions and external expert consultations are conducted to form conclusions on impact materiality

### Review

- The results of the materiality assessment are presented alongside the sustainability report for review by the ESG Management Center for deliberation and approval, and are subsequently approved by the Board of Directors

Compared with Fiscal 2025, the Company maintained eight core material topics, including production safety, occupational health and safety, climate change response and energy conservation and carbon reduction, disaster prevention and emergency management, tailings storage facility management, waste management, water resource management, and environmental compliance management. One new core topic was added: community relations and Indigenous Peoples' rights, reflecting the Company's reliance on social license to operate for projects in Ecuador (El Domo and Condor) and Kyrgyzstan (Chaarat Gold Project). Currently, these projects are still in the construction/development stage, with ongoing community engagement, indigenous consultation, and rights protection practices. As the projects move into construction and operational phases, the Company will continue to strengthen the management and disclosure of this material topic in subsequent fiscal years.

On this basis, and in light of the Company's international business expansion, project development progress, and stakeholder feedback, the Company has added or refined a series of material topics, including community environmental and health impact monitoring, local hiring, cultural heritage protection, workforce diversity, equity and inclusion, and ESG strategic targets and performance assessment. Customer privacy protection has been expanded to information security, while biodiversity and land restoration has been expanded to biodiversity and ecosystems, in order to better reflect evolving expectations in cross-jurisdictional operations, community impact management, indigenous rights, labor rights, and group-level ESG governance.




## Environmental

1 Climate change and energy conservation & carbon reduction
2 Tailings facility management
3 Waste management
4 Water resource management
5 Environmental compliance management
6 Biodiversity and ecosystems

## Social

7 Production safety
8 Occupational health and safety
9 Disaster prevention and emergency management
10 Workforce diversity, equity, and inclusion
11 Human rights and labor rights protection
12 Employee development
13 Responsible supply chain
14 Community relations and Indigenous Peoples' rights
15 Local hiring
16 Community environmental and health impact monitoring
17 Community development and support
18 Cultural heritage protection
19 Product and service quality

## Governance

20 Compliance and internal control
21 Risk management
22 Research and innovation
23 Business ethics
24 Board governance
25 ESG strategic targets and performance assessment
26 Sustainability due diligence
27 Information security

## Stakeholder Engagement

| Stakeholder | Key Issues | Engagement Methods | Key Actions/ Outcomes |
|---|---|---|---|
| Government / Regulatory Agencies | • Production safety<br>• Occupational health and safety<br>• Environmental compliance management<br>• Tailings facility management<br>• Water resource management<br>• Disaster prevention and emergency management<br>• Climate change response, energy conservation and carbon reduction<br>• Waste management<br>• Cultural heritage protection | • Routine compliance reporting and communication<br>• Project approval and permit applications<br>• Cooperating with regulatory inspections<br>• Submission of regulatory reports and government visits | • Paid USD 89.97 million in taxes and other government payments<br>• Achieved 100% ISO 14001 environmental management system certification across operating mines<br>• Achieved 100% ISO 45001 occupational health and safety management system certification across operating mines |
| Shareholders and Investors | • Compliance and internal control<br>• Risk management<br>• Board governance<br>• Climate change response, energy conservation and carbon reduction<br>• Water resource management<br>• Waste management<br>• Research and innovation<br>• ESG strategic targets and performance assessment<br>• Sustainability due diligence | • Annual report, sustainability report, and other statutory disclosures<br>• Quarterly / annual results briefings<br>• Investor hotline and email | • Held 238 investor meetings and 5 institutional investor site visits<br>• Held 1 Annual General Meeting (AGM)<br>• Held 3 quarterly results briefings and 1 annual results briefing<br>• Conducted 5 roadshows |
| Employees | • Occupational health and safety<br>• Human rights and labor rights protection<br>• Employee development<br>• Production safety<br>• Workforce diversity, equity, and inclusion<br>• Local hiring | • Regular communication with trade unions<br>• Regular employee representative meetings<br>• Employee grievance and feedback channels<br>• Safety training, skills enhancement, and capacity building<br>• Employee recognition, corporate culture activities, and team building events | • Conducted 21 campus recruitment events<br>• Held 236 cross-cultural integration and cultural activities across all operating regions<br>• Invested USD 4.68 million in production safety |
| Customers | • Product and service quality<br>• Information security<br>• Business ethics<br>• Research and innovation | • Regular business and service communication<br>• Customer visits and on-site exchanges<br>• Mutual oversight and reporting<br>• Official website disclosures and customer service hotline | • Distributed 26 customer satisfaction survey questionnaires, with an overall "relatively high" customer satisfaction rating |
| Partners | • Responsible supply chain<br>• Compliance and internal control<br>• Business ethics<br>• Sustainable development due diligence<br>• Human rights and labor rights protection | • Business negotiations and meetings<br>• Regular site visits and audits<br>• Supplier complaint and feedback hotline | • Evaluated 441 suppliers across global operating mines |
| Communities | • Community development and support<br>• Community environmental and health impact monitoring<br>• Community relations and Indigenous Peoples' rights<br>• Biodiversity and ecosystems<br>• Local hiring<br>• Cultural heritage protection | • Community outreach and charitable donation activities<br>• Regular community meetings and roundtable discussions<br>• Public disclosure of project Environmental Impact Assessment (EIA) information<br>• External inquiry response and community feedback hotlines | • Invested USD 3.15 million in community programs, including education support and infrastructure improvements |
| Industry Organizations and Media | • Human rights and labor rights protection<br>• Biodiversity and ecosystems<br>• Community development and support<br>• Business ethics<br>• Climate change response, energy conservation and carbon reduction<br>• Tailings facility management | • Press releases<br>• Routine media communication and engagement<br>• ESG information disclosure on corporate website | • Disclosed sustainability practices, project updates, and ESG information through the corporate website, press releases, ESG information section, and investor relations channels<br>• Received 3 ESG-related awards |

