

# Serbia Zijin Mining Sustainability Report

## 2023

Mining for a better society



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# About the report

The Environmental, Social and Governance Report of Serbia Zijin Mining Co., Ltd. (hereinafter referred to as "Serbia Zijin Mining", "the Company", "SZM", or "we") (hereinafter referred

to as "this report" or "ESG Report") describes the 2023 annual report of Serbia Zijin Mining Co., Ltd. ESG approach and performance.

## Reporting period, frequency and contact point

January 1 to December 31, 2023 (referred to as the "reporting period"). In order to enhance the comparative and forward-looking nature of this report, some contents are properly retrospective to previous years or have forward-looking descriptions. The release cycle of this report is once a year, consistent with the financial year. For more information on the content of this report, please contact: [info@zijinmining.rs](mailto:info@zijinmining.rs)

The entity covered in the ESG report is the same that is covered by the financial information submitted to the Serbian Business Registers Agency.

## Report preparation basis

Global Reporting Initiative (hereinafter referred to as GRI) sustainable development reporting standard 2021

## Data source and description

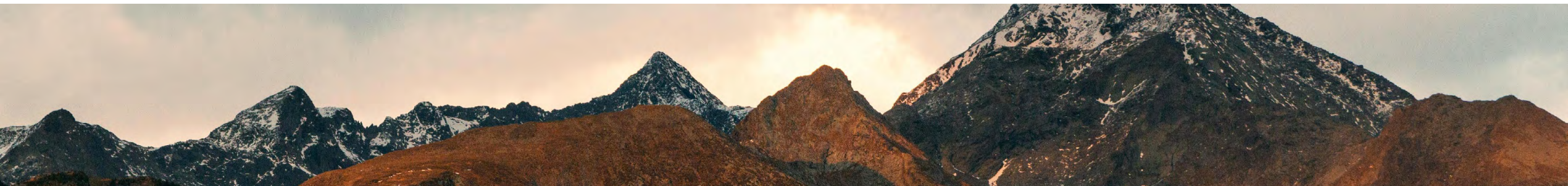
The data in the report comes from Serbia Zijin Mining's original internal ledgers, company documents and audit reports. Currencies in this report are expressed in U.S. dollars unless otherwise noted.

## Report language

This report is submitted to Zijin Mining Group Co. (hereinafter: the Group), Ltd. in Chinese as the basic language.

## External assurance

This report was not externally audited.



# Message from our general manager



## Mr. Chen Yong

General Manager of Serbia Zijin Mining Co., Ltd.  
and leader of the ESG Work Leading Group

In the dawn of a new era characterized by aspirations for high-quality development, mutual prosperity, and a steadfast commitment to a "dual carbon" strategy, the imperative to sculpt an efficient ESG framework stands as a cornerstone for corporations aiming at sustainable and green growth. Within this global narrative, Serbia Zijin Mining, as a pivotal player in the realm of mining resource exploitation, is acutely conscious of its bestowed mission. In a spirited response to the evolving demands of our times, the company aligns seamlessly with the strategic visions of its parent entity, Zijin Group. Adhering with unwavering fidelity to international standards, Serbia Zijin Mining undertakes its corporate social responsibilities with solemn earnestness, weaving the principles of ESG into the very fabric of its operational ethos. This strategic orientation has not only catalyzed breakthroughs in production metrics but has also heralded significant advancements in safety management practices and a marked enhancement in legal and regulatory compliance awareness, thus setting the stage for a leap towards greener, superior-quality development.

In 2023, Serbia Zijin Mining marked a series of significant achievements in ESG practices and the construction of safety management systems. Notably, it became the first enterprise in Serbia to pass and obtain the SA8000 international ethical standard, setting a benchmark in legal compliance and ethical

business conduct. The company has also made considerable strides in license handling, securing multiple advancements on schedule, thereby ensuring the safeguarding of project development and construction. On the front of fulfilling social responsibilities, Serbia Zijin Mining has launched several national and municipal projects, including the "Tap Water Project," sports, and bioscience initiatives, significantly benefiting the surrounding communities. The company has been proactive in conducting "For the People, Benefit the People" projects and organizing various mine open days, inviting media and community residents to visit the mining areas, fostering mutual understanding and trust. In terms of ecological and environmental protection, Serbia Zijin Mining is committed to transforming its mines into models of "forest-like, garden-like, and park-like" environments. It has undertaken extensive soil covering, greening, and afforestation across the entire mining area, providing employees with a first-class mining environment. Additionally, the company is actively advancing the construction of clean energy projects, such as photovoltaic solar power generation. Currently, a 0.99 MW agrivoltaics project and a 9.9 MW ground-mounted photovoltaic project are under construction, highlighting Serbia Zijin Mining's dedication to sustainable and green development.





Adhering to the principle that cleanliness equates to safety and order leads to efficiency, Serbia Zijin Mining has fostered a conducive environment for the implementation of safety protocols by effectively embracing ESG concepts. To bolster safety awareness, solidify a safety foundation, and pivot from a reactive to a proactive safety posture, Serbia Zijin Mining has intensified its oversight of engineering firms and collaborative entities. Safety remains the paramount priority for Serbia Zijin Mining, underpinned by a culture of composure and stability. The company rigorously applies specific safety measures such as the "Frontline Work Method," the "4E Work Method," and the "TAKE 5 Safety Confirmation Five-Step Method," significantly elevating the safety consciousness across the workforce. Simultaneously, Serbia Zijin Mining upholds a "worker-centered development philosophy," starting with protecting the rights and welfare of frontline workers, enhancing their living and dining conditions, and attending to their legitimate concerns. This approach has sparked a surge in employee enthusiasm for their work, encouraging proactive collaboration and participation in safety management. As a result, the accomplishments in safety management within the company have been further solidified.

Amidst the global energy crisis and the overarching challenge of climate change, Serbia Zijin Mining has gained a deeper understanding of the intricate link between corporations, society, and the environment. Moving forward, the company remains steadfast in its commitment to "developing mining

for the benefit of society" and embracing the philosophy of collective construction and sharing. In alignment with the Serbian government's "Green Initiative," Serbia Zijin Mining continues to strive for providing low-carbon mineral resources for the betterment of human life. The company sets its sights on becoming a benchmark in Europe and globally, as well as setting a 'Zijin Standard', aiming to lead European mining companies in low-carbon, green environmental protection, social responsibility, health and safety, and sustainable development. Serbia Zijin Mining aspires to be a paragon of the "Belt and Road" initiative and the amicable cooperation between China and Serbia.

2022 has been a year marked by extraordinary challenges. In Serbia, a year of government elections saw a complex interplay of forces, while globally, the century's pandemic resurged amidst the accelerating shifts of a once-in-a-century transformation. Particularly since the outbreak of the Russia-Ukraine conflict, Europe has been enveloped in a prolonged haze of multiple crises, including energy, economy, and refugees, presenting an international landscape of unprecedented instability, uncertainty, and insecurity. These changes in the world, Europe, and the era pose profound questions and challenges for Chinese mining companies operating in Serbia.

Guided by the spirit of the annual corporate meeting, Serbia Zijin Mining has focused on the group's main themes

of "deepening reform, leaping growth, and sustained development." Following the overall plan for "phased increase in production, achieving ten thousand tons of production, and reaching 15,000 tons of production through technological improvements" and the development of the lower mining zones, Serbia Zijin Mining has been navigating these times with strategic foresight, overall planning, and decisive decision-making. Actively overcoming the challenges posed by changes in both internal and external environments, the company has made orderly progress in production operations, project construction, safety, environmental protection, and ESG efforts. With significant achievements in license and permit handling, Serbia Zijin Mining has realized increases and stabilization in production, as well as synergy between production and sales.

The Čukaru-Peki copper-gold mine stands as a globally influential large-scale copper (gold) mine, bearing the crucial mission of propelling Serbia towards becoming the second largest copper-producing country in Europe. By expanding production scale, improving production processes, and refining management models, we aim to continuously drive the development of both the national and local economies of Serbia, generating substantial tax revenue, providing numerous employment opportunities, and stimulating the growth of surrounding infrastructure, trade, and transportation industries.



Green ecology and shared development constitute our most important development principles, which are in perfect alignment with the Serbian government's consistent advocacy of the "Green Initiative." Over the years, we have been committed to creating a "European Green Benchmark Mine," striving to lead European mining companies in areas such as low-carbon, green environmental protection, social responsibility, health and safety, and sustainable development. This endeavor positions us as a paragon of cooperation under the "Belt and Road" initiative and the friendly collaboration between China and Serbia. This year, we are particularly focusing on environmental protection, mine greening, and community development. By dedicating resources to these areas, we have further enhanced our mine's environmental protection facilities, strengthened the monitoring and control of water, air, noise, and slag, and achieved the "three zeros" standard for mines: zero air pollution, zero industrial wastewater discharge, and zero soil pollution. Starting with the overall plan of "greening first, then beautifying," we have initiated extensive greening efforts in the mining area, advancing the "landscape beautification project," and the first green "garden-style" mine in Serbia is taking shape. We have

intensified efforts in community development, formulating a five-year plan for community development from national, regional, and community revitalization perspectives, actively contributing to community development, and creating a number of influential welfare projects. We have extended and practiced China's experience in poverty alleviation and common prosperity to the "Belt and Road" initiative, facilitating mutually beneficial cooperation between China and Serbia for long-term stability and prosperity.

Under the unified deployment of the group company, as the upper mining zone of the Čukaru-Peki copper-gold mine project increases production, achieves production targets, and undergoes technological upgrades, and with the comprehensive development of the lower mining zone commencing, we will continue to adhere to the purpose of "developing mining for the benefit of society." We are committed to drawing concentric circles of shared development, expanding the cake, and promoting and forming a virtuous cycle of sustainable development for enterprises, employees, and society through continuous "reinvestment of profits."





# 2023 highlights



According to the Ministry of Finance of the Republic of Serbia, Serbia Zijin Mining was the largest Serbian exporter in 2023, with exports totaling over a billion dollars.

According to SEE TOP 100 that ranks the biggest companies in Southeast Europe by total revenue for the fiscal year ended December 31, 2022., published in 2023., Serbia Zijin Mining also stood out as a company that is on the list of 100 best companies in Southeast Europe.



During 2023, we had implemented the SA 8000 social accountability standard and successfully passed Stage 1 of Initial Certification. The entire process of initial certification was successfully completed in January 2024. Serbia Zijin Mining became the first company in Serbia and, at the same time, the first company in the Zijin Group to be SA 8000 certified.



The Chamber of Commerce of Serbia was giving awards for business success, which have been traditionally awarded since 1969, to the most successful companies and leading business leaders in Serbia.

This year, the company Serbia Zijin Mining is among the winners, thanks to the excellent business results achieved this year, including the increase in total revenue and exports, the increase in the number of employees, the introduction of new technologies and innovations, environmental protection, and the consistent application of the concept of socially responsible business, as stated in the explanation of the award.



# About us

Serbia Zijin Mining d.o.o. Bor (formerly Rakita Exploration DOO Bor) operates as part of Zijin Mining Group Co., Ltd. The company Rakita Exploration DOO Bor was founded in March 2007, and its headquarters are located at Suvaja 185A, 19210 Bor. At the end of 2018, the company Zijin Mining Group bought more than 90% of the shares from the company Nevsun, thus officially becoming the majority owner of the Upper Zone of the Čukaru Peki deposit. By purchasing 100% of the shares from Nevsun in January 2019, Zijin Mining Group becomes the owner of Rakita. In July 2020, the company changes its name to Serbia Zijin Mining d.o.o. Bor. Serbia Zijin Mining d.o.o. Bor owns 5 exploration rights in Serbia, including the Čukaru Peki deposit (100% ownership share in the Upper and Lower zones of the deposit) whose exploration rights have been converted into exploitation rights. The remaining 4 are still at the level of investigative rights.

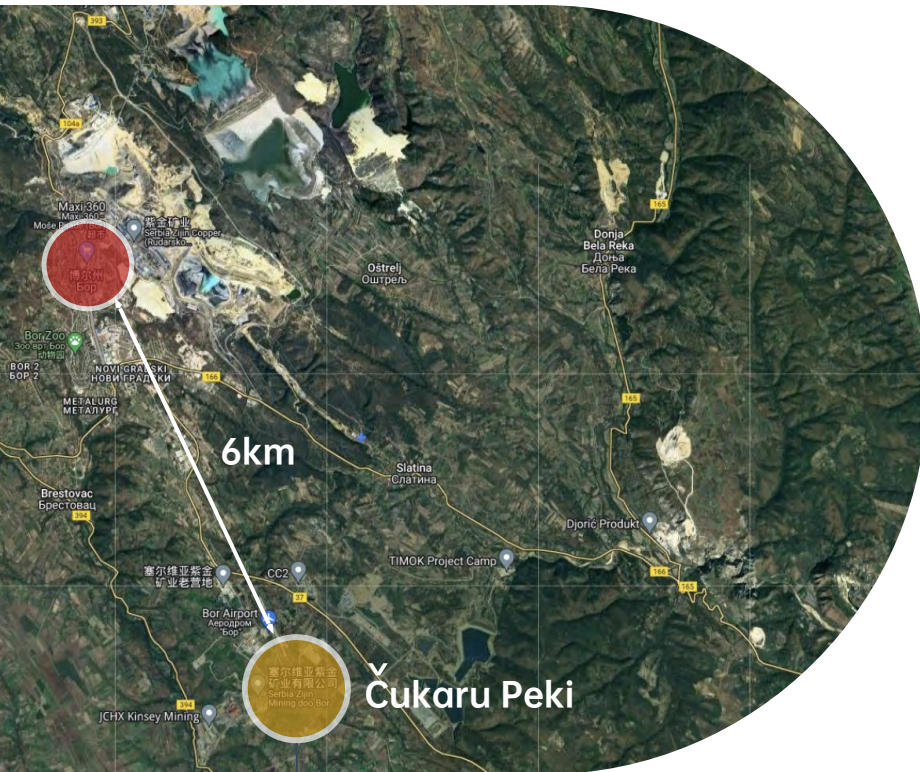
The company started the production process on October 22, 2021.

By applying best practices in mining and the use of modern technologies, the goal of Serbia Zijin Mining is to become a "Green Mine", the leading European mining company in terms of: low carbon emissions, green ecology, social responsibility, health, security and sustainable development.

The company applies the most modern and environmentally friendly business methods and tools, from the very method of exploitation to the stage of afforestation of the mine.







## Our Location

The mine is located in the Timok region of Eastern Serbia, approximately 6 km South of the town of Bor, a regional administrative and mining center, and at driving distance of approximately 245 km Southeast of Belgrade.



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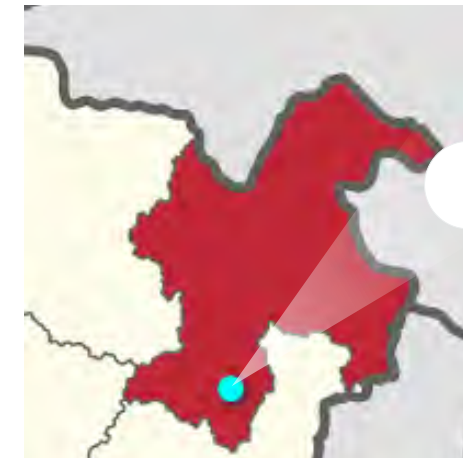
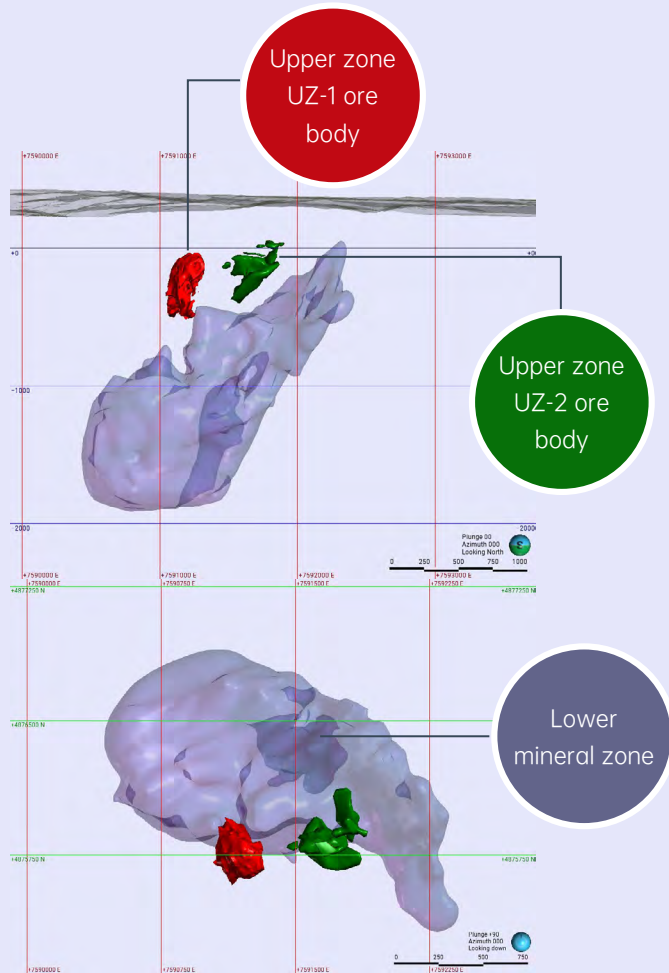


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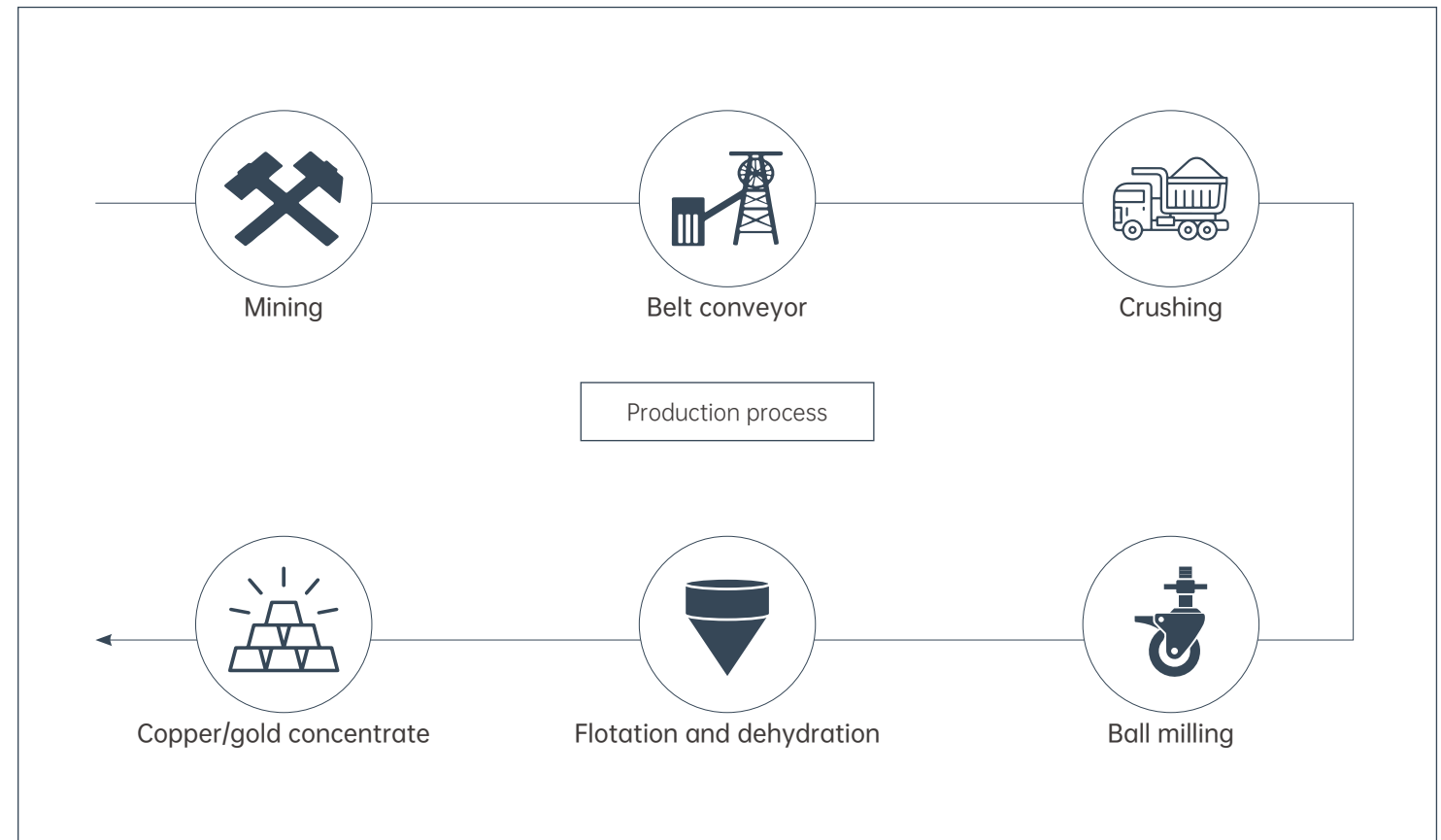
We have rich resources and great potential



## Our activities

Our scope is exploitation of copper ore, with flotation as the final stage of processing. We do not own a copper smelter, nor do we practice or use any related 'dirty' industry technologies or facilities.

Mineral processing consists of simple flotation to produce a high-grade copper concentrate product containing gold credits. The concentrate is marketed to copper smelters around the world. Waste material (tailings) left over after the flotation process is contained in a lined tailings storage facility that also act as a storage reservoir for mineral processing water.







# Our values



## Driving force

### Innovation Philosophy

- Innovation is a company's core competitiveness.
- It is about appropriately applying scientific principles in objective reality.
- The best innovation is the one that suits you the most.
- Innovation is a process of constantly reinventing oneself.

## Sustainability

### Building Global Competitiveness

- Synergy from a system for responsible ESG management.
- Management expertise underpinned by the Five-Pronged Mining Engineering Model.
- Deep Cultural Integration and Effective Team Execution.