# ESG Governance

## Governance

### ESG Governance Structure

Silvercorp continues to improve its ESG governance system in alignment with international capital market standards, fully integrating environmental, social, and governance (ESG) considerations into its strategy, operations, and value creation. With reference to the International Sustainability Standards Board (ISSB) Standards, Canadian capital market regulatory requirements, and global mining industry best practices, the Company has established a three-tier ESG governance structure consisting of the "Decision-Making Level – Management Level – Operational Level" to support the effective implementation of sustainability objectives across the Company.

**Board of Directors**

**Sustainability Committee**

The Board of Directors has established a Sustainability Committee responsible for formulating and advancing the Company's ESG strategy, regularly reviewing progress against ESG targets, and overseeing management's implementation. This is the only Board committee on which Chairman Dr. Rui Feng serves.

Decision-Making Level

**ESG Management Center**

The ESG Management Center is led by the Chief Operating Officer, with support from the Beijing ESG team and the Vancouver Investor Relations team in coordinating ESG management. The Center monitors ESG trends in the global mining industry and regulatory developments, and identifies key risks and opportunities.

Management Level

**General Managers of Subsidiaries**

The general manager of each operating region and project area is accountable for ESG implementation, overseeing safety, environment, human resources, community relations, and supply chain, and developing differentiated implementation plans aligned with the Company's annual ESG objectives and based on the project's stage of operation, development, permit application, or integration.

Operational Level

Silvercorp ESG Governance Structure

## Sustainability Committee

To further strengthen the Board's oversight of sustainability matters, the Company continues to strengthen the role and effectiveness of its Sustainability Committee. In Fiscal 2026, the Company's Board Sustainability Committee held one meeting with 100% attendance.

**Committee Responsibilities:**

- Reviewing and overseeing the Company's ESG strategy, policies, and management system
- Overseeing the management of climate-related risks and opportunities
- Reviewing the Company's ESG performance and annual sustainability report
- Overseeing key issues such as occupational health and safety, environmental management, and community relations
- Assessing ESG-related risks and the effectiveness of response measures
- Reviewing management's performance against ESG objectives and metrics

## ESG Management Center

Silvercorp has established an ESG Management Center based in Beijing, which reports directly to the Board Sustainability Committee. The ESG Management Center is headed by the Chief Operating Officer, responsible for planning the Company's sustainability-related matters at the management 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; embedding ESG strategies into decision-making, investment, and operations, and preparing the Company's sustainability reports and ESG disclosures.

## General Managers of Operating Regions

The general manager of each operating region is accountable for ESG implementation within the region, overseeing coordination among relevant departments to ensure that the safety, environment, human resources, and administration functions effectively manage ESG matters within their respective areas. They also organize the implementation of the Company's overall ESG strategy and objectives.

## Board Oversight of ESG

The Company continues to strengthen the Board's oversight responsibilities over ESG-related issues. The Sustainability Committee oversees the Company's key ESG issues, including the Company's ESG strategy, climate change, occupational health and safety, environmental management, community relations, and sustainability disclosure, and regularly reviews progress against ESG objectives and key risk management activities.