## Cohesion

### Company and Employee Code

- Integrity, diligence, collaboration and fraternity

## Organizational strength

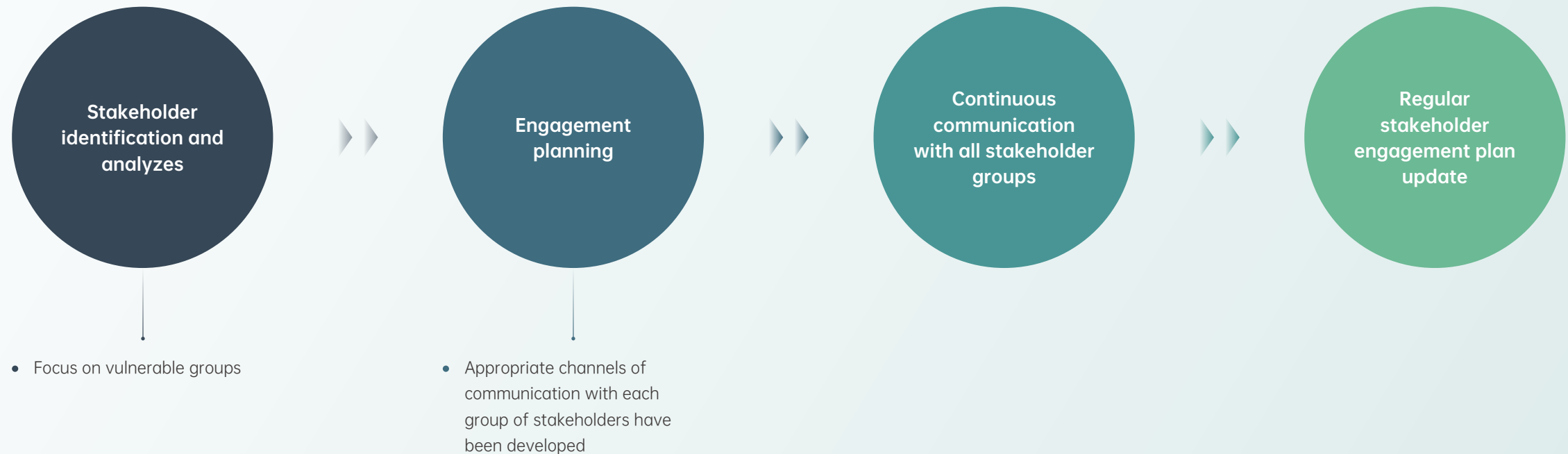
### People Approach

- Putting value creators first

# Stakeholder engagement

The Company Stakeholder Engagement Plan ("SEP") developed during the mine planning phase had been the first phase and the bases for the process of stakeholder identification and engagement planning.

The Stakeholder Engagement Plan (SEP) sets out commitment to effective stakeholder engagement during the lifecycle of mine. We consider stakeholder engagements a broad, inclusive and continuous process between the company and those individuals or groups potentially affected by the Project.







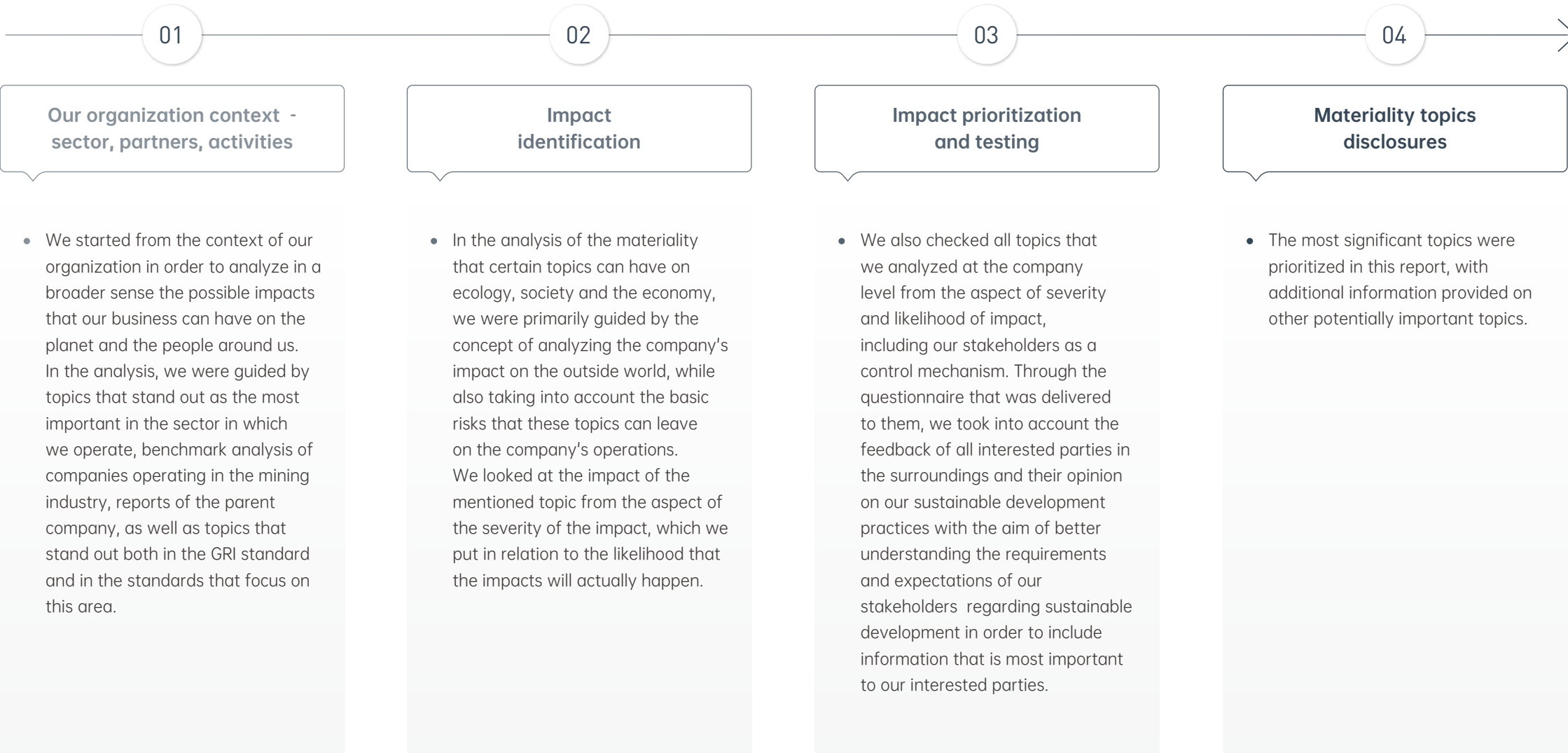
Through the stakeholder analysis process, a list of stakeholders, their areas of interest and communication channels had been defined. We regularly update information about our most imported stakeholders listed in the table below:

Stakeholder	Internal/external	Engagement approach	Expectations/questions/requests/issues
Zijin management	Internal	Successful realization of the project activities	<ul style="list-style-type: none"><li>• Successful dealing with every obstacle in the project realization</li></ul>
Employees	Internal	Satisfying working conditions and salaries	<ul style="list-style-type: none"><li>• Overall progress in the project realization</li><li>• Certain job</li></ul>
Suppliers and contractors	External	Payments for realized work on regular basis.	<ul style="list-style-type: none"><li>• Enough work and continuation of cooperation.</li></ul>
Government of the Republic of Serbia	External	Development of mining and investments in Serbia	<ul style="list-style-type: none"><li>• Respect for the laws of the Republic of Serbia</li><li>• Contribution to the economy</li><li>• Implementation of the highest standards</li></ul>
City of Bor	External	New mine and contribution to the local budget	<ul style="list-style-type: none"><li>• Decreasing the unemployment rate by hiring local workforce</li><li>• Supporting infrastructure projects in local community</li><li>• Open and transparent relationship with the City Administration and related institutions</li><li>• Hiring local companies whenever it is possible</li></ul>
Rural local communities (Brestovac, Slatina, Metovnica)	External	Company's support in development of the village	<ul style="list-style-type: none"><li>• Residents of subject local communities to have the priority when it comes to employment in SZM</li><li>• Respect ecological standards and principles in order to make the lowest impact on the environment</li><li>• Company to provide donations requested by the Councils of LCs (events, football clubs, cultural-artistic societies, etc.)</li></ul>
Landowners influenced by the project	External	Appropriate prices of the land in the acquisition process, as well as damage compensations for which the company is responsible	<ul style="list-style-type: none"><li>• Proper land assessment</li><li>• Company to provide administrative support to landowners</li><li>• When it comes to grievances, quick solving of the reported damages made by the company and appropriate compensation</li></ul>
NGOs	External	Company to respect all the ecological and other related standards	<ul style="list-style-type: none"><li>• Cooperation with the company through the projects which could benefit development of the local community</li></ul>
Vulnerable groups (ex. Vlach national minority)	External	Respecting the rights of Vlach national minority	<ul style="list-style-type: none"><li>• Company to support, within its possibilities, with preserving Vlach identity and culture in these areas</li></ul>
Media	External	Information about work activities directly from the company	<ul style="list-style-type: none"><li>• Company has to be cooperative and responsive in terms of journalists' requests</li></ul>



# Our approach to materiality

In the assessment of material topics, the company is guided by the approach and methodology specified in the GRI 2021 standard. Materiality is assessed through the following steps:





# Our approach to materiality

In this report, we disclosed data on topics that were rated as highly material to medium material.

## List of material topics

High Materiality Topics	Medium/Low Materiality Topics
Occupational health and safety	Waste
Water	Business ethics (Anti-corruption)
Human rights protection	Supply chain management
Local community	Biodiversity
Employment practice	Training and education
Climate change & GHG	Security practice
Tailings	Air emissions
Economic performance	Emergency Management
	Charity Performance
	Customer Quality & Safety
	Intellectual Property Protection & Technology Innovation
	Costumer satisfaction



# We support Sustainability Development Goals

Mining activities have the potential to contribute to sustainable development, but they also pose significant environmental, social, and economic challenges that need to be addressed through responsible mining practices, effective regulation, and multi-stakeholder collaboration. Therefore, mining sector plays an important role in United Nations global effort towards sustainable development. The 2030 Agenda for Sustainable Development and the Sustainable Development Goals (SDGs) represent the world's plan of action for social inclusion, environmental sustainability and economic development and mining industry has to incorporate relevant SDGs into their business and operations in order to contribute to SDGs in proper way.

We are guided by the commitment of the Zijin Group stated in "Outline of Three-Year (2023-2025) Plan and Development Goals for 2030", which defines the construction of the ESG management system as one of company's core elements.

As a part of Zijin family, Serbia Zijin Mining is committed to contribute to the achievement of the goals of sustainable development. Although we understand that all goals are interlinked, according to our materiality assessment and with the assistance of GRI "Linking the SDGs and GRI standards" tool we identified following SDGs that are most material and where we can contribute the most.

## ESG dimension

## SDGs

## Our approach

Our commitment to our PLANET



Our long-term aim is to achieve the "three zero" goal: air zero impact, zero discharge of industrial wastewater and zero soil pollution.

- Achieve carbon neutrality by 2050, with a target of reaching carbon peak by 2029.
- Increase renewable energy use by 2030, by construction of clean energy such as photovoltaic solar power generation.
- By 2030, reduce water consumption intensity by 10% compared to 2021.
- To meet green mine development standards by 2030.
- To develop and implement biodiversity action plan by 2030.
- Maintain 100% restoration rate for restorable land.
- Regular reviews and renewal of the obtained ISO 14001:2018 certification.

Our commitment to our PEOPLE



- Zero Fatality and Zero Occupational Disease.
- To increase local employment rate at above 95% in the following period.
- To maintain local procurement rate at above 70%.
- To maintain employee and contractor safety training rate at 100%.
- To implement and maintain SA8000 social accountability standard.

How we MANAGE our impact



- To continuously improve senior management diversity.
- Creating solid ESG management structure and integrate ESG in organizational structure.
- Constant control of activities related to prevention of non-compliance, misconduct, corruption and fraud.
- Responsible supply chain as strategic priority.



# Our economic performance

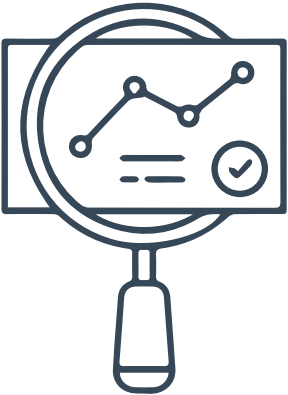
	Unit	2021	2022	2023
Total Revenue	Thousand USD	534,552	1,108,158	1,282,517
Business Revenue	Thousand USD	529,866	1,083,854	1,240,793
Net profit attributable to owners of the parent	Thousand USD	330,582	684,544	770,136
Total assets at the end of the reporting period	Thousand USD	706,295	858,668	1,148,135
Total operating costs	Thousand USD	147,054	316,223	472,938
Employee salaries and benefits	Thousand USD	8,945	19,864	32,006
Total amount of tax cost	Thousand USD	34,169	65,293	69,690
Other operating costs	Thousand USD	103,939	231,066	371,242
Total donations	Thousand USD	1,440	801	2,137
Short-term liabilities	Thousand USD	125,448	127,540	231,999

Note: We are obliged to prepare financial reports according to the corresponding laws of Republic of Serbia. The data in this report correspond to the data that will be published as part of the Regular Annual Financial Report for the period from January 1, 2023. until 31.12.2023. which will be submitted to the Agency for Economic Registers - the Register of Financial Statements.

This report (Non-financial report) will be included in the Annual Business Report for 2023., as legal requirement according to Provisions of the Accounting Act relating to liability of non-financial reporting that rely heavily on the Directive of the European Union on non-financial reporting.

Serbia Zijin Mining pays pension funds to its employees in accordance with the provisions of the Law on Pension and Disability Insurance of the Republic of Serbia, which regulates mandatory pension and disability insurance.

Company did not receive any financial assistance from the government of Republic of Serbia during 2023.





# 01

## Governance

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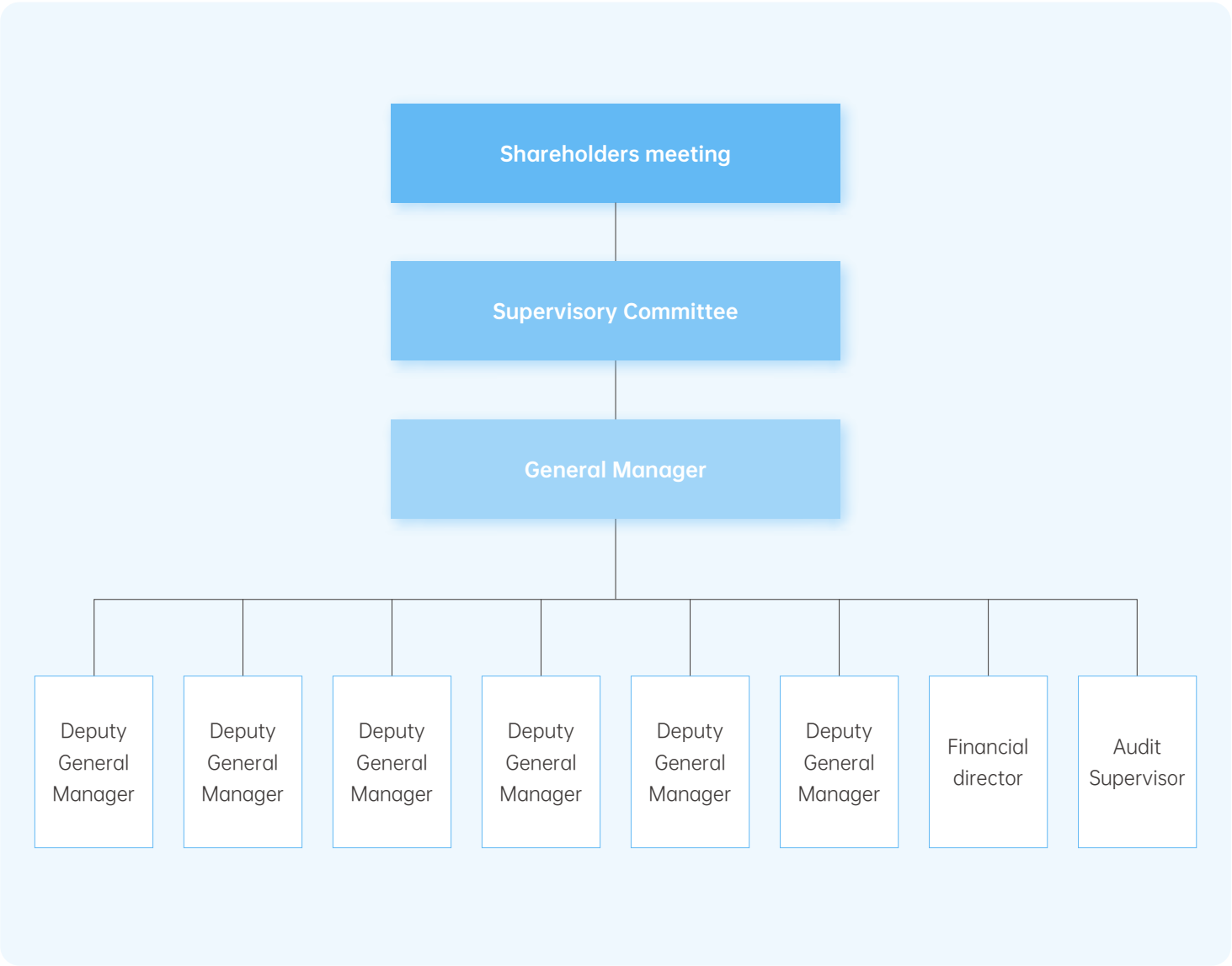
# Governance structure

The general meeting of shareholders is the highest authority at Zijin Mining Group Co., Ltd. The Company follows in strict accordance with the requirements of the "Articles of Association" and the "Procedural Rules for the Company's General Meeting of Shareholders". The members of the Supervisory Committee come from various fields such as mining development, industry research, finance, and sustainable development. The professional structure is reasonable and they have the knowledge, skills and qualities required to perform their duties. As of March 2023, it consists of the following members:

Wang Chun	male	Chinese	chairman
Jian Ximing	male	Chinese	
Qiu Guozhu	male	Chinese	
Shen Shaoyang	male	Canadian	

Members of the Supervisory Committee meet irregularly every year and discuss with the Serbia Zijin Mining General Manager and its management team on major issues related to the Company's decision-making and management.

In the process of daily operation and management, the Company's management team, including the General Manager, is responsible for all kinds of daily operations, decision-making and management of the Company, and assigns management authorization to the members of the management team.





# Diversity of senior mangement team

	2021		2022		2023	
	Quantity	Percentage	Quantity	Percentage	Quantity	Percentage
Ratio of women in the senior management team	0	0%	0	0%	0	0%
Ratio of men in senior management team	10	100%	10	100%	10	100%
Proportion of employees under the age of 30 in the senior management team	0	0%	0	0%	0	0%
Proportion of employees aged 31-40 in the senior management team	3	30%	4	40%	3	30%
Proportion of employees aged 41-50 in the senior management team	4	40%	4	40%	4	40%
Proportion of employees aged 51-60 in the senior management team	3	30%	2	20%	3	30%
Proportion of employees aged 61 and above in the senior management team	0	0%	0	0%	0	0%
Proportion of expatriate in the senior management team	0	0%	0	0%	0	0%
Proportion of Serbian employees in the senior management team	0	0%	0	0%	0	0%
Other categories of employees on the ssenior management team: disabled, ethnic, minority or vulnerable groups	0	0%	0	0%	0	0%
Total number of management team	10	100%	10	100%	10	100%





# ESG structure

In accordance with the requirements of the Group and Highest governance Body Serbia Zijin Mining is focused to built strong ESG infrastructure in order to implement business model that emphasizes social responsibility.

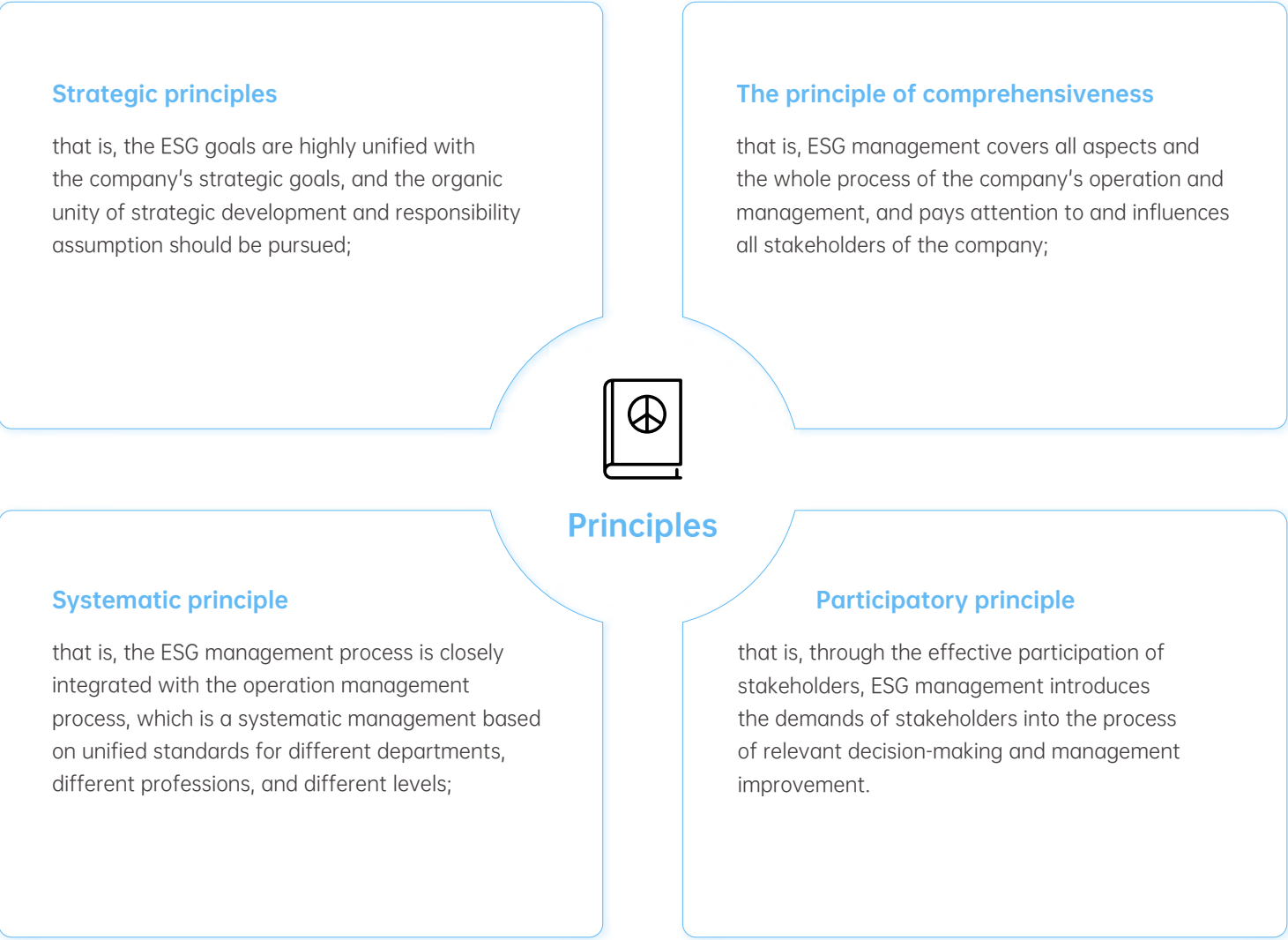
## Our ESG policies

At the end of year2022. we have adopted to important policies that regulates our ESG structure and responsibilities - ESG Work Leading Group Working Rules and ESG Management Rules.

The purpose of ESG Management Rules is to provide guidance and build consensus for all employees and businesses in the company to ensure sustainable development at all levels of the company in accordance with the vision, mission and values of the Group. This system is specially formulated to improve ESG management capabilities and performance and to promote value concept of "corporate citizenship", meet the expectations of stakeholders with high standards, and manage and control risks in the environmental, social and regulatory fields.



Principles we follow while carrying out work related to ESG management:



### Strategic principles

that is, the ESG goals are highly unified with the company's strategic goals, and the organic unity of strategic development and responsibility assumption should be pursued;

### The principle of comprehensiveness

that is, ESG management covers all aspects and the whole process of the company's operation and management, and pays attention to and influences all stakeholders of the company;

## Principles

### Systematic principle

that is, the ESG management process is closely integrated with the operation management process, which is a systematic management based on unified standards for different departments, different professions, and different levels;

### Participatory principle

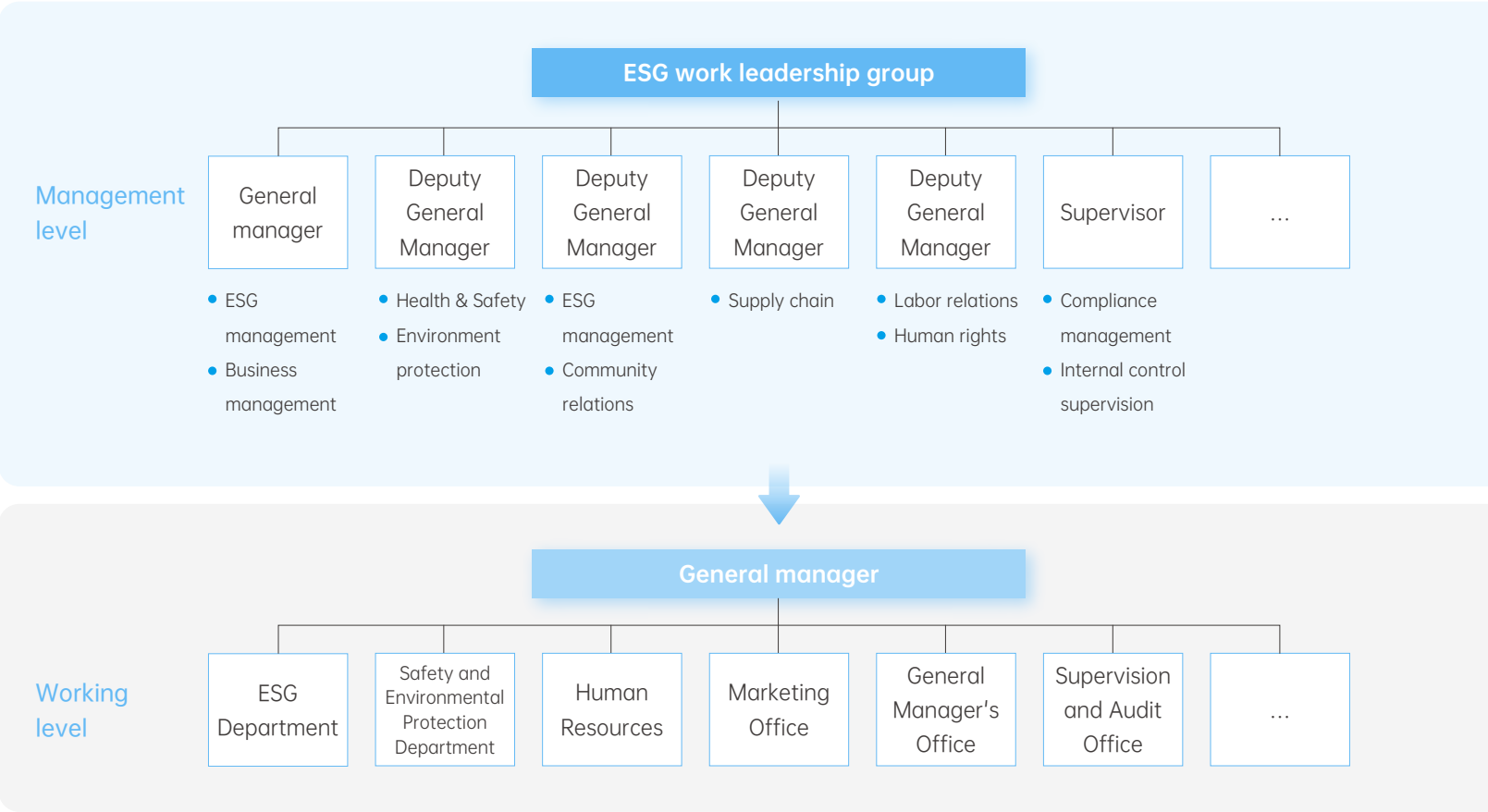
that is, through the effective participation of stakeholders, ESG management introduces the demands of stakeholders into the process of relevant decision-making and management improvement.

The ESG Work Leading Group is a working group composed of the General Manager and the entire management, responsible for the entire company. The General Manager is the team leader, the manager in charge of ESG is deputy team leader, and other members of management are members of the working leading ESG working group. The ESG working group is mainly responsible for the implementation of the ESG decisions of the Group and the Company, as well as for organizing and arranging the relevant sectors for the implementation of ESG-related work. Its main task is to analyze the global economic and industry situation, study the company's development strategy in light of the actual situation of the company, and formulate medium and long-term plans for the company. Provide suggestions and opinions on development strategies, external public policies, sustainable development and environmental, social and governance policies. ESG leading working Group supervises the process of materiality assessment and gives final approval of material topic.

The ESG work leading Group forms and supervises the work of ESG working group that is in charge to collect and provide ESG data and information. ESG working group consists of officers in charge for ESG sector, and delegated representatives of each sector in charge for information connected to their sectorial activities. ESG Sector is sector in charge for managing of ESG working group. ESG sector has following responsibilities:

- (1) To formulate procedures and organize work according to the overall goals and management strategies of the company's ESG management;
- (2) Track external ESG-related regulatory requirements, industry trends, and industry practices, and guide, promote, coordinate, and supervise the ESG management work of relevant departments;

- (3) Coordinating the construction and maintenance of the company's ESG indicator system by various departments;
- (4) Overall planning and coordination of interdepartmental resources to solve cross-departmental collaboration and coordination problems encountered in ESG management-related work;
- (5) Organizing the compilation of the company's annual ESG report, and arranging the review, release and publicity of the report;
- (6) Regularly report the company's ESG management work progress, problems and achievements to the company's ESG work leading group, and put forward reasonable suggestions;
- (7) Coordinating the communication work of ESG stakeholders, organizing and participating in relevant major forums, conferences and other promotional activities in Serbia and abroad.





# Ethics and integrity

Serbia Zijin Mining is committed to conduct its business in fair and honest way, and we believe that business ethics, respect for the law and all rules and norms of business behavior must be respected at every step and with every dollar of profit made.

In order to provide ethics and integrity in each segment of our work we have adopted policies and document to regulate this area. Those documents rely on international business standards that regulate this area such as: UNGC, RGMPs, "United Nations Guiding Principles on Business and Human Rights" and "United Nations Convention against Corruption.

Audit and compliance department is sector in charge to: formulate and improve the company's risk management and internal control, internal supervision, business ethics and integrity management system, and inspect and supervise the implementation of the system. Conduct education and training on ethics and integrity, and supervise and inspect the integrity and self-discipline of all company departments and system implementation.

Serbia Zijin Mining employees, management team and all of our business partners are obliged to respect company's values that refers on business ethics, including advocating freedom Competition and fair competition, anti-corruption, avoiding conflicts of interest, paying taxes according to law, etc.

## Main risks assessed

Through the comprehensive assessment and audit of the company's overall business by the company's internal and external supervisory auditors, the possible related risks are:

- Conflict of interest
- Damage to company interests or personal unjust enrichment caused by third-party fraud
- Unethical and corrupt behavior of company employees
- Compliance risk of not following local laws
- Business relationships with third parties can be a conduit for money laundering



Business ethics trainings performed by the Compliance & Audit Department



## The Code of Conduct on Integrity

provides a coherent picture of Serbia Zijin Mining's integrity policy. It forms the framework for explicitly bringing the main provisions regarding integrity to the attention of employees, thereby contributing to awareness of integrity-related issues and enhancing the Company's reputation.

The Code of Conduct on Integrity defines what is meant by integrity and acting with integrity. It also helps employees to identify risks, and to resist temptations and external pressure. And it helps them to understand what is and is not allowed in frequently occurring situations.

The code of conduct applies to all employees of Serbia Zijin Mining, including senior management, ordinary employees, interns, etc. Every employee is expected to comply with the Code of Conduct on Integrity. External employees are also expected to recognize the provisions of the Code of Conduct and act accordingly. Therefore, the Code of Conduct should be explicitly brought to the attention of external partners, for example in procurement, hiring and tendering procedures.

Main risks connected to integrity of our employees are:

- Improper contact with external partners
  - Accepting gifts/invitations
  - Disclosure of business information
- Assist specific-related persons in gaining benefits
- Improper performance of duties
- Promotion of employee



Code of conduct of integrity also defines procedure how to report irregularities and complaints.

Staff and external partners are expected to take actions by the following means if they suspect that rules and regulations and/or standards in this Code of Conduct on Integrity are violated or to be violated.

### 1 Reporting to managers

The suspected irregularity can be discussed with the immediate superior. If these options are not suitable, a decision may be made to report the irregularity to the department manager, and deputy GM in charge.

### 2 Reporting to the Compliance and Audit Department

If integrity issues cannot be discussed and resolved in direct consultation between the employee and his or her managers, the employee can consult the Compliance and Audit Department.

If external partners discover any suspicious behavior of the employees of Serbia Zijin Mining that may violate this Code of Conduct on Integrity, they are welcomed to report to the Compliance and Audit Department.





All employees are familiar with the Code of Conduct on Integrity and its requirements.

When signing the employment contract, employees are familiarized with the company's integrity policy and sign the Attachment to the Employment Contract - Code of Conduct and Integrity Rules.

Integrity training is provided for all sensitive positions and management positions

## Employment contract

### 3) Code of conduct and rules of integrity

The code of conduct and integrity rules have been drawn up and are applied to all employees of the Serbia Zijin Mining company, including senior management, regular employees, interns and other employed persons. All employees and other persons engaged in work are obliged to familiarize themselves in detail with and comply with the provisions of the Code of Conduct.

Integrity implies honesty and a sense of responsibility in the course of employees' work, as well as respect for human rights and the law. By signing this Agreement and the Annex, the Employee confirms the obligation to familiarize himself with and strictly apply all the provisions of the Code of Conduct and the rules of integrity at the Employer.

### 3) Kodeks ponašanja i pravila integriteta

Kodeks ponašanja i pravila integriteta su sačinjena i primenjuju se za sve zaposlene u kompaniji Serbia Zijin Mining, uključujući viši menadžment, redovne zaposlene, pripravnike i druga radno angažovana lica. Sva zaposlene i druga radno angažovana lica su u obavezi da se detaljno upoznaju i pridržavaju se odredbi Kodeksa ponašanja.

Integritet podrazumeva iskrenost i osećaj odgovornosti u toku rada zaposlenih, kao i poštovanje ljudskih prava i zakona. Potpisivanjem ovog Ugovora i Priloga, Zaposleni potvrđuje obavezu upoznavanja i striktnu primene svih odredbi Kodeksa ponašanja i pravila integriteta kod Poslodavca.





## Implementation Measures on Reporting

Serbia Zijin Mining is committed to conducting business in a compliant, professional and honest manner. The purpose of this approach is to warn potential, suspected or actual misconduct within the Company to prevent the occurrence of misconduct, so as to achieve transparent management of the Company. Protect employees and related parties from retaliation or adverse influence by providing an objective, confidential and independent reporting and investigation mechanism, so that employees and related parties can conduct reporting activities with confidence.

Measures are applicable to any violation of laws, industry standards and company systems related to the Company, as well as actions that harm the interests of the Company, employees, partners and other interested parties, or whistleblowers.

Content of reporting include but not limited to:

- 01 Deliberate violation of company management regulations, such as: undeclared conflict of interest; violation of health, safety, environment, operation management, etc.;
- 02 Major risks and hidden dangers in production and operation, such as: major safety and environmental hazards, policy risks, market risks, etc.;
- 03 Dishonest and unethical conduct, such as: falsification at work, corrupt life style, etc.;
- 04 Violation of human rights, such as: discrimination, abuse, bullying, sexual harassment, invasion of personal privacy, etc.;
- 05 Other acts that violate laws and regulations, such as: corruption, bribery; fraud, theft, embezzlement of company assets; financial misrepresentation; insider trading; unfair competition (infringement, leaking); money laundering, etc.

Also, when addmiting for employment, employees are informed in writing about the prohibition of abuse and sexual harassment at work and the abuse of the right to protection against such behavior.





Whistleblowers have the right to report confidentially and anonymously, but the company encourages reporting under a real name, with the hope that the whistleblower will be able to provide as much detailed information and evidence as possible, and the company will keep it strictly confidential.

In accordance with the Law on the Protection of Whistleblowers ("Official Gazette of the RS", No. 128/2014), the company, together with the employment contract, delivers a engaged Notification to engaged persons on protection of whistle-blowers, rights, obligations and responsibilities of whistle-blowers and the employer related to alerting.

## Methods and Channels of Reporting

Whistleblowers have the right to report confidentially and anonymously, but the Company encourages real-name reporting and hopes that whistleblowers provide as much detailed information and evidence as possible, and the Company keeps this strictly confidential.

Reporting channels:

### 01

The Compliance and Audit Department of Serbia Zijin Mining Doo Bor is the department that directly accepts the reporting cases of the Company. The reporting channels are as follows:

Boxes for anonymous and real-name applications at 6 locations (Administrative Building, Entrance to Decline, MPP Administrative Building, Laboratory, Heavy Machinery Team, Backfilling station);

Email: [compliance@zijinmining.rs](mailto:compliance@zijinmining.rs)

Address: Suvoja 185A, Brestovac, 19210 Bor, Serbia

The Compliance and Audit Department of Serbia Zijin Mining Doo Bor

### 02

If the whistleblower believes that reporting to the Company has not been effectively protected, or if he or she is dissatisfied with the investigation results after reporting to the Company, he or she may report to Zijin Mining Group Co., Ltd. (Supervision and Audit Office). The reporting channels are as follows:

Tel: +86-0597-3833182;

Email: [jcsjs@zjky.cn](mailto:jcsjs@zjky.cn);





## Protections of Whistleblower

The Company keeps the whistleblower and the reported information strictly confidential.

All reports are kept confidential and the following measures are taken:

- a. The acceptance of reports shall be handled by a designated person, and shall be conducted in a designated place or through a designated website or telephone;
- b. The registration and archiving of reporting materials shall be taken charge by special personnel, and encryption shall be applied;
- c. Designate a special person to investigate and hide the personal information of the whistleblower;
- d. Whistleblower's identity will only be disclosed with the whistleblower's consent.

To meet Serbia national laws and relevant regulatory requirements, and on the premise that the whistleblower is aware, the Company can provide information such as the identity of the whistleblower to the national law enforcement agency.

No retaliation

Whistleblowers who are retaliated against should immediately report to the Company's Compliance and Audit Department. The Company will seriously deal with any person who threatens or retaliates. If it constitutes a crime, it will be handed over to the state agency to investigate the legal responsibility of the person who retaliated.

## Rewards for Reporting

If the report is verified to be true and the Company recovers or reduces losses, the whistleblower can be given a one-time reward of 100 to 10,000 euros according to the contribution of the whistleblower. If an anonymous informant has a reward appeal, he or she shall provide information that can prove that the identity of the appealer is consistent with that of the informant. If the whistleblower is an employee of the Company, in addition to the above rewards, he or she will also be given preference in personal performance evaluation, job promotion, and evaluation of the first and the best. If the whistleblower is the Company's partner and its employees, and if the reporting is verified that our personnel have solicited bribes, other partners have bribed our personnel, or have transferred Company benefits to others, in addition to above rewards, priority will be given to cooperation opportunities under the same conditions.







SERBIA ZIJIN MINING DOO BOR, Suvaja 185A, 19210 Bor, Tel: +381 30 215 5005, e-mail: info@rakita.net, www.rakita.net  
Bank Account: 170-30004815000-07 UniCredit Bank, TIN: 105044770, Company ID: 20285494

#### Obaveštenje o Pravilima o integritetu kompanije Serbia Zijin Mining doo Bor

Poštovani saradnici,

Kompaniji Serbia Zijin Mining doo Bor je veoma drago što je uspostavila saradnju sa Vašom cenjenom kompanijom. Sa ciljem prilagođavanja integriteta svih zaposlenih u kompaniji i promovisanja održivog i zdravog razvoja kompanije, kreirana su Pravila o Integritetu za naše zaposlene. U duhu jačanja naših odnosa, kompanija želi da iskoristi ovu priliku da Vas upozna sa nekoliko odredbi ovih pravila:

**1. Zabranjeno je korišćenje autoriteta za ličnu korist i nanošenje štete interesima kompanije.** Detaljnije u nastavku:

- Nije dozvoljeno tražiti ili prihvatiti prikrivene poklone, poklone u novcu, potrošačke kartice i tržišne hartije od vrednosti, akcije, niti bilo koje finansijske i druge poklone od jedinica ili pojedinaca koje imaju stvarne ili potencijalne veze sa vršenjem autoriteta. Ukoliko se ne može odbiti, isti će biti predat Službi za kontrolu usklađenosti i reviziju u roku od tri dana;
- Nije dozvoljeno učestvovanje ili prihvatanje zabavnih ili turističkih, sportskih ili zabavnih aranžmana koji mogu uticati na pravično vršenje autoriteta;
- Nije dozvoljeno pozajmljivanje novca, vozila ili bilo koje druge imovine od upravljačkih

#### Notice on Integrity Practice Regulations of Serbia Zijin Mining Doo Bor

Respected partner,

Serbia Zijin Mining Doo Bor is very pleased to have established the cooperation with your honorable company. In order to regulate the integrity of all employees of the company and promote the company's sustainable and healthy development, the Integrity Practice Regulations have been created for our employees. In the spirit of strengthening our relationship, the company would like to use this opportunity to introduce you with several provisions of these regulations:

**1. It is forbidden to use power for personal gain and damage the interests of the company.** Details as follows:

- It is not allowed to demand or accept in disguise gifts, cash gifts, consumer cards and marketable securities, equity, other financial products and other gifts from units or individuals who have actual or potential associations with the exercise of power. If it cannot be rejected, it shall be submitted to the Compliance and Audit department and registered within three days;
- It is not allowed to participate in or accept entertainment or travel, fitness or entertainment arrangements that may affect the fair exercise of authority;

## Ethics and integrity of our business partners

The Company adopted a series of documents aimed at controlling the ethics and integrity of business partners. The supplier control process starts with the established list of approved suppliers. When introducing new suppliers into the system, they are checked in the manner defined in the document "Questions that need to be paid attention to during the supplier check". Among other things, an on-site check is carried out by visiting the headquarters of the supplier's company. If necessary, a telephone interview is conducted with suppliers, mainly with those to whom a request for quotation was sent, but who did not submit it. Suppliers are periodically sent reminders and materials related to the company's internal procedures regarding anti-corruption, business ethics, integrity, etc. Procurement is carried out through the SRM platform and by sending offers to the Procurement Service by email. Depending on which method is used, the check is performed accordingly.





## How we remediate negative impact on human rights - Grievances

In accordance with the company's Social Policy, of which the Employee Complaints Policy is an integral part, it is based on good faith, which means that both parties will make every effort to resolve the complaint without delay and respecting the views of both parties. Grievance procedures are open and available to all workers.

Serbia Zijin Mining guarantees the workers that they will not be in a disadvantageous position due to filing a complaint.

Everything stated within the company's appeal procedure will be completely confidential, unless the employee's express permission is given to use the said information. Whenever possible, employee grievances will be resolved as quickly as possible and at the lowest possible level within the organization. If the complaint cannot be resolved through informal discussion, it will be referred to formal issue resolution. An oral complaint will be turned into a written one in front of the concerned employee by a person from the human resources department. If the complaint is against an immediate superior, the employee will bring it to the attention of a higher superior. The worker has, at any stage of the appeal procedure, the right to be accompanied by legal counsel, if he deems it necessary. When internal procedures have been exhausted, the employee is entitled to formal legal remedies available by law.

During 2023, we set up complaint and suggestion boxes located in six different locations in the company, in places not covered by the camera, in order to ensure the anonymity of persons who submit a complaint in this way. Boxes are checked on a weekly basis and further processed.

As a part of the process of implementation of SA 8000 social accountability standard, we have formed Social Performance Team (SPT) established to serve as a channel of communication between workers and management. Starting from December 2023, members of the SPT, are available for the workers for anonymous conversation and complaints and suggestions collection, at least one day in each month.

## Key methods of risk control and measures to achieve the commitment

### Responsibility distribution and implementation

As the company's highest governance body, the General meeting of shareholders and the Supervisory committee are responsible for the company's business operations, and hold the company's management and management departments at all levels accountable.

100% of the Company's management team members accept and sign the Company's "Integrity Responsibility Certificate" to ensure that the Company's leadership plays a leading role in integrity and business ethics.

We incorporate relevant commitments and Codes of Conduct into the responsibilities of various departments of the company and various company rules and regulations to ensure that relevant codes of conduct and commitments can be complied with at all levels of the company.

Each responsible department reports to the management leaders in charge of the Company according to the division of labor and authorization of the company's management level, and the management level leaders report to the management team meeting or the Supervision committee to ensure that the commitments can realize the two-way supervision of the upper and lower levels.

Suppliers and contractors who sign cooperation agreements with us include business ethics and integrity clauses in their business contracts, and emphasize and convey them in each business contract negotiation, so that they can clearly understand and ensure their implementation of relevant commitments .





- ▶ We have installed boxes for anonymous and real-name reports on 6 locations in the company, and they are checked on a regular basis and act in accordance with the received reports and complaints;
- ▶ We have conducted record of Specific related persons of all employees in the company in order to prevent conflict of the interests and similar frauds and risks.
- ▶ On December 9th, the International Anti-Corruption Day, we sent notifications and relevant materials to all employees and business partners to remind them to maintain the integrity, anti-corruption and business ethics values, and cooperate with the publicity and implementation of relevant systems, so as to enhance the awareness of all employees on business ethics and integrity construction.
- ▶ We created a short video on the topic: "Maintain integrity and say No to corruption", which won the first prize at the Zijin Group competition and which is shown to all new employees as well as promoted employees during business ethics and integrity training.
- ▶ We organized 58 new recruits and promoted management cadres and Chinese and Serbian employees in sensitive positions to participate in business ethics and integrity training;
- ▶ We have issued "Code of Conduct on Integrity" and "Implementation measures on reporting" and printed 1000 pcs of brochures which are distributed to employees and business associates.