The Company continues to integrate ESG considerations into Board decision-making and enhance ESG reporting and communication between management and the Board. In Fiscal 2026, the Board reviewed the following key ESG matters: ESG strategy and annual priorities; climate change risks and low-carbon transition trends; ESG risk management for overseas projects; tailings storage facility and environmental safety management; occupational health and safety performance; community relations and stakeholder engagement; and ESG ratings and disclosure optimization.

## ESG Performance and Assessment

### Executive Performance Linked to ESG

The Company continues to integrate ESG performance into executive performance assessments. In Fiscal 2026, indicators related to occupational health and safety, environmental management, compliance, and sustainability remained part of the annual performance evaluation for executives, with ESG accounting for 5.25% of the CEO's performance assessment and 3% of the CFO's performance assessment. Performance was evaluated based on progress toward annual targets. By linking ESG performance to compensation and incentives, the Company reinforces long-term value creation and supports the effective delivery of its sustainability objectives.

### Operational Performance Linked to ESG Targets

The Company continues to cascade ESG responsibilities from the governance and management levels to its operations by incorporating key ESG indicators into the annual target-setting and monthly performance assessment of its major operating subsidiaries. In Fiscal 2026, Henan Found and Guangdong Found established annual targets for GHG emissions intensity, comprehensive solid waste utilization rate, surface freshwater withdrawal intensity, and Lost-Time Injury Frequency Rate (LTIFR), and monitored performance against these targets on a monthly basis. This approach supports continuous improvement in energy efficiency, resource utilization, water stewardship, and safety performance. By embedding ESG targets into daily operations, the Company further strengthens the integration of sustainability considerations into operational management, risk control, and performance improvement.

## ESG Policy Framework

In Fiscal 2026, the Group further refined its ESG policy framework, establishing a standardized management system covering all material ESG topics:

| | |
|---|---|
| **New policies** | Waste and Emissions Management Policy, Information Security Management Policy |
| **Updated policy** | Anti-Corruption Policy |
| **Existing policies** | Environmental Protection Policy, Tailings Facility Management Policy, Water Stewardship Policy, Biodiversity Policy, Occupational Health and Safety Policy, Human Rights, Diversity and Inclusion Statement, Supplier and Contractor Code of Conduct, Procurement Policy, Community Policy, Incentive Compensation Recovery Policy (Clawback Policy) , Code of Business Conduct and Ethics, Code of Ethical Conduct for Financial Managers, Whistleblower Policy |

## Strategy

Silvercorp, guided by its long-term development philosophy of "Safety, Efficiency, Sustainability, and Harmony," and taking into account the annual materiality assessment results, changes in its global business footprint, sustainable development trends in the mining industry, and the key concerns of stakeholders, continues to integrate sustainable development principles into the full spectrum of its strategic planning, operational management, risk prevention and control, and value creation processes.

In response to increasing demands on the global mining industry in areas such as energy transition, climate change, resource security, supply chain transparency, community relations, and cross-jurisdictional compliance, the Company continuously identifies and assesses sustainability issues closely related to its operations. It further refines its ESG strategic deployment in line with international capital market regulatory trends, host country regulatory requirements, and stakeholder priorities, supporting the United Nations Sustainable Development Goals (SDGs) and the Paris Agreement through responsible mining practices.

Based on the Fiscal 2026 materiality assessment, the Company has identified key ESG priorities, including safety and compliance, community and human rights, and climate and environmental management, and has integrated them into ongoing management improvement and performance tracking. At the corporate level, key performance indicators have been established for tailings storage facility safety, efficient water use, zero-accident safety performance, zero environmental non-compliance penalties, and human rights protection. Progress against these KPIs and related management performance is regularly reported to the Board Sustainability Committee.