## Outcome evaluation & gaps closing

- In 2023, the Compliance and Audit department formulated an annual internal control inspection plan based on the key points of internal control inspection and implemented it. In 2023, a total of 6 internal control inspections, including system construction, incoming goods inspection and acceptance management, copper concentrate management, mining contract implementation, annual framework contract implementation, and mineral processing plant, were completed. A total of more than 30 rectification suggestions were put forward in terms of management, risk management, etc., and the deficiencies and weaknesses in the company's management were discovered in a timely manner, and the rectification of defects was tracked and supervised, and the company's risk prevention level was improved through defect rectification.
- The Compliance and Audit department strengthened the system inspection and on-site random inspection. Spot checks were conducted on the implementation of public security management measures, on-site construction quality of the lower mine belt, management of the Bor copper concentrate yard, on-site use efficiency of construction machinery, and procurement inquiry process, and six supervisory opinion letters were sent to relevant departments.
- According to the reporting mechanism established, a total of 2 reports were received in 2023. The investigations were completed, and feedback to the reporters. Also gave the suggestions for improvements to specific departments.
- Through telephone calls and other methods, we made contact to partners in key business areas to strengthen communication with cooperative units and build a clean and honest cooperative relationship.



## Our polices and practices

### Our Compliance with laws and regulations

During 2022, Company adopted "Assessment of compliance with legal and other regulatory requirements procedure". The subject of the procedure is the identification and monitoring of legal regulations and other relevant requirements with which Serbia Zijin Mining agreed, as well as harmonization with the same, which relate to business, environmental protection, health and safety at work.

With this procedure, the organization ensures that when determining its goals in the field of business, environmental protection, health and safety at work, the identified valid legal regulations and other normative acts. The procedure promotes understanding and compliance with legal obligations as well as taking appropriate measures in case any non-compliance with legal and other relevant requirements.

The procedure is applied in all organizational parts of Serbia Zijin Mining.



# Risk identification and mitigation

In order to establish a scientific and effective international risk management system, improve risk management and value creation capabilities, and ensure the realization of the company's production and operation goals, in accordance with the requirements and standards of Zijin Group that have released Risk Management Policy and Risk Management Operational Guidelines, we have adopted "Serbia Zijin Mining Co., Ltd. risk management system" document. This system is constructed according to the system of the Group, clearly integrates the company's risk management into the production and operation management system, stipulates the goals, principles and framework of risk management, and clarifies the risk management organizational system, division of responsibilities and management procedures.

Compliance and audit department is responsible for building the company's risk management system and its supervision, while each department is responsible for managing risks related to its scope of work. ESG department is in charge for ESG risks identification and mitigation:

Risk	Risk considerations	Risk impact	Responses and opportunities
Geopolitical risk	Various activities in the form of protests before and after the parliamentary elections in Serbia in 2023; the influence of the attitude of the Republic of Serbia on relations with neighboring countries during the Russian-Ukrainian conflict, internal political stability and the geopolitical game of great powers.	The negative consequences of geopolitical instability may adversely affect production, business and relations with the local community, or it may happen that projects are not completed on time.	<ul style="list-style-type: none"><li>• Analyzes on a monthly basis the latest policies and regulations adopted by the Republic of Serbia.</li><li>• Monthly meetings with key government departments to communicate, discuss and negotiate compliance with policies and regulations in our business segment</li><li>• Monthly analysis of news from the main local media, especially reports related to mining activities or Zijin</li><li>• Engagement of consulting companies in order to check compliance of our activities with regulations</li></ul>
Environmental risk	Water, waste, air	Exceeding the planned deadlines in the implementation of projects due to the impact on the environment	<ul style="list-style-type: none"><li>• The company implements protection measures against leakage of tailings in accordance with the regulations, building necessary pools, dams with embankments, etc., in order to prevent the release of harmful substances into the environment, and exercises for the emergency removal of hazardous waste are also regularly carried out.</li><li>• External disposal firms' qualifications and technical documentation are verified and the overall rate of hazardous waste utilization is improved and the amount of hazardous waste produced is reduced.</li></ul>



risk	risk considerations	risk impact	Responses and opportunities
Market risk	Customers are more inclined to buy environmentally friendly and sustainable products, and changes in consumer habits represent an additional task and pressure	Increasing management costs in the area of sales channels, energy savings, reduction of harmful gas emissions and social responsibility	<ul style="list-style-type: none"><li>• The company develops projects of green photovoltaic energy sources in the area of the mine, in order to save energy, accelerate the neutralization of carbon dioxide and at the same time increase the frequency of "responsible purchases"</li><li>• In the work process, it is necessary to focus on the protection of workers' rights, protection of biodiversity, natural resources and the environment</li></ul>
Climate change risk	Severe risks in the form of heavy rains and landslides that can be encountered during mine exploitation	Severe impact on work operations and possible causes of material and human losses	<ul style="list-style-type: none"><li>• Formulation and monitoring of tailings management plans and increased control both regularly and during the rainy season</li><li>• Formulation of plans for urgent rehabilitation of holes in tailings ponds and response in case of accidents at dams</li></ul>
Human rights risk	The rights and interests of the indigenous population, then discrimination and violation of human rights by contractors, potential violation of the rights of employees.	Ignoring human rights can lead to serious incidents such as employee strikes and local population opposition to production. At the same time, they can affect the difficult sale of mining products.	<ul style="list-style-type: none"><li>• Constantly conduct training on human rights policy for employees and contractors</li><li>• Strictly adhere to the rules when processing complaints and implement corrective measures</li><li>• Strengthen communication with the local community and provide the necessary legal assistance to the local population</li><li>• Constant interaction with employees and stakeholders to create a good corporate environment and improve reputation</li><li>• Introduction of internationally recognized standards in the field of human and labor rights (SA 8000)</li></ul>



02

## Social

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### SERBIA ZIJIN MINING D.O.O

#### BOR

- Mašinski inženjer
- Električar
- Diplomirani pravnik
- Elektroinženjer
- Rukov. građev. mehaniz.
- Rudarski tehničar
- Inženjer rudarstva
- Bravar
- Varioc





# Our people-employment practice

Our business philosophy is based on the principle of social responsibility.

We are the first company in Republic of Serbia that has been successfully qualified as a socially responsible company by the SA8000 standard. The standard is based on the Universal Declaration of Human Rights, the UN Convention on the Rights of the Child, and 11 Conventions of the International Labor Organization.

## Commitments/approach

Serbia Zijin Mining is committed to the balanced development of the Company, its employees, and wider society.

Employees are in focus of our development strategy. We believe that the performance of our Company is highly dependent on the quality of our employees. That is why we put the emphasis on their working conditions and human rights. We perceive all our contractors workers the same way and we insist on their workers and human rights.

Employment practices of Serbia Zijin Mining are in accordance with employment laws and rules of the Republic of Serbia.

The Labor Policy in the Company complies with the Labor Law, and the Labor Rule Book (hereinafter: Rule book), in details regulates the rights, obligations and responsibilities of employees and the Employer in the field of labor and labor relations. Company has various internal policies and procedures used for managing employment practices – internal employment rulebook, work hour policy, recruitment management measures, whistleblower policy, etc.

Our commitment to managing this topic is based not only on compliance with the legal framework of the Republic of Serbia, we also comply with the authoritative intergovernmental instruments: "Universal Declaration of Human Rights" and ILO "Declaration on Basic Principles and Rights at Work" and others international norms of human rights.

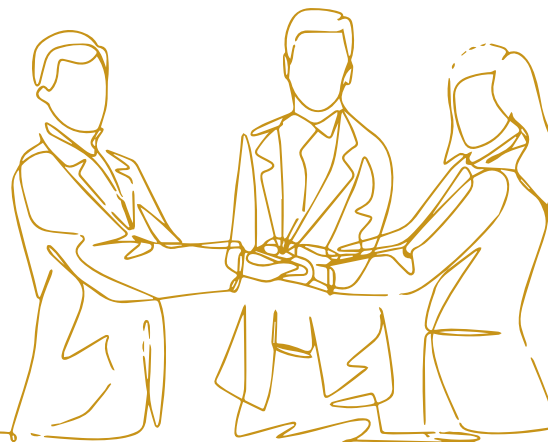
### Social Accountability 8000 International Standard

by Social Accountability International  
June 2014

SA8000®: 2014

Supersedes previous versions: 2001, 2004 and 2008

The official language of this Standard and supporting documents is English. In the case of inconsistency between versions, reference shall default to the English version.





The Human Resources Department is the department in charge of employment practices, training, and development of employees, taking care of the control of all aspects of the protection of human and labor rights.

Given that Serbia Zijin Mining is a developing company, the number of employees in the company increases year by year. The company's policy is to provide employees with wages that are competitive and provide them with more than decent living conditions. The average salary in the Company is above the average salary in the Republic of Serbia. We have adopted a procedure for calculating and monitoring the minimum wage to ensure at all times that even the minimum net salary meets the basic needs of our employees. The minimum wage paid in 2023. in our company is more than 10 % higher than the minimum wage defined in the Republic of Serbia and higher than the level of the consumer basket for the region where Serbia Zijin Mining works in Serbia.

We also ensure that all employees receive the same basic salary for the same job description, and we provide temporary employees with the same basic welfare policies as permanent employees by Serbian law (allocation for pension fund, health insurance, maternity leave, etc.).

To retain permanent employees, we offer them benefits that will make them satisfied members of the Zijin team, such as private health insurance that increases the level of quality of health service for our employees. Also, our company has a special employee-care policy, which is meant to provide additional support to employees in cases of certain significant life events (childbirth, wedding, etc), determining various financial payments to employees in this case.

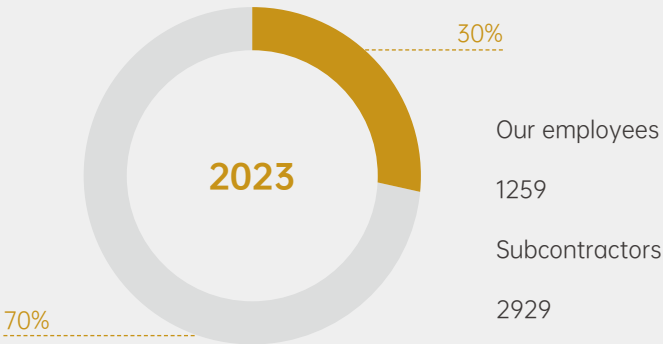
# Employees and workers who are not employees



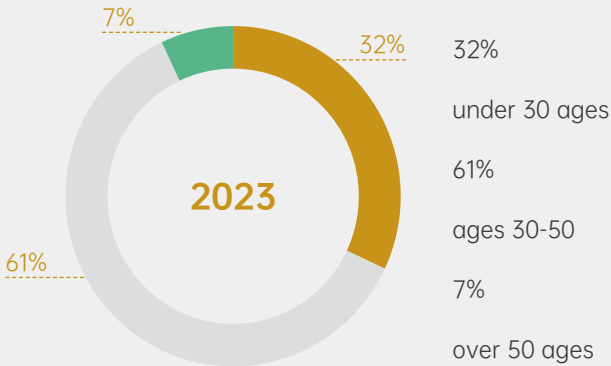
87%

Local employment rate in SZM 87%

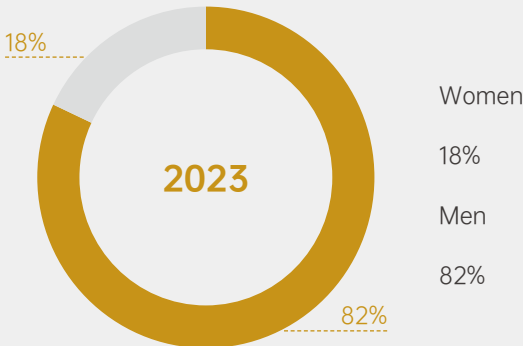
## TOTAL WORKFORCE



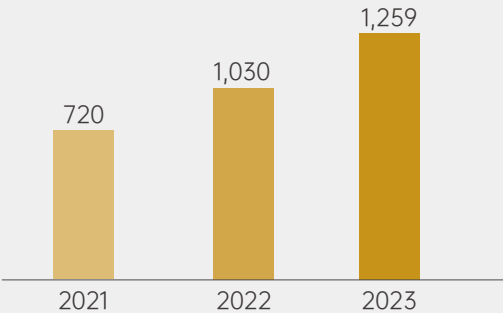
## EMPLOYEE AGES 2023



## EMPLOYEE GENDER



## Growth in the number of employees in the last 3 years



To prevent potential negative impacts, the Company has a policy of regular, periodical review of the main internal employment practices and policies (6-month and annual review of the policies). Also, any changes to existing employment practices, policies, etc., before being submitted to Management approval, are also subjected to legal analysis and review, conducted by inhouse and external legal consultants.

An especially important measure to prevent any potential negative impact is an established mechanism of control/monitoring of employment practices implemented by contractor companies/ third parties.



### We participate in job fairs



Serbia Zijin Mining attaches great importance to the employment of local population. At the same time we are perceived one of the most desirable employers in Bor area. As one of the ways to encourage potential employees and to be presented to as many interested people as possible, the Company regularly participates in numerous local job fairs, providing the opportunity for those interested to directly apply for employment in the company, as well as to receive all the necessary information in a direct conversation with our employees.





## Promotion of career development of young talented employees



With an aim to present Company personnel policy to the wider public, show the opportunities for career development, and invite people to apply for a job in our company, Serbia Zijin Mining presents young talented employees every month. Our young employees speak about the company from their angle.

One of our young employees is a young mining engineer who presented his reasons why they chose to work at Serbia Zijin Mining, as well as their impressions of how the company encourages young people to continuously pursue personal and career progress and development.



MLADEN NIKOLIĆ, MINING ENGINEER



WE ARE ZIJIN'S BEST TEAM, WE FOLLOW THE SAME DREAM!

### Tamara Ivanovic - Mining engineer:

The morning after I graduated from the Technical Faculty in Bor, I received a job offer at Serbia Zijin Mining. I am very satisfied with my job because it is interesting and allows me to gain great experience.

The company's focus is on the employment of a young workforce, which is very important because the world rests on young people.

Although I am a young engineer, I apply the knowledge gained at the university very well in practice, working in the Cukaru Peki mine.

I am very pleased that I got the opportunity to work in this company, primarily because great attention is paid to safety and health at work, as well as environmental protection.





# Our people – human and labor rights

In Serbia Zijin Mining, we have adopted “Social policy” as a commitment to apply the relevant standards and requirements of social responsibility when performing all business activities and in relations with all interested parties. We strive to achieve the highest level of social compliance by:

- We do not engage or support forced labor and/or compulsory labor,
- We do not use child labor,
- We provide a safe and healthy working environment,
- We implement and improve health and safety policies in the organization,
- We respect the rights of employees to establish, join and organize a trade union of their choice and to bargain collectively,
- The wages and benefits we pay meet or exceed the minimum required by national law, and are above the average for the region in which we operate
- We respect working hours and overtime hours established by national laws.

All suppliers that are assessed as critical from the point of view of social responsibility (primarily mining operations, handling of explosives, construction of construction facilities, field testing by drilling) are obliged to establish their own or accept Serbia Zijin Mining's Social policy.

## Our Code of Conduct Article 14. Respect for human rights

We respect the basic human rights of all stakeholders. We firmly oppose any violation of human rights and refuse to cooperate with those who violate human rights.

We prohibit the use of child labor and any form of forced or compulsory labor and respect and protect the fundamental rights of our employees.

We have no tolerance for bullying, intimidation, harassment, etc.

We respect the legal freedom of association and the right to collective bargaining of our employees, provide them with fair compensation, reasonable working hours and safe working conditions, and formulate appropriate policies and control measures to protect the rights and interests of workers.

## Our Code of Conduct Article 15. Labor rights and interests

We make hiring and promotion decisions fairly. We strive to create a healthy work environment and expect all employees to treat each other in a professional, courteous and respectful manner in company business.

We will not discriminate in employment and promotion based on race, religion, age, national origin, sex, marital status, pregnancy, etc., and will not require employees or applicants to undergo discriminatory medical examinations.





## Against forced labor

With the procedure "Against forced labor" adopted in 2023, the company defined its attitude towards forced labor. We have employment contracts with all employees and we are not facing the problem of forced labor. We provide due diligence for our contractors who are at grater risk of a problem with forced labor and work with them on subjects that consider respect for basic human rights.

Measures taken to prevent forced labor in Serbia Zijin Mining includes: education and information of employees and subcontractors, to prevent them from becoming victims of forced or compulsory labor; education and information of suppliers and sub-suppliers, to prevent their involvement in the practice of forced or compulsory labor; undertaking efforts to ensure that laws relevant to the prevention of forced or compulsory labor, including labor law, are implemented and applied to all workers and in all organizational units protection of persons from possible abuses and frauds during the process of hiring and signing contracts; providing due diligence to minimize risk of forced and compulsory labor; addressing the root causes and factors that increase the risks of forced or compulsory labor. Serbia Zijin Mining does not use the principles of consecutive short-term contracts or other procedures to avoid fulfilling obligations to the staff, but everything is done according to valid laws and regulations related to work and social security.

All of our suppliers are obliged to accept ours or adopt their own policy against forced labor.

## Against child labor

Serbia Zijin Mining is strongly against child labor and it's not allowed, both in the Serbia Zijin Mining and subcontracting companies. All our employees are older than 20 years. There is no engagement of children under the age of 18 in practice or other activities. We have adopted a procedure "Remediation of employment of children and employment of young workers". Serbia Zijin Mining adopted various mechanisms of child labor prevention, including, but not limited to: checking whether the business partners are officially registered companies; Child labor policy and prevention and remediation procedures are included in contracts with subcontractors and service providers; The list of subcontractors is updated and maintained to avoid child recruitment; Records of workers hired by service providers, as well as relevant documentation, are kept to have an insight into service providers' employee structure and to avoid child employment; If hiring workers through agencies, communicate only with companies that operate in compliance with all relevant laws. Documents are checked and workers are interviewed at our premises, even when Serbia Zijin Mining hires them through labor recruitment agencies. This applies to every person who works in Serbia Zijin Mining locations.

Although, according to Serbia Zijin Mining's business policy, child labor is NOT ALLOWED, both in the company and at our suppliers, nor has there been a case of child labor in the company's operations so far, we have defined an action plan for remediation in case of identifying child labor in the company.

## Freedom of Association

Freedom of association and collective bargaining is regulated by the "Freedom of Association" procedure adopted during 2023, in which we emphasize that workers have the full right to establish and join union(s) and have an equal right to collective bargaining. The Company ensures that workers' representatives and any personnel engaged in organizing workers are not subjected to discrimination, harassment, intimidation or retaliation for being union members or participating in union activities, and that these representatives have access to membership in the workplace.

Serbia Zijin Mining respects this right and effectively informs staff that they are free to join the organization of their choice and that this will not lead to negative consequences for them or retaliation by the company. Serbia Zijin Mining does not in any way interfere with the establishment, functioning or management of such labor activities.

This procedure is fully based on the legal requirements of the Labor Law and related articles from the point of view of trade union organization, collective agreement, and free association. In October 2023, the first trade union within the company was registered. The process of fully establishing the union is still ongoing.

As an integral part of the SA8000 implementation process whose focus is the establishment of quality channels of communication between workers and management during In August 2023, the company initiated the establishment of a Social Performance Team, which consists of an equal number of representatives of employees and the Management. Freely chosen by the employees, their representatives can facilitate communication with management representatives and top management on various issues related to employment related rights.

# Our people – diversity, equal opportunity and non-discrimination

Equal opportunities policy (no discrimination policy) is integral part of Serbia Zijin Mining Social Responsibility Policy. In accordance with this Policy, the Company guarantees equal employment opportunities and equal pay for equal work regardless of gender, ethnic origin, race, or religious belief of the employee.

The Company has also adopted all law-defined nondiscrimination rules within internal documents (Policies, rulebooks, employment agreements, etc.).

The Rulebook of Business Conduct of Employees established the principles of business conduct which are obligatory for the employees and which states that any political activities, racism or any kind of insults or discrimination based on the gender, nationality, skin color, social background, birthplace, marital status, sexual orientation, disability, or other personal traits are strongly prohibited. It promotes a sound and balanced working environment, through the values of integrity, respect, cooperation, commitment, and equal opportunities, where principles of non-discrimination, honesty, mutual support and compliance with applicable laws and regulations are firmly embedded in the culture of the organization.



At Serbia Zijin Mining, we are morally and legally committed to maintain a work culture in our organization free of religious, regional, sexual, and racial harassment or bullying.

Employees will notify management of all such activities for appropriate action.

Employees can without hesitation and fear that a procedure

will be initiated against them directly (proposals, appeals, etc.) through written proposals (suggestion box), and the procedure will be initiated as soon as possible.

During 2023, not a single case of discrimination was registered in the company, which is in line with our goal - Zero cases of grievances related to non-discrimination.



Though the mining industry has traditionally had a predominantly male workforce, women currently represent **18%** of our entire workforce (average in mining is between 5-15%).

As of the end of 2023, the average net salary of a male employee in Serbia Zijin Mining was **144.983,46** RSD (around 1.380 USD), while the average salary of a female employee was **122.946,39** RSD. (around 1.170 USD)

**32%** of the total workforce is under the age of **30**.

We track the age structure of our employees and we put effort into further developing, maintaining and transferring knowledge from senior to more junior employees.

### Support for young workers



In order to implement the Zijin Mining Group's policy of training young talents, supporting young colleagues and continuously promoting the integration of Serbian and Chinese employees, Serbia Zijin Mining organized a conference called "The best time in life moments - The best time for life values" where young colleagues had the opportunity to present their observations and suggestions. After the meeting, sports games were organized in the company's sports hall, which awakened the team spirit and strengthened the atmosphere of Serbian-Chinese friendship in the company Serbia Zijin Mining.



### Autumn sports games and Serbia Zijin Mining's sports week



To enrich the free time of Chinese and Serbian employees, encourage internal and external communication, build team and sports spirit, and strengthen the sense of collective consciousness, the company Serbia Zijin Mining organizes Autumn sports games and Sports Week. Sports games include sports and recreational games that bring together employees of Serbia Zijin Mining and subcontractors in the company's sports hall, in front of the administration building, and on the company's new football field. In addition to badminton and tug-of-war, during the sports week, employees can show their skills in skipping rope and other interesting games. A basketball tournament had been also organized between the teams of Serbia Zijin Mining and subcontractor companies.



### The Mid-Autumn Festival



The Mid-Autumn Festival was celebrated at the Serbia Zijin Mining, and the festive atmosphere was further enhanced by the spirit of Serbian-Chinese friendship. This is one of the most important holidays in China, which is celebrated in the circle of family and closest friends, and in the company Serbia Zijin Mining, the festive spirit was revived by Serbian and Chinese colleagues, who tried their hand at making mooncakes, but also at traditional riddles, as well as fun sports games, in which they had the opportunity to win symbolic prizes, but first of all to have great fun and enjoy the festive spirit.







# Education and training

We are aware that education and training are crucial components for building a skilled, motivated, and adaptable workforce, ultimately driving the success and sustainability of a company in a dynamic and competitive business

environment. In Serbia Zijin Mining we know that investment in education and training of employees is investment in growth, competitiveness, and overall success of a company.

Serbia Zijin Mining adopted "Training management measures" - document formulated and adopted in December 2022. with the aim of implementing the institutionalization and standardization of employee training in the company: to ensure the appropriate effect of training, to encourage employees to learn and improve, to transfer techniques and work experience, to improve the level of knowledge and skills required by their jobs, as well as to determine the organization of learning process.

HR department is responsibly department to manage and embed our commitments toward supportive educational system of our employees and its responsible for:

- (a) Researching training needs at the company level, formulating the company's annual training plan, implementing training projects and evaluating their effects.
- (b) Organizing general and special trainings at the company level, such as scholarship training, management training and language classes.
- (c) Assisting other services in conducting various professional trainings.
- (d) Obtaining and maintaining external training resources, reviewing external training needs and negotiating external training contracts, etc.
- (e) Establishing a team of internal trainers and a database of training resources.

The Occupational Safety and Health department is responsible for organizing training for special certificates, i.e. certificates for safe work, as well as for organizing and conducting training

related to occupational safety and health and environmental protection.

## Employee performance monitoring and career development

All employees are included in this process.

We think that regular performance and career development reviews provide opportunities for employees and managers to collaborate on setting goals, assessing progress, and planning for future growth and success within the organization. Effective implementation of these processes contributes to employee engagement, retention, and organizational performance. Serbia Zijin Mining is performing regular performers review according to the "Employee Performance Bonus Payment Regulations" document that describes model of monthly performance reviews of all employees.



Overview of the trainings realized during 2023

The total number of employees	1259	2023 Total number of trainees per year	916	
Total training hours per year	24550 h			
2023 Annual unit training details		number of people	duration	% of trainees (Number of trainees/ total number of units)
by gender	male	751	20622 h	84%
	female	165	3928 h	16%
by level	Entry-level employees	810	25620 h	88%
	Mid-level employees	92	710 h	10%
	Upper-level employees	14	394 h	2%
by form	internal training	65 trainings		
	external training	26 trainings		
	Other (please specify)	/		

Mentorship Program - "Be a part of our team!"

Starting from 2022, the company has its own mentorship program. The Recruitment Campus Program consists of the campus recruitment activity, which is focused on hiring people who have just graduated from the University or are at the end of their studies, and of the program for hiring just graduated high-school students. During 2023, program had been presented to final year students of the Faculty of Mining and Geology in Belgrade, Faculty of occupational safety in Niš, Faculty of Engineering Sciences in Kragujevac and Faculty of Technology in Leskovac, and as a result over 20 people have been hired through this program .







# Occupational Health and Safety

## Policy and Vision

HSE general policy	<ul style="list-style-type: none"><li>• life first, environmental protection priority</li></ul>
Safety policy	<ul style="list-style-type: none"><li>• attach great importance to the safety of employees</li></ul>
Health policy	<ul style="list-style-type: none"><li>• attach great importance to the life and health of employees</li></ul>
Environmental protection policy	<ul style="list-style-type: none"><li>• attach great importance to the environment and community protection of the project location</li></ul>
HSE Vision	<ul style="list-style-type: none"><li>• To create a culture of genuine love for each other, our environment and our community, and zero tolerance for unsafe situations and behaviors. Go beyond simply following the rules and always lead by example and promote safe behavior. Finding innovative ways to make operations safer, with a relentless focus on environmental protection, creating opportunities and better lives for communities.</li></ul>
ICARE brand	<ul style="list-style-type: none"><li>• Everyone commits to COMMITTED, everyone assumes responsibility ACCOUNTABLE, everyone has an obligation to RESPONSIBLE, everyone to exercise their rights EMPOWERED</li></ul>

In 2023, the employees of the company Serbia Zijin Mining doo put "a return to common sense, raising awareness with a focus on practicing "frontline work methods" and implementing the idea of "safety first" in every work task as the main motive of work practice.

## Relevant legal framework

The Company takes measures of protection, based on the Law on Occupational Safety and Health ("Official Gazette of RS", No. 35/2023) which regulates safety at work, protection from fire and environmental protection. Our work also relies on the following documents: Rulebook on preventive measures for safe and healthy work at the workplace ("Official Gazette of RS" no. 21/2009 and 1/2019) Rulebook on the method of providing first aid, the type of means and equipment that must be provided at the workplace, the method and deadlines for training employees to provide first aid, ("Official Gazette of RS", No. 109/2016), Law on Health Care ("Official Gazette of RS", No. 25/2019), Rulebook on mandatory health examinations of certain categories of employees in facilities under sanitary supervision, mandatory and recommended health examinations to which certain categories of the population are subject, ("Official Gazette of RS", No. 3/2017).

To continuously improve the safety of employees, eliminate the causes of accidents at work and create the most favorable working conditions as well as to protect environment Serbia Zijin Mining is applying requirements of ISO 45001:2018 system, as well as requirements of SA 8000 social accountability standard.

# Occupational health and safety management structure and staffing

Both the company and its affiliated contractors have established occupational health and safety management structure and are equipped with full-time management personnel. The company has set up an occupational health and safety department. The engineering department, geological department, marketing department, general manager's office and other departments have hired full-time and part-time safety management personnel in their departments.



We have adopted ISO 45001:2018 in August 2022. and passed the first yearly audit in August 2023.

By adopting ISO 45001 Company had set in place a set of H&S procedures and plans.

We put a lot of effort into complying our work during 2023 with requirements of SA 8000:2014 social accountability standard.

Health and Safety procedure from the point of view of SA 8000 was adopted in October 2023.



Certification Audit Plan Serbia Zijin Mining d.o.o. Bor						
Lead Auditor: Dušan Antonović (DAS)			Audit Type: 1 <sup>st</sup> Surveillance Audit Audit Start date: 30.08.2023. Audit Finish date: 31.08.2023. Audit to be conducted against the following standard(s) 1. ISO 9001:2015 2. ISO 14001:2015 3. ISO 45001:2018			
Team Member(s): Miroslav Gajić (MGS) Vladimir Simić (VSS)						
Date	Time	Activity	Process	Auditor (Initials)		
FIRST AUDIT DAY / PRVI DAN AUDITA						
30.08.2023.	09:00	Opening meeting Uvodni sastanak		DAS	MGS	VSS
	09:30	Interview and tour	Management Rukovodstvo proizvodnja	DAS	MGS	VSS
	09:30	Interview and tour	Management BZNR i ZOP	MGS	VSS	
	09:30	Interview and tour	HR management Ljudski resursi	MGS	VSS	
	11:30	Interview and tour	Development and construction Razvoj, građevinski sektor	MGS	VSS	
	11:30	Interview and tour	Management Environmental protection	DAS	MGS	VSS
	13:00	Interview and tour	Management IMS	DAS	MGS	VSS
	13:00	Interview and tour	Management Marketing	MGS	VSS	
	13:00	Interview and tour	Management Prodaja i nabavka	MGS	VSS	
	14:00	Pause Pauza		DAS	MGS	VSS
	14:30	Auditors meeting Sastanak auditora		DAS	MGS	VSS
	15:30	Results of the first audit day Rezultati prvog dana audita		DAS	MGS	VSS
	16:30	End of the first audit day Kraj prvog dana audita		DAS	MGS	VSS



## Occupational health and safety management system construction

Serbia Zijin Mining ensures a safe and healthy environment at the workplace and takes effective measures to prevent potential accidents and any injuries and impairment of workers' health arising from, related to or occurring during work by minimizing the causes of hazards inherent in the work environment. The company assesses all risks to young people and pregnant women arising from their work activities and ensures that all reasonable steps are taken to eliminate or reduce risks to their health and safety. Special training is conducted and permits are issued for jobs that involve welding, cutting, soldering or similar operations that cause flames or sparks.

Serbia Zijin Mining provides for the use of all employees access to clean toilets, access to potable water and, where applicable, food storage areas. Company provides appropriate personal protective equipment such as earplugs, masks, safety shoes, etc. at its own expense. All personnel are required to follow the regulations of the Act on risk assessment where those risks are defined through the requirements of ISO 45001. First aid boxes are provided in appropriate places, and in the event of an injury at work, a person who has been trained provides the worker with first medical aid.



### Health and Safety Committee (HSC).

As required by the SA 8000 standards Serbia Zijin Mining has formed Health and Safety Committee (HSC). HSC is composed of 12 members, 6 members delegated by the company and 6 members elected by workers. Workers' representatives in the Committee are elected based on Rules on elections of members of the social responsibility team (Social performance team - SPT) and the Health and Safety Committee (HSC) in Serbia Zijin Mining through a free, secret ballot election system and they represent workers from all departments. The role of the Health and Safety Committee is to conduct formal, periodic occupational health and safety risk assessments to identify and address current and potential occupational health and safety hazards. Records of these assessments and corrective and preventive measures taken are kept by the Management Representative for Occupational Health and Safety. HSC is tasked with continuously improving health and safety in the workplace. The Committee keeps a written record of all accidents that occur in the workplace, in residential buildings, and on company-controlled property. All accidents are investigated and a detailed analysis is made on the reason for the accident and how to prevent it in the future.

All our suppliers of products and services, especially contractors who perform their activities at Serbia Zijin Mining sites, are required to form a Health and Safety Committee Team and/or designate a Health and Safety Management Representative at work.



## Hazard identification, risk assessment, and incident investigation

The company applies "Hazard identification, risk assessment and risk management procedure". Subjects of this procedure are: Hazard identification, risk assessment and management; Performance indicators in the process of hazard identification, risk assessment and risk management; Measures related to risks and opportunities in the process and Keeping records in the field of Health and Safety.

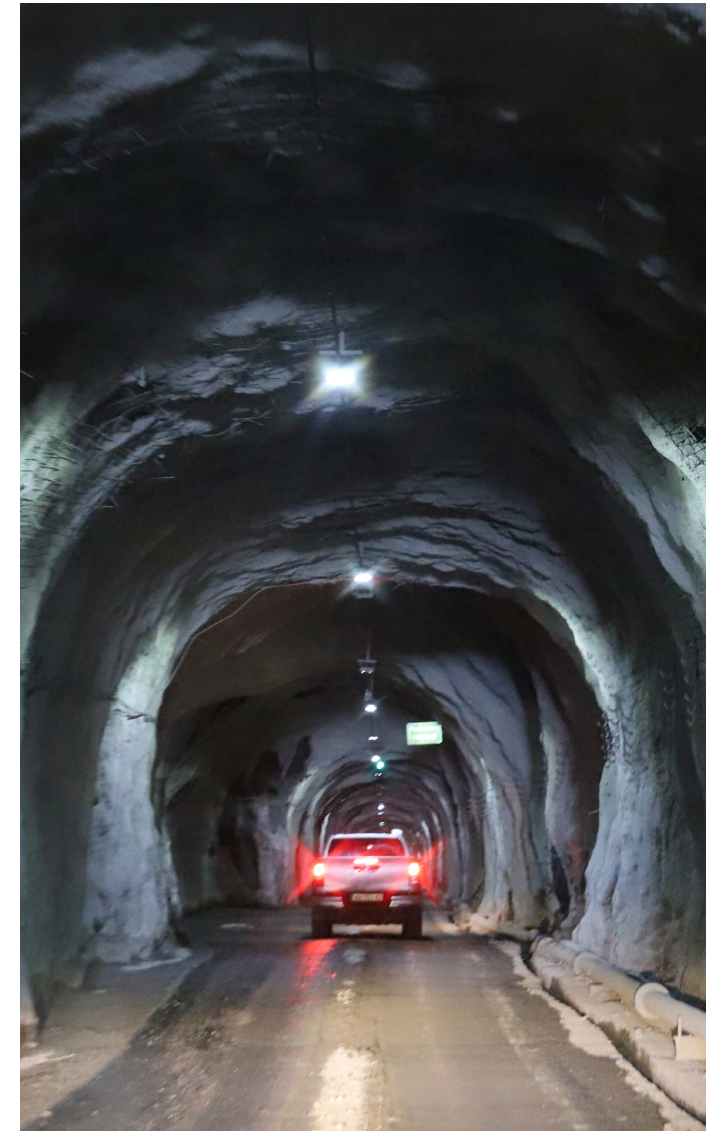
Identification of hazards and harms at the workplace and work environment in company is performed on the basis of recording the workplace and measuring the conditions at the workplace and in the work environment in accordance with the Methodology for risk assessment at the workplace and in the work environment with KINNEY METHOD (integral part of the Risk Assessment Act). The risk assessment includes current and potential health and safety hazards including ergonomic risks and geographic risks and threats such as weather events (floods, landslides, strong winds, extreme temperatures, etc.), seismic activity, etc.

When identifying hazards the following is taken into account: routine and non-routine activities; activities of all staff who have access to the workplace (including contractors and visitors); human factor (behavior, abilities and other factors); workplace equipment, regardless of whether it belongs to another organization); identified dangers and harms that originate outside the workplace, and which may adversely affect the safety and health of persons under the control of company in the workplace; hazards and harms caused in the vicinity of the workplace, due to work activities that are under the control of the company; changes or proposed changes

within the company, its activities or materials; changes to EMS and OH&S management systems, including temporary changes, and their impact on activities, processes, products and services; requirements of regulations and laws related to the observed activities, processes, products, and services; obligations related to risk assessment and application of necessary management; data on previous incidents, accidents and emergencies related to activities, processes, products services and workplace.

Risk identification and risk assessment is done periodically, and internal checks from the point of view of health and safety at work are carried out at least once every 6 months. Also, all necessary corrective and preventive measures are taken and records are kept about them.

Occupational health and safety management system has completed the compilation of safety risk assessment reports covering all 427 positions, and carried out management work such as safety education and training, hidden danger investigation and treatment, and occupational hazard factor monitoring on a regular basis.







## Identification of risks and measures to reduce or eliminate risks:

TYPES OF HAZARDS	SECURITY MEASURES APPLIED	MEASURES TO REDUCE OR ELIMINATE RISKS
01 - insufficient safety due to rotating or moving parts	• instructions for safe work	• a mandatory visual inspection of the tool before starting work
	• expert report on the correctness of the work equipment	
	• training for safe work	
02 - free movement of parts or materials that can cause injury to the employee	• prescribed procedures	• marking dangerous places with warning signs
	• mandatory wearing of a protective helmet	• protection of the walls and sides of the excavation with a protective net
	• training for safe crane operation	• control of the use of a protective helmet
03 - internal transport and movement of work machines or vehicles as well as movement of work equipment	• visibly marked speed limit of vehicle movement	• regular inspection and elimination of vehicle defects
	• marked vehicle movement routes within the company	• organization of transport and movement of people
	• prescribed procedures	
04 - use of dangerous means of work, which can produce explosions or fire	• fire extinguishers were serviced on time	• carry out training of employees and those responsible for the evacuation plan
	• training in the field of ZOP	• proceeding in accordance with the prescribed technical instructions
	• fire protection rules	• compliance with the Law and regulations at work
05 - impossibility or limitation of timely removal from the workplace, exposure to closure, mechanical impact, collision, etc.	• prescribed procedures	• constant control of the behavior of the rock mass and underground rooms
	• timely response to unexpected behavior and an established alarm system	
06 - other factors that may appear as mechanical sources of danger	• regular control of channels for draining water from the pit to see if they are clogged	
		• maintenance of mine drainage system

TYPES OF HAZARDS	SECURITY MEASURES APPLIED	MEASURES TO REDUCE OR ELIMINATE RISKS
07 - dangerous surfaces (floors and all types of treads, surfaces with which the employee comes into contact, which have sharp edges - edges, spikes, rough surfaces, protruding parts, etc.)	• replacement of parts is only done while the machine is switched off	• regular checking of the drainage system of the mine
	• instructions for safe operation and maintenance of machines	• determination of evacuation in case of danger of water in the excavation
	• training for safe work	
	• inspection of the equipment by an authorized professional institution	
09 - work in a confined, limited or dangerous space (between two or more fixed parts, between moving parts or vehicles, work in a closed space that is insufficiently lit or ventilated, etc.)	• training for safe work	
	• prescribed procedures	
	• instructions for safe work	
10 - the possibility of slipping or tripping (wet or slippery surfaces)	• cleaning of floor surfaces using a wet process is performed after the end of work and the departure of employees from the business premises	• in the case of wet floors, place a warning sign
	• cleaning of pedestrian paths • crossings (roads) around the factory	
15 - danger from direct contact with live installations and equipment	• properly and correctly performed protection against contact voltage on electrical installations	• perform a daily visual inspection for mechanical damage (cables, sockets, switches)
	• preventive inspections of electrical installation and electrical installation accessories by maintenance employees	
16 – danger of indirect contact	• control and periodic inspections of electrical • equipment by authorized professional institutions	



## Incident investigation

"Investigation of incidents" is a procedure that regulates the following activities/processes:

- Incident reporting
- Determination of basic OH&S deficiencies and other factors that have led or may lead to incident;
- Identifying the need for corrective measures and opportunities for preventive measures;
- Identifying opportunities for continuous improvement;
- Communication of research results,
- Archiving incident reports,
- Performance indicators in the incident investigation process,
- Measures related to risks and opportunities in the incident investigation process i
- Improving the quality of services, environment, safety and health at work in Serbia Zijin Mining.

## Occupational health and safety management system construction – Our business partners

The company has formulated the "Contractor Safety Management System", which incorporates the safety management of contractors into the safety management system of the Serbia Zijin Mining, "the same system, the same standard, the same requirements, and the same management", and incorporates the safety production work of outsourcing units into safety production Performance appraisal system; strictly control the contractor's unit qualification, safety production performance, team quality, construction supervision and on-site management.

All business partners of Serbia Zijin Mining have to sign HSE Protocol - Provisions on safety and health at work, environmental protection and fire protection. It defines business policy of the Company is to ensure the safety and health of people, the safety of property, as well as to protect the environment at all times during all business operations. All Serbia Zijin Mining Contractors must agree to act in accordance with the Company's business policy.

The company introduced the procedure of the 5-step risk assessment method before starting work and implementing it within the company and with subcontractors.

The company has a rulebook for visitors, contractors and third parties, which prescribes the way of managing the hired parties involved in the project.

The company applies the "Management of contractors" procedure to define management and control of contractors or service providers. The requirements of this Procedure apply to all operational activities of contractors or service providers except for administrative services (translation, consulting, etc.).

SERBIA ZIJIN MINING BOR, Suvaja 185A, 19210 Bor, Serbia	Document HSE Protokol – Odnos o bezbednosti i zdravlju na radu, zaštiti životne sredine i zaštiti od požara HSE Protocol – Provisions on safety and health at work, environmental protection and fire protection	Datum: 07.07.2022
Ovaj Protokol-Odnos o bezbednosti i zdravlju na radu, zaštiti životne sredine i zaštiti od požara (u daljem tekstu: HSE Protokol) je sastavni deo Ugovora iz datuma 2022. god. (u daljem tekstu: Ugovor). SERBIA ZIJIN MINING DOO BOR, sa sedištem u Boru ul. Suvaja 185A, matični broj PIB _____, u daljem tekstu: Kompanija, koju zastupa _____ sa sedištem u _____ matični broj PIB _____, u daljem tekstu: Izvođač, koji zastupa _____, Kompanija i Izvođač su takođe moguće povezati kao "Ugovorne strane" i zajednički su odgovorni za sprovođenje ovog Ugovora. Kompanija se obavezuje da će poštovati politiku Kompanije da priključuje svoje poslovanje operacijama u svakom trenutku, osiguravajući bezbednost i zdravlje ljudi, sigurnost imovine, kao i da zaštiti životnu sredinu. Kompanija ne pravi kompromise u vezi sa _____		
The HSE Protocol-Provisions on Safety and Health at Work, Environmental Protection and Fire Protection (hereinafter: HSE Protocol) is an integral part of the Agreement no. _____ dated _____ 2022. (hereinafter: the Agreement). SERBIA ZIJIN MINING doo, based in Bor, ul. Suvaja 185A, ID number: _____ PIB _____, hereinafter: the Company, represented by _____ and _____, based in _____, hereinafter: the Contractor, represented by _____, the Contractor and the Company may also be designated individually as a "Contracting Party" and collectively as a "Contracting Party". The Parties agree as follows: The subject of this procedure is the definition of the procedure of management and control of contractors or service providers in SERBIA ZIJIN MINING DOO BOR. The process of managing the Contractors, in the requirements for the application of this Procedure, do not apply to administrative services (translation, consulting, etc.). The requirements of this Procedure apply to all operational activities of contractors or service providers in SERBIA ZIJIN MINING DOO BOR.		
<b>1. PREDMET I PODRUČJE PRIMENE</b> <b>1. SUBJECT MATTER AND SCOPE</b>		
<b>2. VEZA SA DRUGIM DOKUMENTIMA</b> <b>2. RELATIONSHIP WITH OTHER DOCUMENTS</b>		
• MS1 – Poslovnik IMS, • Sve procedure i uputstva IMS, • SRPS ISO 9001:2015 – Sistem menadžmenta kvaliteta – Osnovni rečnik, • SRPS ISO 9001:2015 – Sistem menadžmenta kvaliteta – Zahtevi, ... • MS1 – IMS Rules of Procedure, • All IMS procedures and instructions, • SRPS ISO 9001:2015 – Quality management system – Fundamentals and vocabulary, • SRPS ISO 9001:2015 – Quality management system – Requirements, ...		





# Employee Health Management

The Procedure for medical examinations of workers defines the following activities: previous medical examinations, periodic medical examinations and previous, regular, and extraordinary medical examinations of drivers.

Previous and periodic medical examinations of workers employed in workplaces with increased risk are performed by the competent Department of Occupational Medicine, which is hired by the Company. The Occupational Medicine Service uses data on risk factors and special health requirements of workplaces, defined by the Act on Risk Assessment in Company, and directly cooperates with the Person for Safety and Health at Work.

## Previous medical examinations

A preliminary medical examination is performed to determine and assess special health conditions, the ability of the employee to work at a workplace with increased risk, or to use or handle certain work equipment, concerning risk factors determined by the Act on Risk Assessment in Serbia Zijin Mining.

## Periodic medical examination

Periodic medical examination is performed to monitor and assess the health condition, ie the ability of workers to perform work at a workplace with increased risk or to use or handle certain work equipment, in relation to the risk factors of that workplace, and within the deadlines prescribed by law and the Act on risk assessment in Serbia Zijin Mining.

## Regular and extraordinary medical examinations of drivers

Employees at the driver's workplace, for whom driving a motor vehicle is their main occupation, must be medically or psychophysically capable of performing these tasks. The medical fitness for a motor vehicle driver is determined by a medical examination that can be performed by a legal entity that meets the prescribed conditions and receives the authorization of the ministry responsible for health affairs to be able to perform medical examinations of drivers.