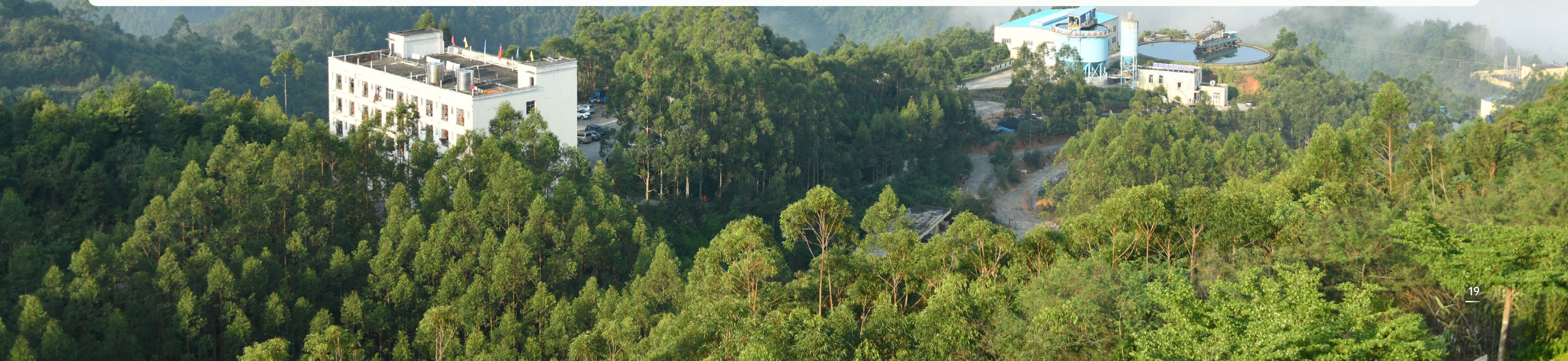
## Impact, Risk, and Opportunity Management

Silvercorp continues to improve its enterprise risk management (ERM) system by embedding risk considerations into strategic planning, capital allocation, project development, and day-to-day operations, enhancing its risk identification, early warning, response, and resilience capabilities in a complex operating environment.

The Company follows internationally recognized mining risk management frameworks and aligns its practices with the sustainability principles of the International Council on Mining and Metals (ICMM), the Global Industry Standard on Tailings Management (GISTM), the Task Force on Climate-related Financial Disclosures (TCFD), and the IFRS S2 Climate-related Disclosures of the International Sustainability Standards Board (ISSB), thereby strengthening the consistency, forward-looking nature, and transparency of its risk management approach.

Risks in the mining sector are long-term, complex, and cross-regional. In Fiscal 2026, the top 5 ESG risk topics identified through stakeholder surveys were, in order: tailings storage facility management, water resource management, production safety, environmental compliance management, and human rights and labor rights protection. The Company continues to integrate ESG risks into its enterprise risk management system and enhances cross-departmental coordination and dynamic risk monitoring.

For further details on the Company's ERM framework and risk mitigation measures, please refer to the *"Governance – Risk Management"* section of this report.



## Metrics and Targets

In line with the United Nations Sustainable Development Goals (SDGs), industry best practices, and its operational realities, Silvercorp continues to improve its ESG performance indicators and has established an annual tracking and evaluation framework to support ESG target delivery.

| SDGs | Target | Progress in Fiscal 2026 | Completion Status |
|---|---|---|---|
| Environment | Achieve environmental management system certification across all major operating entities | All of Silvercorp's operating mines successfully maintained ISO 14001 certification and passed annual audits. Other non-operational sites are actively preparing for certification. | In progress |
| | Achieve energy management system certification across all major operating entities | All of Silvercorp's operating mines successfully maintained ISO 50001 certification and passed annual audits. Other non-operational sites are actively preparing for certification. | In progress |
| | Zero environmental violations annually | Silvercorp experienced no material violations or environmental penalties related to environmental issues. | Achieved |
| | Reduce freshwater withdrawal intensity by **10%** by 2030 compared to 2020 | Silvercorp's freshwater withdrawal intensity was 9,628.47 cubic meters per million USD of revenue, representing a **45.58%** decrease compared to Fiscal 2020[5]. | In progress |
| | Increase water recycling rate by **8%** by 2030 compared to 2020 | Silvercorp's water recycling rate reached **82.20%**, representing a **2.33%** improvement compared to Fiscal 2020[6]. | In progress |
| | Reduce GHG emissions intensity by **20%** by 2030 compared to 2020 | Silvercorp's GHG emissions intensity was 243.50 tonnes $CO_2$e per USD million of revenue, representing a **35.01%** decrease compared to Fiscal 2020[7]. | In progress |
| | Continuously implement energy conservation and emission reduction projects | Silvercorp continues to implement energy-efficiency upgrades across its operations, including optimization of processing circuits, deployment of XRT intelligent pre-sorting, and use of high-efficiency air compressors and variable frequency drive (VFD) systems, thereby reducing energy consumption per tonne of ore processed. | Achieved |
| | Reduce pollutant gas emissions | Due to increased explosives consumption associated with ramp development and construction of a new tailings storage facility, nitrogen oxide ($NO_x$) emissions increased. | Not achieved. We will strengthen air emission management through enhanced dust control measures across material extraction, transportation, stockpiling, and processing, while continuing to reduce air pollutant emissions. |
| | Improve the mineral waste utilization rate | The comprehensive utilization rate of waste rock declined slightly due to reduced demand for construction aggregates amid the downturn in the real estate market. | Not achieved. We will continue to deploy advanced technologies including XRT intelligent pre-sorting technology to reduce waste rock generation at the source and improve resource utilization. |
| | Develop and implement biodiversity conservation plans | Silvercorp continued biodiversity monitoring and implemented ecological compensation measures in areas affected by operations. | In progress |
| | Achieve **100%** reclamation of recoverable land | Silvercorp reclaimed **8.39** hectares of land. Remaining land is being progressively rehabilitated in accordance with approved reclamation plans. | In progress |
| | Ensure all operating mines meet Green Mine standards | As of the end of Fiscal 2026, all **five** of Silvercorp's operating mines had achieved certification under China's Green Mine standards.<br>The Company is also actively advancing certification for its pre-operational projects. | In progress |