## Overview of the total number of medical examinations in 2023

2023	ME	Previous	Periodical	Change WP
Januar	63	13	32	18
Februar	67	32	27	8
Mart	83	42	38	3
April	76	44	29	3
Maj	166	73	78	15
Jun	159	63	52	44
Jul	121	82	39	
Avgust	57	28	29	
Septembar	121	54	67	
Oktobar	55	26	29	
Novembar	98	36	62	
Decembar	20	16	4	
Total	1,086	509	486	91

In accordance with The Procedure on medical examinations of workers, the report on the performed medical examination of the employee is a confidential document.



# Occupational Health and Safety Training

The health and safety department has formed a training section that is in charge of providing trainings on safety knowledge, fire protection knowledge, first aid knowledge, equipment operation, etc. In 2023, a total of 560 safety education and training sessions for recruits, visiting personnel, and onthe-job training was organized, with a total of 2774 person times trained. Carry out special work to improve the safety quality of all employees, organize the 2023 "everyone passes" safety knowledge examination, and organize contractors to improve targeted job safety education training materials and assessment questions.

The company has a clearly defined program for training employees, which includes the way of organizing training, the type of training and the number of required training for each position in the company. Likewise, all engaged persons and visitors must undergo training in the field of safety at work before starting the work to familiarize themselves with all the potential risks present on the project and the company's internal rules that must be followed.

2023.

Number of trainings

560

Participants

2,774

2023	contractors		employee		visitors	
Month	No of training	participants	No of training	participants	No of training	participants
Januar	28	83	12	36	8	29
Februar	17	85	12	35	18	59
March	13	69	30	115	13	44
April	6	41			11	84
Maj	14	116	7	40	26	120
Jun	8	42	10	176	17	61
Jul	11	115	3	62	16	92
Avgust	11	65	3	24	13	86
Septembar	15	121	19	85	18	53
Oktobar	18	86	32	21	13	99
Novembar	18	138	37	125	15	71
Decembar	14	68	43	197	11	31
Total	173	1,029	208	916	179	829

## First aid training



As part of the regular activities of the HSE Department of the company Serbia Zijin Mining, a simulation exercise of providing first aid to injured workers was carried out in the pit of the Čukaru Peki mine.





# Occupational Health and Safety Commitments

Serbia Zijin Mining rewards Outstanding Results in the field of Safety

The safety awards remind us of the joint effort of all of us to create and maintain a safe working environment for all employees of Serbia Zijin Mining and all employees of subcontracting companies.

Starting from June 2023 company Serbia Zijin Mining organizes formal award ceremony each month for the most responsible and conscientious individuals who distinguished themselves by complying with safety rules, team leaders and teams who organized the best pre-shift meetings and were therefore the best safety promoters at work during the previous month.



## Establish an emergency management system

Both for work in the pit and for work on the surface, the Protection and Rescue Plan approved by the Ministry of Internal Affairs - Sector for Emergency Situations was adopted.

The procedure "Preparedness for responding to emergency situations and response to them define the company's preparedness for responding to emergencies and responding to them to protect the environment and safety and health at work, which may occur in the implementation of processes and activities." The right response to emergencies aims to prevent threats to safety and health at work and the environment. It also describes the order and way of carrying out research activities into potential and actual emergencies and incidents and the response in the event that they occur.

Also, the Defense and Rescue Plan against sudden threats to people's lives and health and the safety of facilities in the Čukaru Peki pit was adopted. Based on the natural and technical working conditions for the duration of the mining works according to the "Main mining project for the exploitation of ore from the Čukaru Peki copper and gold deposit - upper zone", this document analyzes and determines potential hazards, danger zones, preventive protection measures, procedures during the evacuation and rescue operation and specific ways of withdrawing the workers from the pit in case of certain potential dangers. The plan also describes the organization of the rescue service, which consists of: Headquarters of the rescue service, Rescue company and Rescue company in the service of the fire department. The rescue service is composed of competent members of Serbia Zijin Mining and the two largest contractors.



Employee evacuation drills and fire drills are organized regularly.



# Company Security Practices

Zijin Group has adopted the "Security and Human Rights Protection Policy Statement" issued to implement a policy of commitment to performing security operations in a manner that respects human rights, protecting life, property, safety, freedom and human rights of employees, the community and other stakeholders parties that the Group's operations can influence and by striving to gain the trust of the community in which it operates.

Serbia Zijin Mining is guided by the Group's policy in applying its security practices. We are committed to adhering to the "Voluntary Principles on Security and Human Rights" as consistent guidelines for the work of our security personnel and security service providers.

From 2022, our company adheres to the policy "prevention is the most important, namely group prevention and group treatment, securing key points, and comprehensive management", with the aim of "ensuring production, personnel and property".

The security situation in Serbia is stable and no incidents related to public security in the mining area were recorded in this year either.

## Top security risks:



- ✓ During the period of construction and production, the number of personnel, equipment and materials, as well as the sites to be managed have increased rapidly, and the security forces are insufficient.
- ✓ Not every contractor has a professional security force.
- ✓ The security awareness of the contractors on the project is weak, bearing in mind that their focus is on production and not on investments in security.
- ✓ An open mining area puts more pressure on anti-theft protection.
- ✓ Exercises and training of emergency personnel are not at a satisfactory level (no emergency exercises were conducted in case of attacks and destruction of camps.
- ✓ There is no emergency plan or emergency shelter construction plan.
- ✓ Employees' private vehicles enter the factory premises, creating pressure on security control.
- ✓ The company, together with the contractors, built relatively weak fences, which are easily damaged and put a lot of pressure on security.





### Emergency measures:



- ✓ Improve risk management and control measures for non-respect of human rights by security and organize them to learn and adhere to the Security and Human Rights Policy applied at the Group level and international security and human rights principles.
- ✓ Adjust the degree of opening of the camp and the level of security, in accordance with the state of social security, taking into account whether the premises for the accommodation of workers and office space within the camp are located in the mining area, the main production facilities and auxiliary supporting facilities are closed, apply technical protection measures are taken.
- ✓ In combination with the construction plan of the mining area, comprehensively plan and improve the surface and underground technical facilities for securing the entire mining area in the future.
- ✓ Implement upgrade and training requirements for outsourced security teams, to build a more professional and effective security team, while exploring the possibility of forming an in-house security team at the mine.
- ✓ Establish a more efficient mechanism of connection with local police stations to provide stronger guarantees for protection against explosions.
- ✓ Plan and build emergency shelters in the event of an explosion, and conduct drills and training of employees in the event of an accident.

### Organization and implementation of security practices

The Office of the General Manager is the department responsible for managing the company's security practices. Serbia Zijin Mining hired two agencies for the provision of security services (FTO and Atlas), with a total team of 96 officers. The company holds regular meetings with the relevant authorities, security personnel, etc. for the purpose of coordinating and solving problems arising in the work and providing a guarantee for public safety and security during work. We held a total of 48 safety meetings during 2023.

In the course of 2023, a total of 30 thefts with a value of over 7 million dinars occurred, and the stolen material, i.e. items, were successfully returned 13 times, including 1,780 kilograms of cables and some equipment.



## Local communities

Serbia Zijin Mining undertakes to respect the culture, history and traditions of the community, and to include issues of importance to the community in the mechanism of cooperation with the same, to ensure that the various potential impacts of the company's operations on the community, such as employment, human rights, environment, health, etc., can be identified in time and in order to take the necessary measures to reduce and eliminate negative impacts on the community.

At the same time, adhering to the basic vision of "joint development", we have regular communication and coordination with the surrounding communities, identify and formulate inclusive and sustainable community development projects together with the local community, achieve synergy between enterprise development and community development, and strengthen the community's ability to resist risks .

The Department for Corporate Social Responsibility within the ESG Sector is in charge of daily communication with the community, researching its needs, and implementing community support projects, as well as implementing a complaint mechanism to remediate the negative consequences of the impact of business on the local community.

### DIAGRAM OF COMMUNITY RELATIONS AND COMMUNITY DEVELOPMENT IN SERBIA ZIJIN MINING

community relations and development core vision:

through the operation of the mine achieve the common development of the surrounding communities





## Grievance Mechanism

Our grievance mechanism is prepared in accordance with the IFC standard and efficiency criteria for non-judicial grievance mechanisms in accordance with the UN Guiding Principles on Business and Human Rights. Complaints received from any external stakeholder can be processed through this procedure, but it is primarily designed to resolve issues and complaints from the following stakeholder groups:

- ✓ Local individuals and groups potentially affected by mining
- ✓ Land owners or plot users affected by exploration, land acquisition and/or resettlement activities.
- ✓ Local and national NGOs or other representative organizations that can express concerns or complaints on behalf of affected actors.

The appeal process includes the following steps:

- ✓ receiving complaints from the local population;
- ✓ informing the Complaints Management Group, as well as establishing communication between the complainant and the Company;
- ✓ coordination with different departments of the Company during the complaint resolution procedure;
- ✓ scheduling and attending assessments when necessary;
- ✓ keeping records of complaints.



During 2023,  
the company received a total of **27** complaints from the local community,  
of which **18** cases were resolved,  
while **9** are in the process of resolution,  
which gives a success rate in resolving complaints of **67%**.

Statistics of SZM Community Grievance Mechanism			
Reporting Period	2021	2022	2023
Complaints received	63	27	27
Solved	52	25	18
Unresolved	11	1	9
Not associated with project	0	1	0
Resolution ratio	83%	93%	67%



## Continuous communication with the local community

The Company started building good relations with villages Brestovac, Slatina and Metovnica in early exploration stage since they are directly affected by mining activities, which resulted in good cooperation with the Councils of local communities and predominantly positive opinions of residents about the Company.

Regular meetings with communities of 3 villages (Brestovac, Slatina and Metovnica) are organized on a monthly basis,

and local self-government representatives are being invited as well. Meetings are very important tool for the Company to understand needs of communities and exchange information on the following: employment, restoration of the surrounding environment of the community, infrastructure, support for their activities, solving various complaints and sharing information regarding the progress of the community development.



## Investments in the community

In accordance with the strategy, priorities and business goals, but most importantly, the needs of local communities and individual local organizations, the Company created a Community Assistance Plan for 2023. Within the framework of the 2023 Plan, the company spent and invested more than 2.88 million USD on activities of importance for the development of the community.

Investments in the community are realized in accordance with the "Donation Management Procedure" which defines the mechanism, beneficiaries and method of implementation of donation projects.

According to the impact, we divide the projects we implement into: projects of national importance, projects we implement at the city level and projects intended for the local community, while according to their purpose, we divide them into projects to improve infrastructure, sports, education, the environment, culture and tradition, etc.

Below are examples of several projects implemented during 2023.



# 2022 ESG report: Empowered People and Resilient Community

	<p>Community development projects: in 2023, various types of investment were completed with a total of about 2.88 million US dollars</p>	<p>National projects (with pictures and examples)</p> <ul style="list-style-type: none"><li>•"Healthy drinking water" project – phase II</li><li>•Sports and health projects - Partizan football club</li><li>•Donation to Institute of Molecular Genetics</li></ul>	
	<p>Improve the quality of life and sustainable development space of key surrounding communities Metovnica Village, Slatina Village, Brestovac Village and Oštrelj Village</p>		<p>Bor City level project</p> <ul style="list-style-type: none"><li>•"Safe Home" project - building and maintaining roads, ensuring safe travel</li><li>•"Winter Warmth" project - donating wood to impoverished families and helping them go through the winter</li><li>•"For the Future" project - supporting children's growth and promoting educational development</li></ul>
	<p>Launched and created Zijin brand projects to enhance the national reputation in Serbia</p>		
	<p>Three levels of development projects: national level, Bor City level and surrounding communities level</p>		

### "For the Future" project



This is a long-term project that includes donating textbooks and school bags for elementary school. It is planned to allocate funds in the amount of 1.9 million USD within five years of project activities.

With the goal to improve education by creating better conditions for learning and working in Bor schools, we

cooperate with the city administration of Bor in order to coordinate and respond to the needs of the youngest in the best possible way. With the funds provided by the city of Bor for the purchase of books for students from 1 till 4 grade and school supplies for first-year students, completed with a donation from the company Serbia Zijin Mining for the purchase of textbooks for students of higher grades (from 5

till 8 grade) and backpacks, which were last year given to all elementary students, and this year to all the first-year students, practically all students in 9 elementary schools in the area of the city of Bor received everything necessary for attending school.



In 2023.

the company allocated **257** thousand USD for the purchase of books for all students in higher grades and backpacks for all **393** first grade students.





### "Healthy drinking water" project



After nine months of hard work by the Public Utility Company Vodovod and the competent services of the city administration, the project of renovation and construction of the water supply, called „Healthy drinking water“, has been successfully completed, and the water supply system has been successfully finished.

„This project includes the expansion and reconstruction of a 7.7-kilometer water supply network, the reconstruction of a water pumping station, and the extension and reconstruction of the power system. The construction started in March of this year, and the water supply system was successfully completed in November of this.

This important project, which solves decades-long problems of the residents of this part of the city, was realized by the joint efforts of the Public Utility Company „Vodovod“, the city administration and fully financially supported by the significant investment of the company Serbia Zijin Mining in value of 1.7 million USD.

This is an important and significant project because, after the connection of the water supply system, the problems of water supply for around 130 households in total from Metovnica, Brestovac and Slatina area.

It is a kind of continuation of the project of building a water supply network in the Bor village of Metovnica, started in 2021, the implementation of which was also supported by our company.

During 2023, we had been paying water bills in a value of 23.8 thousand USD, according to a three-year agreement signed with the Bor Municipal Government and the water company to pay 25 cubic meters per household per month to the residents of Metovnica village who have been connected to the water pipe network, so as to reduce the living burden of the surrounding people.



## Investment in community infrastructure

Company had invested in different infrastructural projects of reconstructors, and adaptation of schools, houses of culture and other important facilities of communities.

- Investment of 8.8 thousand USD in adaptation of school in Metovnica.
- 10.9 thousand USD had been invested in the renovation of the premises of Cultural-artistic society "Djido" Brestovac.
- Renovation of school kitchen and health clinic in Metovnica, in the amount of 37.4 thousand USD.
- Reconstruction of the stage in the House of Culture in Slatina, in the amount of 13 thousand USD.

### Donating funds to equip a classroom of the Technical Faculty in Bor



Equipping of a classroom in Technical Faculty Bor, in the amount of 3.1 thousand USD.

Showing our commitment to the development of education by donating funds to equip a classroom where students of the Technical Faculty in Bor will acquire the necessary knowledge.

This donation will significantly improve the conditions for students' learning, giving them the opportunity to research, learn, create ideas, and develop their talents in a modernly equipped space.





## Investment in the preservation of Culture & Heritage



In order to integrate with community and local culture Company participates in and sponsors local traditional festivals and cultural entertainment activities, such as: traditional Saint Day activities in Metovnica, Dance Festival in Slatina, Etno Istok Festival in Brestovac, etc. Company also supported all cultural and artistic societies in Bor region. We invested nearly 35 thousand USD in different cultural activities in 2023.

As part of the celebration of the Slatina's village Saint Day traditional Dance festival, the traditional thirtieth "Sabor igre" was held in Slatina, as well as the jubilee tenth Exhibition of beekeeping equipment and homemade products.

The company supported the Ethno East event held in the village of Brestovac and donated to the cultural and artistic society "Đido" from Brestovac, which hosts the festival. This manifestation is reflected in the nurturing of original song, dance and traditional cuisine, as a kind of cultural heritage of the Vlah region.



## Supports to Women from Less Employable Categories



In order to provide women from less employable categories with the opportunity to acquire certain qualifications that will help them start their own business or get a job, for the second year in a row, the Association "Konanika" is implementing the project "With craft skills to own business", which this year is also financed by the company Serbia Zijin Mining with 7.33 thousand USD. Four women from the group of more difficult employable categories successfully completed the professional make-up training organized by the beauty salon "KM Beauty", thus completing the first part of this year's project.

After the project that was carried out last year proved to be very successful, considering that most of the participants found employment or started their own businesses, this year the company Serbia Zijin Mining decided to finance a larger number of trainings within the project, gave opportunity to 12 women in total to learn the skills of a professional make-up artist or hairdresser.





## Cooperation with local NGOs

### Donation to Bambi Bor preschool institution

The company Srbija Zijin Mining, donated lockers for beds and bedding to the "Bambi" preschool institution. The equipment, which is worth around 10 thousand USD, was handed over during Children's Week, which is celebrated in October, to the kindergarten "Dečija radost" and installed in all classrooms.

This equipment was delivered through the "Bebironče" parents' association.

Serbia Zijin Mining has long-lasting cooperation with "Bebironce" with the same goal to support children and their welfare.



## Education & children welfare

### We also donated funds

- To Teachers Association Bor for Online trainings for 120 teachers, amount of 2.8 thousand USD.
- To Open communication as Sponsorship of National debate team for 13 debaters to the World University Debating Championship in Vietnam, amount of 5.5 thousand USD.
- To Elementary School Dusan Radovic Bor for Furniture for library, amount 5.5 thousand USD.





## We pay special attention to vulnerable groups

Serbia Zijin Mining continued the implementation of the „Warm Winter” project in the 2023 year (third year in a row) having provided firewood for 87 socially most vulnerable families from the Bor villages of Metovnica, Brestovac and Slatina. Value of the donation is 21.2 thousand USD.

The "Warm Winter" initiative is just one example of the permanent engagement of the company Serbia Zijin Mining in achieving positive social changes, building a better future, and actively participating in improving the quality of life of all Bor residents.

The other initiative with a goal to support socially most vulnerable families from the Bor villages of Metovnica, Brestovac and Slatina is distribution of humanitarian packages to families in need. Humanitarian packages containing basic food and hygiene products represent a great help to the inhabitants who live in very difficult conditions. The value of the donation is 7.2 thousand USD.





The company also surprised the students of rural schools in Bor by distributing New Year's packages. New Year's gifts were given to the pupils of the separate section of the „Vuk Karadzic“ Elementary School in Slatina, and to the students of the „Stanoje Miljkovic“ Elementary School in Brestovac, as well as the separate classes in Metovnica and Sarbanovac. The value of the gifts is 3 thousand USD.



## Community Open Day at the Serbia Zijin Mining Company



29th July 2023. - the company organized a Community Open Day for members of the local community. On that occasion, the Čukaru Peki mine was visited by residents of the local communities of Brestovac, Slatina and Metovnica

This is the first Community Open Day, which was organized by the company Serbia Zijin Mining with the desire that the inhabitants of the surrounding villages get to know the function of the Čukaru Peki mine, as well as to be assured that, by applying the best practices in mining and using modern technologies, the Company's goal is to ensure long-term successful business with sustainable growth and development.







### Providing help to local community in Slatina - Heavy rain flooded the road in Slatina, Serbia Zijin Mining immediately came to the rescue

Upon receiving a call for help from the villagers, the employees of the Company's Corporate and social responsibility department immediately responded and went to the place.

Six trucks from the heavy machinery sector were engaged, which were loaded with large stones and shipped to Slatina, in order to stop the penetration of the water torrent from the incoming river Rkjavica, which flooded the road and threatened to threaten electrical lines and cut off the water supply.



## Support to sport

As a sponsor of Football Club BOR 1919 Serbia Zijin Mining provided funds to Football Club BOR 1919 of 10 thousand USD, as a continuation of the cooperation started last year with both Zijin's companies. These funds had been used for the development of the club, first of all for the development of infrastructure for the younger categories, primarily due to the increase in the number of children interested in sport (last year there were 30 in the younger categories, and today there are more than 120 children).

At National level, Serbia Zijin Mining is the sponsor of Football Club Partizan, with the amount of 643 thousand USD.

We have also donated 10 thousand USD to Football Club Brestovac for arrangement of plateau and paths at the football field

Company is a sponsor of FC Slatina with the amount of 10 thousand USD.



# Supply chain management

As a socially responsible company, we are of the opinion that our suppliers must be guided by the same policy of social and environmental responsibility applied by Serbia Zijin Mining.

We are committed to achieving high standards in respect of labor and human rights, occupational health and safety and environmental protection, and we expect our suppliers to behave with the same degree of social responsibility as our company. The operations of our suppliers must comply with national and local laws and regulations. We expect suppliers to comply with environmental, social and other regulatory requirements at all levels (local, national and international).

Our commitment to responsible supply chain is also confirmed through SA8000 social accountability standard.

The procedure for selecting a supplier from the point of view of social responsibility "Engagement of suppliers and contractors" is adopted in October 2023.

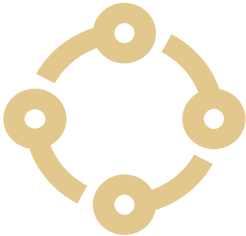
The selection of suppliers and overall engagement are described by procedures ISO 9001:2015 (from the point of view of requirements for goods and services), ISO 14001:2015 (from the point of view of environmental protection) and ISO 45001:2018 (health and safety at work).

By the end of 2023. we had focused on critical suppliers from the point of view of SA8000. We consider our contractors that performing primarily mining operations, handling of explosives, construction of construction facilities, field testing by drilling, etc. as our critical suppliers.

We have performed risk analysis from the point of view of

social responsibility of all critical contractors that are evaluated according to the questionnaire "Risk analysis from the point of view of social responsibility of suppliers".

Contractors are in focus of our supply chain management since we have more than 2900 workers working for our contractors on Serbia Zijin Mining site.



## List of critical contractors

NAME OF THE CONTRACTOR	JOB DESCRIPTION	No. of employees
JCHX Kinsey Mining Construction d.o.o. Bor	Mining works	1,003
Hongda Lian Shao Mining d.o.o. Bor	Mining works	668
Jinshan Construction d.o.o. Bor	Construction works	372
Jiuzhou International Construction d.o.o Bor	Mining works	86
CC-3 Mining Construction d.o.o. Bor	Mining works	421
China railway / Tiejiuju Enginerings&constructions doo Beograd	Construction works	133
Rudex Eksplozivi d.o.o. Beograd	Handling of explosives	102
BEM doo Beograd	Geological exploration	51
CCECC	Construction works	93

Based on questionnaires and audits, contractors and suppliers are evaluated in 3 categories:

- ✓ 1. If they have a low rating, they are considered unsuitable for performing work for the needs of our company from the point of view of SA 8000, and contracts with suppliers who are at this level are not signed or terminated
- ✓ 2. If they have medium grades, we consider them partially suitable for performing work for our company's needs, and with these suppliers we define goals for improving their performance from the point of view of social responsibility
- ✓ 3. If they are rated highly from the point of view of social responsibility, they are considered completely suitable for performing work for the needs of Serbia Zijin Mining.

We require all suppliers to adhere to social responsibility and apply the same principles in their supply chains.

Our strategic approach to the development of a responsible supply chain also includes an assessment of the social responsibility of our critical suppliers of material goods, which will be carried out in 2024. The questionnaire submitted to contractors in 2023 will also be submitted to suppliers in order to properly assess and control the social responsibility of the entire supply chain.

We perceive supply chain management as a continuous process of establishing control over the supply chain, and in the initial phase, we select relevant (critical) suppliers to

We conduct due diligence from the point of view of our suppliers/contractors. Also, we have regular meetings with contractors to improve and control their performances from the aspect of compliance with social and ecological requirements:

- ✓ a) effective communication of our requirements to the top management of suppliers;
- ✓ b) effective communication of the requirements to employees of suppliers;
- ✓ c) assessment of significant risks of non-compliance by suppliers;
- ✓ d) making reasonable efforts to ensure that suppliers adequately manage significant risks, i.e. prioritize them in accordance with the organization's capabilities and resources to influence these subjects; and
- ✓ e) establishing activities to monitor the performance of suppliers to ensure that these significant risks are effectively neutralized.



establish ESG control of their performance. Our goal is to cooperate with suppliers who respect the requirements of responsible business behavior and promote best practices and continuous improvement throughout their operations. We also expect suppliers to ensure that their suppliers, service providers have ethical and business practices that are similar to those of Zijin Mining in Serbia.

## Focus on procurement from local suppliers

We are guided by the policy implemented by the Zijin Group, which is to encourage local procurement whenever possible.

We give priority to purchases from Serbian companies, bearing in mind the benefits that the local community and the economy achieved with this approach. Through the development of local companies through the supply chain, we strive to contribute to the increase of local self-government tax revenues and the economic development of the community. Since the beginning of Serbia Zijin Mining's operations in Serbia, the share of procurement from local suppliers amounts to more than 60 percent, with a tendency to increase the share of local procurement in the coming period. The total share of procurement of products and services from local partners in 2023 is over 80 percent.



# 03

## Environment

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# Environmental protection

By applying best practices in mining and the use of modern technologies, the goal of Serbia Zijin Mining is to become a "Green Mine", the leading European mining company in terms of: carbon emissions, ecology, social responsibility, health, security and sustainable development.

The company applies the most modern and environmentally friendly business methods and tools, from the exploration over method of exploitation to the stage of reclaim, closure and afforestation of the mine.

In September 2022 Serbia Zijin Mining passed the ISO 14001 environmental management system certification process, and continued to improve and standardize the Company's ecological and environmental protection management system

and operating procedures in accordance with standardized management requirements.

Ecology and Environmental protection department is in charge for environmental management system.

In accordance with the relevant legislative framework of the Republic of Serbia and the regulations on ecology and environmental protection of Zijin Group, the Department for Ecology and Environmental Protection continuously improves the construction of the management system for ecology and environmental protection, strengthens the process of research and elimination of hidden impacts and risks, and carries out protection activities.





Risk Identification

Risk	Description	Measure
Soil pollution	Improper storage and handling of waste may cause soil contamination.	SZM formulated the "Waste Management Plan" to prevent the soil from waste storage effect by hardening the storage site, isolation and other measures. The company entrusts a qualified third party to process and recycle the waste.
Water pollution	Different rivers, creeks and underground water surrounding our mine that might be affected with our works.	Continious monitoring of Brestovac river, regular weekly, monthly and quaterly monitoring of surface and underground water bodies. Good industrial hygiene, responsible usage of water, reduction of fresh water intake and zero discharge of polluted water is part of our policy defined in "Water managment plan"
Dust	Dust may be generated during storage of mining waste rock and tailings sand.	The company formulated the "Air Quality Management Plan" to effectively reduce the spread of dust by sprinkling water and building windshield walls for waste that is prone to dust generation.
Tailing Storage Facility	Collapse of dam, dust emission from tailings, undergorund water pollution and other related problems.	With "Mining waste managment plan" all risks regarding tailings are measured, callculated and counter measures are deffined. Regular monitoring of technical aspects and environmental parameters are part of day to day operations.
Reputation	Improper waste disposal and bad littering behavior can have a negative impact on the Company's reputation.	The company regularly organizes personnel to conduct environmental protection training on waste disposal and garbage classification, and puts up relevant promotional posters.

Completion status of main ecological and environmental protection indicators in 2023

Serial number	Target indicator project	Unit	Target indicator value	Completion	Is it up to standard?	Remark
1	Environmental pollution accident	rise	0	0	yes	
2	Does external drainage meet discharge standards		-	-	Excellent	Zero discharge of production wastewater and domestic sewage is achivied.
3	Environmental protection facility operation rate	%	95	95	yes	The water treatment workshop was officially put into operation, we are treating underground and process waters, and then clean water is used as new water.
4	Environmental monitoring rate	%	100	100	yes	Monitor according to environmental impact assessment requirements
5	Whether waste is collected in categories and disposed of in a standardized and legal manner		yes	yes	yes	
6	Environmental protection supervision matters of the group company	%	100	100	yes	Photovoltaic project construction as planned



# Response to climate change, greenhouse gas emissions and energy conservation

## Air emissions and pollution

Underground mines do not produce significant influence on air quality. Our primary production is underground with few potential air emission points like ventilation shafts, transport routes and surface works. Mineral processing facility has potential to influence air quality through dust particles emission of conveyor belts work, transportation and deposit of tailing.

All production process – grinding, milling, thickening, flotation and storage are in enclosed systems and inside the buildings. Transfer of tailing slurry is done through pipe network to Tailing Storage Facility – TSF. Landfilling of tailing dam is the prioritized object built before start of operation and with formed lake inside. Pipes lead to TSF where they unload tailing under the water in order to prevent air emission of particles. Management of water level is constant work of our operators and under strict control.

Transport of final product – Copper concentrate is conducted by trucks to transfer station which is 7 kilometers from Čukaru Peki mine. All trucks and trains in first second stage of transport are covered with awning as a preventive measure for air pollution.

### ✓ Air quality management plan

Company has adopted the Air Quality Management Plan that describes the potential risks to ambient air quality associated with project activities and defines the measures to be undertaken to prevent or mitigate negative impacts. It also contains information on how the effectiveness of the procedures will be monitored and actions to be taken if thresholds might be breached.

### ✓ Relevant legal framework:

Air Quality Standards (AQSS) and Maximum Allowable Concentrations (MACs) are standards and guidelines setting the maximum permissible concentrations of pollutants in air, for the purposes of protecting human health and sensitive vegetation. In Serbia these are derived from three sources: AQSS derived from the European Union Directive 2008/50/EC on Ambient Air Quality and Cleaner Air for Europe. This directive and the derived Serbian Regulations (Air protection law 36/2009 and 26/2021 ) stipulate the limit values for Sulphur dioxide (SO<sub>2</sub>), nitrogen dioxide (NO<sub>2</sub>), particulate matter (as PM<sub>10</sub> and PM<sub>2.5</sub> ), lead, arsenic, benzene and carbon monoxide (CO) in ambient air, and other potential pollutants.

### ✓ The objectives of this plan are to:

- Achieve compliance with relevant standards and guidelines related to emissions to air and ambient air quality; and
- Mitigate long-term cumulative impacts to local receptors through multiple exposure pathways.

### ✓ According to the ambient air monitoring program in the SZM influence zone, the following measurements were performed in 2023:

- Concentration of suspended PM<sub>10</sub> particles and (As, Cd, Ni, Pb) metals in PM<sub>10</sub> - at 8 measuring points
- Sedimentary materials and metals( As, Cd, Zn, Pb) - at 15 measuring points


According to the Environmental and Social Impact study for the Čukaru Peki mine, it is understood that there are no sensitive ecological receptors sufficiently close to the mine which would be adversely impacted and thus, the focus is on sensitive human receptors. The key sensitive receptor locations are around the processing plant, surface construction sites and close to the access routes to the mine.

The principle emissions requiring control and mitigation are dust, PM<sub>10</sub> and PM<sub>2.5</sub> (with heavy metals content).



## Greenhouse gas emissions and energy savings

GHG emissions are not of significant influence in underground mines. Machines are driven mostly by electricity and more than 90% of ore transport is done by conveyor belts. We are currently spending around 500 tons of diesel per month for internal and external transport of materials and all other equipment is electrical. Electricity in Eastern part of Serbia mostly comes from two hydroelectric power stations Djerdap 1 and 2, and one coal fired PP Kostolac B1.

 Average monthly emission of GHG is  
**7053,25** tones.

**Energy management:** The company's current main sources of carbon emissions are fuel and diesel (used in construction machinery and vehicles, etc.), electricity used in production and office and daily life. Since it was officially put into production in October 2021 , with the gradual increase in production, the total energy consumption and carbon emissions have also increased. In 2023 , the copper grade will be lower than the previous two years, and the carbon emissions per unit of copper metal will be on the rise.

**Data analysis:** The average carbon emission per unit of copper metal in 2023 is 0.610 t CO<sub>2</sub> / tCu ( the data for the same period in 2022 is 0.483 tCO<sub>2</sub> / tCu ) . The details of each data are shown in the table below.

The company has prepared measures to prevent and mitigate the impact on air quality

Table 1. Mitigation measures on air quality

Activity	Mitigation measure
Decline and MPP area	Locating dust generating activities far away from (and downwind from) the site boundary and sensitive receptors, where feasible. Constantly wetting and washing of internal roads by two water spray trucks. Construction and regular cleaning of side road water chanel. Using screening fences around dusty activities or make use of natural protection such as trees and natural topography. Prevention of soil stripping by seeding the grass and bushes. Minimizing soil handling (i.e. through use of scrapers) where it is practical and use water when working with soil and waste rock dumps. Constant monitoring of PM10, PM2.5 and dust deposition at the site boundary, in upwind and downwind locations and monitor the metal content of deposited dust by conducting sampling with internal and external monitoring devices.
Construction of surface infrastructure	All the above measures described for the Mining opearitions activity. Spray vehicles rinse off dust. Cleaning public highways within 500 m of site access points with wet techniques. Undertake the activity when necessary (i.e. when dust is evident, or roads are noticeably soiled).
Construction of the traffic	Protect soils by prohibiting the movement of vehicles and equipment outside designated areas. Use of existing road tracks and previously disturbed areas as far as possible. Use of lignin-based surface binder on more heavily used routes. Design all road surfaces, cutting and embankment slopes to minimize potential erosion and safeguard against landslips in accordance with standard engineering design measures.



Table - Carbon emission statistics in 2023

	Total energy (tons of standard coal)	Total carbon emissions (tons)	Amount of copper metal (tons)	Carbon emissions per unit copper metal (t/t)
Total of 2023	23322.29	84639.58	138692.02	0.610

Greenhouse gas emissions and air pollution - risks

Source of risk	Description	Measure
Relevant laws and policies in Serbia	The Government of Serbia can implement stricter laws, regulations and policies on environmental protection in order to comply with EU policy.	Special attention should be paid to the latest policy of Serbia in relation to renewable energy sources and timely adaptation and optimization of plans for the construction of new energy sources in accordance with the current situation.
Costs	Influenced by various factors, electricity prices in Europe continue to rise, which has increased the company's operating costs.	Building power plants based on renewable energy sources, actively promoting green mining with low carbon dioxide emissions, and achieving energy self-sufficiency will effectively reduce the company's operating costs.
NGO	Impacts on the environment and climate, as well as carbon dioxide emissions caused by the company's activities, are common areas of interest for non-governmental organizations that have an impact on the company's work.	Reducing the impact on water, noise, soil is a regular task for all participants in the production process. The transition to low-carbon production provides the company with strong arguments in communication with NGOs.
Natural disasters	Affected by natural disasters such as rainstorms, floods and hurricane-force winds, public facilities and equipment can become damaged and malfunction, resulting in water and power outages.	Establish a functional early warning system and a plan for dealing with emergency situations; realize a stable supply of electricity in emergencies through the construction of renewable energy power plants.





## Climate change resilience

Climate change risks are fairly visible in last few years in Serbia, summer becomes hotter with longer period without rainfall, winters are mild with less freezing days. Sudden changes in weather condition lead to heavy storms with high damage potential, both dangerous for people and infrastructure. During last couple of years temperature during the summer has risen which leads to lower efficiency of outdoor works. Furthermore, hot climate leads to nearby river levels to fall down so there is mid to high risk on fresh water intake on Brestovac river for instance. Smaller creeks in surrounding area are mostly dehydrated from May to October. This can lead to loss of habitat for fish, smaller animals and insects.

The company adheres to the strategy and action plan of the Zijin Minin Group in its operations and strategic commitment to nature conservation and the fight against climate change. On the one hand, the mining industry is one of the sources of GHG emissions, and on the other hand, mineral products are among the most important raw materials for global climate transition. With the mission of Providing Materials That Improve Standards of Living in a Low Carbon Future, Serbia Zijin Mining will follow the Zijin Mining Group and will strive to reduce the carbon footprint of its products and consciously fulfill, the responsibility of a corporate citizen of the earth, to contribute to the global lowcarbon transition.

We also follow Group Commitment to a gradual reduction of the GHG emissions intensity (with a base year of 2020)

By 2025, reduce GHG emissions per unit of industrial value added by **20%**.

By 2029, reduce GHG emissions per unit of industrial value added by **38%**.

By 2030 achieve **30%** of our energy mix from renewable energy sources.









# Waste

We have four types of waste which are generated during the operations:

- ✓ 1. Mining waste – nonmineralized and mineralized with acidic substances and tailing
- ✓ 2. Nonhazardous industrial waste
- ✓ 3. Hazardous industrial waste
- ✓ 4. Municipal waste from living area for employees

All types of waste are managed, treated and landfilled in accordance with relative Serbian, EU and world standards.

Influence of mining waste if not well managed can be long term and various, so in SZM we are taking great care about this topic.

Other types of waste are treated and landfilled outside operations area by respected and certified partners.

## Our goals:

Waste	To raise employees' awareness of the importance of environmental protection.	✓
	To organize regular waste sorting training by the end of 2023.	✓
	To revise Waste Management Plan by the end of 2023.	✓
	By 2030, increase comprehensive utilization rate of non-hazardous waste by 5% compared to 2022.	
	Zero significant tailings-related environmental incidents.	✓

Waste management of the Company is regulated through the Waste Management Plan and Mining Waste Management Plan, which were adopted in accordance with the legal framework of the Republic of Serbia.

## Non-mineral Waste Management

The plan includes the management of all types of waste generated in the company's work, except for mining waste, which is regulated by a special plan for the management of mining waste in accordance with the Law on Mining and Geological Surveys and law derived by-laws.

This plan implies the management of all types of waste generated during the operation of the company until the moment of handing over the waste to operators with the appropriate permit for further processing, and all in accordance with the Law on Waste Management, related by-laws, the adopted system of environmental management, as part of the implementation of standards ISO 14001 and the company's aspiration to prevent or minimize harmful effects on the environment and the population in the environment to the greatest extent possible.

It is managing only that type of waste that is generated in the processes managed and carried out by the company. Waste generated in the processes and operations performed by subcontractors is their responsibility and the management of those types of waste is not covered by this plan.



### Relevant legal framework:

The mine operates in strict compliance with all applicable waste-management guiding regulations, including Serbian national and international legislation. Waste management in Serbia is governed under the Law on Waste Management (Official Gazette of the Republic of Serbia, No. No. 36/2009 and 88/2010, 14/2016,95/2018) and a series of rulebooks.

Under this legislation, waste must be classified and handled accordingly, and hazardous and non-hazardous waste must be managed separately. According to the legislation, the Company documents all waste movements, and work only with licensed waste operators. The Basel Convention on the Control of Transboundary Movement of Hazardous Waste and Their Disposal (1992) limits movements of hazardous waste across national boundaries. Serbia is a signatory of this Convention and therefore, compliance with its requirements is mandatory.



### Non-mineral Waste Treatment



#### Domestic sewage treatment system

•Serbia Zijin Mining has built integrated domestic sewage treatment systems in the new and old living office, camps and the 306 platform of the dressing plant respectively. The treated wastewater is returned to the production system for recycling.



#### The general solid waste disposal

•Company has set up general solid waste storage points within the mining area, and requires all departments and contractors to sort and stack the garbage by themselves according to the signage. The company entrusted a third-party garbage disposal company to clear and transport the accumulated general garbage.



#### Recyclable Waste Disposal

•We have implemented the classification of recyclable waste this year and entrusted qualified third parties to clear and transport recyclable waste. Currently, it processes approximately 640.5 tons of scrap iron, waste tires, waste plastic bottles, and waste wood boards , totaling Approximately 10 million RSD (about 90 thousand USD) were recovered.



#### Hazardous waste disposal

•To properly handle chemicals from production and their disposal, the Company has established a system of hazardous materials management - Hazardous Materials Management Plan. The system encompasses a series of measures and procedures which are implemented in procurement, use, manipulation, transportation, storage, and issuance of hazardous substances, as well as imports and handling of packaging. Transfer of chemicals is permitted only in appropriate containers for handling hazardous materials.

In accordance with the current legal regulations for the storage and disposal of hazardous waste in Serbia, Serbia Zijin has built a special hazardous waste warehouse, and entrusted authorized third parties with the regular disposal or recycling of hazardous waste, as well as the task of strictly controlling the management of each link of hazardous waste, as it would not cause damage to the environment.

After carrying out physical and chemical tests of industrial waste, it is packed and sorted according to the appropriate identification codes and a waste transfer list is filled out, and then it is entrusted to a qualified third-party company for off-site disposal. This year, a total of 43.7 tons of waste motor oil, waste chemical packaging and waste IBC containers were processed.



Picture – hazardous waste warehouse

## Mining Waste Management

Serbia Zijin Mining received a Mining Waste Management Permit according to the decision of the Ministry of Mining and Energy (MRE) No. 310-02-01808/2021-02 dated 19 October 2021, based on the Mining Waste Management Plan from June 2021.

In September 2023, Company adopted updated Mining Waste Management Plan.

### Relevant legal framework:

Management of mining waste relies on the "Law on Mining and Geological Research" ("Official Gazette of RS", No. 101 of December 8, 2015, 95 of December 8, 2018 - other laws and 40/2021), and is related to the "Decree on the Conditions and Procedure for Issuing a Permit for Waste Management, as well as Criteria, Characterization, Classification and Reporting on Mining Waste". The regulation was published in the Official Gazette of the RS No. 53/2017, and entered into force on January 1, 2020. The aforementioned Decree is harmonized with the European "Directive 2006/21/EC of the European Parliament and of the Council of 15 March 2006 on the management of waste from extractive industries and amending Directive 2004/35/EC" and its accompanying documents.



Table - Types of mining waste

No.	Type of waste	Waste disposal	Classification of waste
WASTE GENERATED IN THE ORE CONCENTRATION PROCESS			
1.	Flotation tailings	Partially used for backfilling. Rest is deposited in a flotation tailings pond.	Non-hazardous
2.	Waste from the dedusting system in the process of crushing and transport	Discontinuously (occasionally) return to the ore flotation process.	Hazardous
3.	Waste from hydrocyclone	Discontinuously (occasionally) return to the ore flotation process.	Hazardous
4.	Waste from the mill	Discontinuously (occasionally) return to the ore flotation process.	Hazardous
5.	"Concentrate pyrite"	It is temporarily stored as waste, deposited in a separate warehouse.	Hazardous
WASTE GENERATED IN THE PROCESS OF ORE EXCAVATION			
6.	Pit waste	It is disposed on landfills.	Non-hazardous
7.	Pit waste with weak mineralization	It is disposed on landfills.	Non-hazardous

Exploitation and processing of ore from "Čukaru Peki" copper and gold deposit involves seven types of waste, which fall under the category of mining waste.

During the exploitation and preparation of copper and gold ore, 3 types of non-hazardous and 4 types of hazardous waste are classified. Out of a total of seven types of waste, three types of (hazardous) waste, after separation from the milling, grinding and concentration process, are collected and periodically (discontinuously) returned to the concentration process because the share of useful substances (analyzed for the share of copper) is high. The other 4 types of waste are continuously transported to certain landfills (tailings, storage, landfills) after separation.



Landfills, image from December 2023

## Mining Waste Management – Tailings

Tailing Storage Facility – TSF is built in west side of mine around 6 kilometers from main operations. Area sized around 90 Ha with enough landfilling capacity of 11 years of production, total capacity of 7.31 Mt . Beside TSF there are two smaller landfills, one for Pyrite concentrate and second for mud from waste water treatment facility.

Landfilling of tailing dam is prioritized object built before start of operation and with formed lake inside. Bottom of landfill is covered with water and soil protection layer of clay and HDPE foil. Pipes lead to TSF where they unload tailing under the water in order to prevent air emission of particles. Management of water level is constant work of our operators and under strict control.



Picture - Tailing pond

### Mining Waste Management – Tailings

Since the ore (in the mining sense) is rich in copper and precious metals, the mass share of the concentrate (13%) compared to the mine ore is extremely high, and after separating the pyrite concentrate, the relative amount of tailings is acceptable (51-75%, average 71%) . Regardless of the favorable relative relations between ore and tailings, significant amounts of tailings are separated by mass, more than 26 million tons in 13 years. However, for the preparation of the pit backfill, it is planned to use about 63% of the separated tailings, so only 26,5% of the mined ore will be landfilled in TSF.

#### Use of flotation tailings for backfill preparation

The final tailings are transported to the tailings thickener through the pipeline system. Tailings are thickened with the addition of flocculants, and the thickened product, which contains 55% of the solid phase, is delivered to the distributor located in the substation. One part of the thickened tailings is further transported by means of pumps to the plant for the preparation of backfill paste (the 65% amount of tailings), while the other part of the thickened tailings, according to the requirements set by the technological the process, with the help of slurry pumps directs it to the flotation tailings pond.

The backfill used to backfill the excavated spaces in the pit is formed by mixing flotation tailings and Portland cement with the addition of binding additives. The consistency of the mixture ensures the pumpability of the mixture to the place of backfilling and rapid hardening at the place where it is deposited to achieve a compressive strength of 3 MPa. In order to ensure this, the formation of a paste with a mass concentration of solids of 72% is planned.



Image – Backfilling station



## Mining Waste Management – Tailings

### Formation of Pyrite Concentrate

In the basic flotation of useful copper minerals and precious metals, the copper concentrate is separated, as a useful product, and the concentration swelling, as an input to the next processing process or as waste, if there is no need to further process the ore. Due to the high proportion of pyrite (sulfur) in the concentration process, it was decided to extend processing so that in the next cycle it is separated. "Pyrite concentrate", as a potentially useful product and swelling of this cycle of concentration, as definitive flotation tailings. Total capacity of Pyrite storage is 7.6 Mt. The "pyrite concentrate" produced in this way can be treated in two ways:

- ✓ 1. as a useful product that will be further thermally treated for the production of sulfuric acid and the separation of the so-called pyrite burns, as raw materials for the production of iron and steel.
- ✓ 2. as a waste product obtained by de-pyritization (de-sulphidization) of flotation tailings, in order to make its geochemical characteristics acceptable for free deposition in the environment, whereby pyrite tailings would have an increased acid potential and be treated as hazardous waste.