Achieved | In progress | Not achieved

[5] Fiscal 2020 freshwater withdrawal intensity: 17,694 cubic meters per million USD of revenue.
[6] Fiscal 2020 water recycling rate: 80.33%.
[7] Fiscal 2020 GHG emissions intensity: 374.67 tonnes of $CO_2$-equivalent per million USD of revenue.

| SDGs | Target | Progress in Fiscal 2026 | Completion Status |
|---|---|---|---|
| Social | Zero work-related fatalities, including contractors | One contractor worker suffered a fatal accident. | Not achieved. We will implement stringent full-process control over contractors, unify safety training and operational supervision standards, strengthen safety performance accountability, increase safety investment, and reinforce contractors' independent safety management capabilities, with the utmost commitment to maintaining zero fatalities. |
| | Reduce the LTIFR per million work hours | Silvercorp's Lost- Time Injury Frequency Rate (LTIFR) was 0.76. | Not achieved |
| | Attain occupational health and safety management system certification across all major operating entities | Silvercorp's operating mines maintained ISO 45001 certification and passed the annual audit. Other non-operating sites are actively preparing for certification. | In progress |
| | Continuously improve the coverage and quality of safety training for all Company employees and contractor employees. | Silvercorp continues to improve its safety training mechanisms for employees and contractors, enhancing the standardization and effectiveness of training across key stages, including orientation, job-site safety briefings, on-site training, and training record management. | In progress |
| | Strengthen human rights management | Silvercorp experienced no significant human rights violations.<br>Silvercorp has implemented a human rights accountability system applicable to all employees. | Achieved |
| | Foster a diverse, equitable, and inclusive workplace | Silvercorp further improved its employee compensation and benefits system and rights protection, treating all employees fairly and implementing equal pay for equal work. | Achieved |
| | Increase investment in employee professional development | Employee professional training investment reached USD 185,734. | Achieved |
| | Maintain ongoing community contributions | Silvercorp contributed a total of USD 3.15 million in charitable donations. | Achieved |
| | Promote local economic development | Silvercorp's local employment rate across global operations reached 72.44%. | Achieved |
| | Zero community dispute incidents annually | No community disputes were reported at any of Silvercorp's mining sites. | Achieved |

Achieved In progress Not achieved

| SDGs | Target | Progress in Fiscal 2026 | Completion Status |
|---|---|---|---|
| Governance (SDGs 5, 9, 12, 16, 17) | Strengthen ESG management systems | Silvercorp continues to integrate ESG metrics into the performance appraisal systems of management and business units. The Board of Directors reviews annual progress toward ESG goals and assesses management performance to ensure alignment with strategic objectives. | Achieved |
| | Enhance ESG-related policy framework | Silvercorp published the **Waste and Emissions Management Policy** and the **Information Security Management Policy**, updated the **Anti-Corruption Policy**, and continuously strengthened its ESG policy framework. | Achieved |
| | Improve ESG assessment mechanisms for suppliers | Silvercorp prioritizes suppliers certified under the four management systems (quality, environment, occupational health and safety, and information security), and continuously optimizes its supplier ESG performance evaluation. | Achieved |
| | Increase investment in scientific research and industry-university-research collaboration. | Silvercorp obtained **32** new patents and onboarded **54** new R&D personnel. The Company had obtained **160** patents cumulatively and employed **211** R&D professionals. | Achieved |

Achieved In progress Not achieved

Note: The Chaarat Gold Project in Kyrgyzstan, newly acquired in Fiscal 2026, is still in the early integration stage. Environmental baseline studies, community impact assessments, and safety management system establishment have been initiated. Related performance indicators will be disclosed progressively in subsequent fiscal years.