At this moment Company does not treat pyrite concentrate, but deposits it in a targeted manner "as waste" in an exclusive warehouse.

The results of testing the acid and neutralization potential of Pyrite Concentrate show that the acid potential is significantly higher than the neutralization potential, which indicates that there are conditions for the appearance of acidic drainage waters.



Image - Pyrite landfill

According to the Risk Analysis, the storage of Pyrite Concentrate (as part of three "bound landfills") is classified as "category A" considering that their demolition would endanger lives and properties in the villages located downstream.



**Mining Waste Management** - Waste generated in the process of ore excavation is managed through Mining waste management plan.

In the process of underground mining exploitation, it is necessary to build mining facilities (shafts, ramps...) which will provide access to the ore body and the export of useful and barren mineral raw materials. In surface areas, such objects pass through earth and barren solid rock in which there is no mineralization. By approaching the ore body, mineralization begins to appear, the content of which increases as the objects approach the defined ore body. From an environmental point of view, it is most important to separate waste that does not contain and that contains sulfur compounds, especially in sulphide form. Sulfide sulfur, air (oxygen) and water when they appear at the same time cause the appearance of acidic drainage waters, the generation of which significantly changes the characteristics of the surrounding water and soil. That was the reason that pit wastes are divided into wastes with and without the participation of sulfur, primarily sulfur in sulphide form.

#### Non mineralized pit waste

It is generated in the process of preparatory mining and construction works on the infrastructure in the pit (shafts, ramps, work sites). It is coarse-grained material obtained by mining and digging without the participation of mineral components. There is no mineralization in this waste and it is very similar to uncontaminated soil, i.e. stones.

#### Pit waste with weak mineralization

This waste is generated in the development of mining premises and during construction works in the zone of useful mineralization (deposits). Given that the degree of mineralization is low, there are no economic reasons to treat it as ore, so it is selectively mined. It is coarse-grained waste created by blasting and excavation. Because it's weakly mineralized, it might have an impact on the environment.



Image - Unmineralized pit waste disposal sites



Image - Landfill of poorly mineralized tailings



# Water and Effluents

The closest protected area for aquatic biodiversity with connectivity to the site is located over 50 km downstream of the project, where the Timok River forms the border between Serbia and Bulgaria.

However, the company's work might affect surface waters in the Brestovačka and Borska river basins. Groundwater, springs and domestic wells in the project area will be impacted by lowering the level of the underground water. According to simulations, in the two years of development of the exploration decline the simulated average groundwater inflow rate could potentially reduce the supply to local wells and springs.

## Water Management Plan

Water Management Plan describes the potential risks associated with project activities and defines the measures to be undertaken to prevent negative impacts on the water environment, including impacts on aquatic biodiversity. It also contains information on how the effectiveness of the procedures will be monitored and actions to be taken if thresholds are breached.

### The objectives of Water quality management plan are to:



- ✓ Define the specific control measures relating to the operations which they monitor, manage compliance with the conditions of the environmental permit granted by the Serbian environmental governing body, and other applicable environmental and social documents.
- ✓ Define the specific control measures to avoid damage to aquatic habitats and the loss of internationally and nationally protected species of aquatic life as a result of the mine's activities.
- ✓ List site-specific and activity-specific environmental requirements, in terms of the procedures to be followed, timing and standards of completion and reporting and monitoring.
- ✓ Define the responsibilities between the Company and its contractors with respect to environmental compliance and
- ✓ Assign corresponding roles and responsibilities to the Company and the contractors' personnel.

Relevant legal framework:

Serbian legislation on water quality is complex and under review to harmonize with the European Union (EU) Water Framework Directive (WFD) but there is currently no timetable for this. The WFD (2000/60/EC) includes provisions for surface water and groundwater and commits member states to achieve 'good' status for surface water and groundwater bodies through conversion of the WFD commitments into member state legislation.

Although the Serbian Law on Waters was enacted in 2010, and amended in 2012 and 2016; provisions in older bylaws (based on provisions of article 226 of the Law on Waters from 2010, amended in 2012 and 2016), are still implemented and appear to be used. This is an apparently conflicting regulatory situation as the new Law on Waters (2010; amended in 2012 and 2016) stipulates (Article 98) that when effluents are in question, the stricter of the emission limit values or quality standards of the receiving waters.

### Mitigation measures:

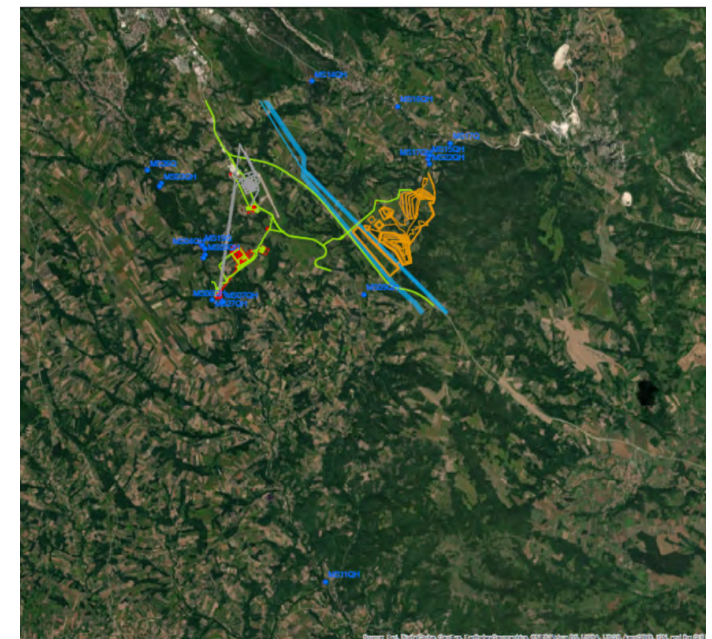
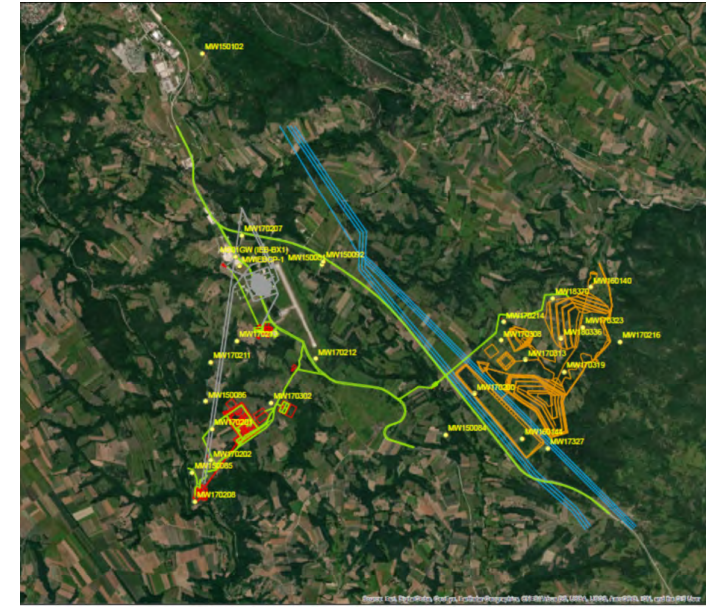


- ✓ Ore and mineralized waste are transferred only by paved roads.
- ✓ All paved roads are covered with side road chanel to receive road washing water.
- ✓ Washing and atmospheric water are collected in sedimentation pools which enter recirculation cycle.
- ✓ Underground water are treated in Water treatment facility, if necessary and used in production water recirculation system.
- ✓ Weekly, Monthly and Quarterly monitoring of all waters that might be affected by our operation is part of our regular work.
- ✓ Fresh water intake from Brestovac river is reduced from month to month since all water are recirculating in system production – treatment – production. Final goal is to stop using this intake except in emergency situations.
- ✓ All sewage water must be collected and removed by registered subcontractors or pass through one of the 5 sewage water treatment facilities.

## Water quality monitoring:

In order to prevent the impact on surrounding water resource during the production and operation process, the company has set up 30 surface water monitoring points in the Brestovačka River and Borska River and related streams that may be affected by the mining area, and 28 monitoring points in the mining area in accordance with the EIA water monitoring requirements. The Bor Institute (MMI) conducts monthly sampling and analysis of fixed sampling points for surface water and groundwater, and forms a monthly surface water and groundwater monitoring report. With the start of the lower mine belt, the company has also begun to conduct background value investigations on the surface water and groundwater quality around the lower mine belt.

The water quality online monitoring system has been put into use on February 20, 2022, respectively in the upper and lower reaches of the Brestovačka River, and the real-time monitoring data has been uploaded to the environmental protection information platform of the Group company. The company entrusts the Mining Research Institute to carry out operation and maintenance and data comparison and analysis of the online water quality monitoring system. The Mining Research Institute sends the data comparison analysis report to the government water management department every month and makes it public.

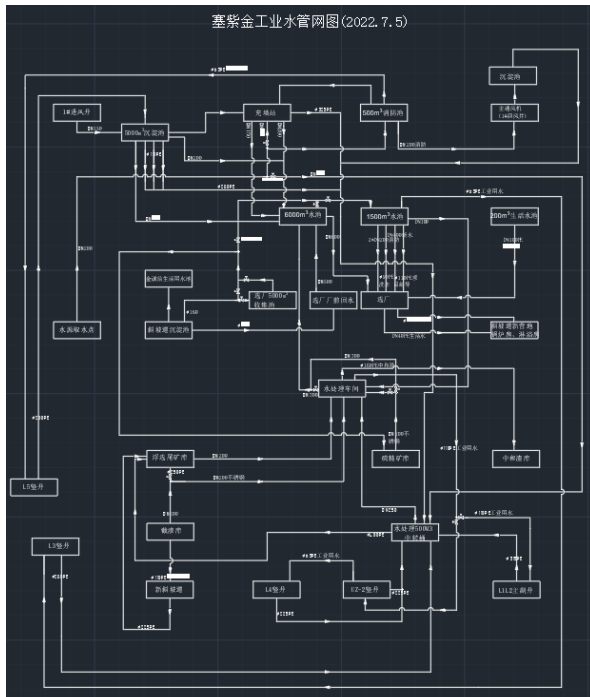




## Water resource management and control:

Serbia Zijin Mining has built a complete water dispatching and treatment pipeline, and estimated the current bearing capacity of the tailings pond according to the "water balance" model, and took corresponding measures for water resources management in a timely manner.

In order to alleviate the pressure of drainage and flood control in various areas of Serbia Zijin Mining in heavy rain, and prevent the industrial water in the factory area from flowing to the external area, Serbia Zijin Mining formulated the overall plan for the management and control of rainwater and waterways in the mining area, and required all departments to implement the measures according to the plan.



In order to prevent the impact of industrial water on the external environment in the form of water seepage, Serbia Zijin Mining has carried out HDPE membrane protection on the tailings pond and each sedimentation tank.





## Wastewater management

The water at all outlets of Serbia Zijin Mining has been reused for production, and some water diversion channels can directly replenish water to the mineral processing plant, realizing zero discharge of production wastewater.

Serbia Zijin Mining has built five sets of domestic sewage integrated treatment systems, which are located in the living camp and the mineral processing plant respectively. After the domestic sewage is treated, it enters the production system for reuse. The rest of the domestic sewage of the company and the domestic sewage of each contractor camp have built a domestic sewage collection system in accordance with the local domestic sewage control requirements, and signed a transfer and disposal agreement with the local domestic sewage treatment company with relevant qualifications.

Serbia Zijin Mining water treatment workshop with a treatment capacity of 5000m<sup>3</sup>/d. If the water from underground needs to be discharged in the future, it will be discharged after being treated in the water treatment workshop to meet the standard. The online water monitoring system has been installed at the outlet, and the wastewater quality will be monitored in real time.





# Biodiversity

List of locations around Bor, which is under the potential impact of mining activities.

Table - Site names and coordinates.

Sampling site name	Coordinates	
Kr anov potok	43.997319	22.124204
Kr anov potok (uzvodno, ispod napu tene ku e)	44.002374	22.139439
Brestova ka reka	43.996998	22.124053
Luvase lan	44.00628371	22.1193556
Luvase lan (uzvodno)	44.0119033	22.13255278
Kalinik Creek	44.04053889	22.14993056
Rukjavica (kod u a Kalinika)	44.04150068	22.14985399
Tlveg (above tailing site)	44.004439	22.179128
Tlveg 2	43.998236	22.190504
Kr anov potok	43.997319	22.124204

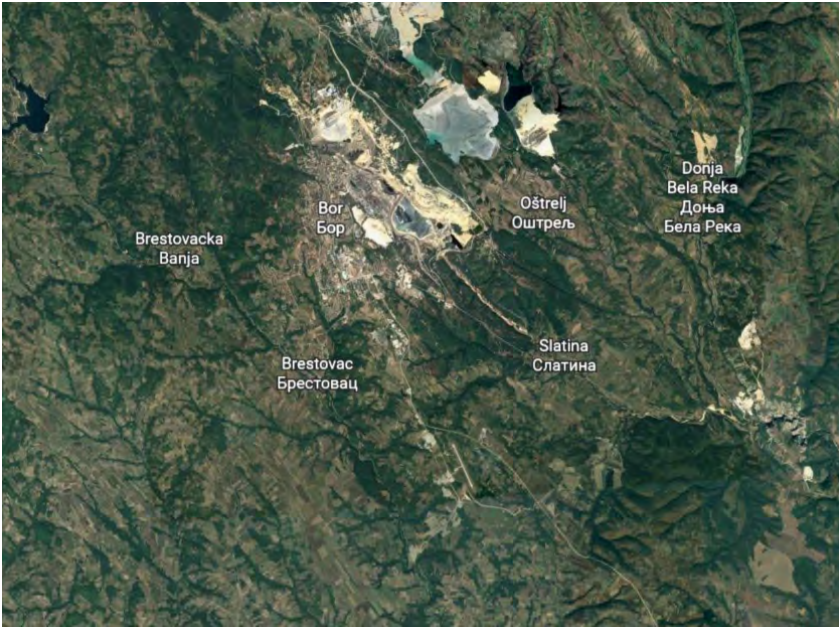
Biodiversity in Serbia is managed in accordance with the Law on Nature Protection as well as the two strategies listed below:

Law on Nature Protection (Official Gazette of RS, no. 36/2009, 88/2010, 91/2010-corr. and 14/2016), including the Book of Regulations on the designation and protection of strictly protected and protected wild species of plants, animals and fungi ("Official Gazette of RS", No. 5/ 2010 and 47/2011) - the Book of Regulations contains lists of strictly protected and protected wild species and protection measures. In accordance with these legal instruments, the project must demonstrate how it will manage the effects on these species, which include fish, invertebrates, amphibians and aquatic reptiles of conservation concern.

Biodiversity strategy of the Republic of Serbia for the period 2011-2018 (Official Gazette of RS, no. 13/2011) – this acknowledges the direct threat of mining to biodiversity, including threats specific to the aquatic biodiversity. These include runoff from disturbed land leading to soil erosion, turbidity, siltation and pollution of local streams; alteration of groundwater levels through mine de-watering and exposure of acid-generating minerals or subsoil lead to the contamination of waterways with acid and metals. The strategy stipulates that measures for impact reduction have to be proposed and establishes the main principles for biodiversity protection,

including the principle of precaution and prevention.

National strategy for sustainable use of natural resources and goods (Official Gazette of RS, no. 33/2012) - this establishes the main principles which guide sustainable use of natural resources and goods, including the principle of precaution, the principle of prevention, the principle of polluter pays and the principal of remediation.



- ✓ During the exploration phase SZM had Biodiversity study and as well as biodiversity management plan which should be updated with recent developments of the mine.
- ✓ Research on biodiversity around the mining area was implemented during 2022. The study has been finished in Jun 2023.
- ✓ Our biodiversity plan will be adopted during 2024.



According to the study - No endemic plant species were found in the vicinity of the mine, but 23 species from the IUCN list of least threatened species (LC) are present.

According to the Rulebook on the declaration and protection of strictly protected and protected wild species of plants, animals and mushrooms on the territory of the Republic of Serbia, in the protected category are 25 species, mostly because of their medicinal properties. No strictly protected plant species are recorded. Concerning the protected butterfly species we can see, two of them belong to the Category of species of European significance – Natura 2000 Target Species: Zerynthia Polyxena ([Denis & Schiffermuller, 1775]) and Parnassius Mnemosyne (Linnaeus, 1758) which also belong to species of national importance along with Argynnis pandora ([Denis & Schiffermuller], 1775) and Satyrus ferula (Fabricius, 1793) The discovery of the strictly protected species Cordulegaster heros Theischinger, 1979 dragonfly is significant. The population of dragonflies is declining not only due to human influence, water quality, but also due to climate change in general. Using the indices of the macro invertebrates community, it can generally be concluded that the degree of organic pollution in the

examined streams around mine is low. Preservation of habitats and maintenance of water quality are of key importance for their long-term survival of fresh water animals. Two protected species of aquatic macroinvertebrates: Austropotamobius torrentium and Cordulegaster heros. Alburnoides bipunctatus and Barbus balcanicus are protected, while Cottus gobio is a strictly protected fish species All amphibian and reptile species are strictly protected by national legislation. An important new finding for this area (no literature data) is the presence of the Caspian whip snake (Dolichophis caspius, Reptilia). A total of 57 species of birds were recorded, of which 29 species were found in habitats. 15 protected species of mammals and 9 species of bats were recorded.

Preventing further degradation and fragmentation of the surrounding forest habitat is of the utmost importance for the preservation of bats in the researched region. The SZM company makes abundant investments in the field of nature conservation, degraded areas are covered with layers of humus soil, grass is planted, new trees are planted and the surrounding territories are reforested. It is expected that the results of these activities will lead to the preservation and

increase of existing plant and animal populations, as well as the reduction of CO2, the improvement of water, air and soil quality.

### Overview of data on biodiversity in 2023

	Unit	Quantity
Investment in eco-restoration	\$	250.000
Number of seedlings/trees planted	pcs	52.000
Land disturbed (forest cut to perform mining process)	ha	54
Land rehabilitated- reforested	ha	11,7
Land rehabilitated- other	ha	12,2





We follow the system adopted by the Group in order to conduct responsible biodiversity management methods across our mine production and operation and in order to do our best to ensure that fragile ecosystems, habitats and endangered species will not be harmed. We follow Biodiversity Action Plan (BAP) developed at the Group level that specifically includes the following measures:

- ✔ Avoid damage: We do not conduct exploration, mining, and any construction activities within key areas such as nature reserves and ecologically vulnerable areas.
- ✔ Monitor ecological environment: We conduct ecological monitoring around the mines with high ecological risks. In the future, we will continue to pay attention to the biodiversity conservation strategies and action plans and we will continuously improve the monitoring and protection mechanisms.
- ✔ Implement biodiversity compensation programmes: We protect endemic and precious plants by establishing new botanical gardens, reserved areas, and wetland reserves, and build ecological compensation forests to compensate for the damaged forest areas.
- ✔ Protect the biodiversity of rivers: In order to conserve the diversity of aquatic life in the rivers near the mines and improve the quality of the regional water environment.
- ✔ Ecological restoration: We create a suitable living environment for species through ecological restoration.

Environmental risks and protective measures

Risks	Description	Measures
Impact on the environment	Our mining activities will certainly have some impacts. If not managed properly, exploration and exploitation activities can have a negative impact on the environment.	The company formulates a series of environmental management measures and strictly implements them, and regularly monitors the quality of the surrounding water, soil and air in order to reduce and eliminate damage to living organisms and the impact on the environment.
Impact on biodiversity	Various production and construction factors can have an impact on the biodiversity.	We have authorized third parties to conduct a one-year biodiversity study starting in June 2022, with the aim of assessing the impact of the project on the surrounding wildlife. The Study results in a Biodiversity Management Plan that defines obligations and responsibilities in monitoring the situation on the ground.
Soil and watercourse erosion	During the construction phase, it is possible to damage forest vegetation and cause soil erosion.	We created a "Forest Management Plan" for the marking and use of trees in the domain of the mining area, as well as the afforestation of certain areas every year.
Natural disasters	Natural disasters such as heavy rain and snow, floods and hurricane-force winds can damage the natural environment.	Serbia Zijin has authorized third parties to formulate appropriate emergency management plans in the event of natural disasters, in order to prevent the adverse consequences of related events.

## Environmental protection - training, greening, reclamation, rehabilitation and closure

The environmental protection department contributes to raising the awareness of employees and the community about the importance of environmental protection through trainings and various actions aimed at better understanding the importance of nature conservation.

### Environmental Protection Trainings:



In 2023 , the Ecological Environmental Protection Department organized training for different areas and different target groups:

- Serbian employees participated in training on safety production and biodiversity management in mining areas,
- Chinese employees from various departments participated in group company training on carbon emissions and solid waste disposal,
- Trainings to relevant teams of engineering companies,
- Technical training on garbage classification and hazardous waste disposal for a total of more than 200 people,
- Training on responsible usage of Chemical and reaction in emergency situations for all users of chemicals,
- Soil protection and topsoil management training for surface and geology department.

### Events that we organized:



#### World Forest Day

On March 21 , the company organized all employees to participate in the "World Forest Day" tree planting activity and planted more than 100 sycamore trees in the employee forest .



#### Earth Day

On April 22 , the company organized all employees to participate in the "World Earth Day" tree planting activity and planted more than 6,000 black pine seedlings in the #1 shaft dump site .



#### World Environment Day

On the occasion of the World Environment Day, employees of the company Serbia Zijin Mining organized a volunteer action to clean and collect waste in the Čukaru Peki mine. The action was organized at three locations of the first green mine in Serbia, which was recently enriched with several new parks and gardens surrounding the conveyor belt, the dispatch center and the new administration building.





Since the beginning of the construction of the "Čukaru Peki" mine, work has been done in parallel on greening, afforestation and recultivation of the land. The mine is greened on 87 hectares with grass, and it is enriched with 30,000 seedlings of short and tall vegetation, trees and flowers. The idea is that fifteen parks with lawns, flowerbeds and footpaths spread over 13.6 hectares of land, in which 25 million dinars were invested only last year. In the coming period, it is planned to plant an orchard, a bio-garden with vegetable crops, a fishing area, as well as a botanical garden for the cultivation of various plant species. We started the first afforestation activities on Forest Day, with the planting of sycamore seedlings, and continued with the planting of black pine saplings, as well as other species. By the end of the year, we plan to plant a total of 12,000 seedlings on the new 6 hectares of land. Apart from the parks next to the conveyor belt, the arrangement of which was started last year and continued this year, this spring we also arranged the park areas around the new administration building, as well as the area around General control center.

The fact that the mine looks like a garden, a park and a forest is due to the greening team with 28 workers who regularly maintain the parks and paths.



### ✓ The Soil and Water Conservation

Ecological Environmental Protection Department collaborates with the Surface Engineering Department and other responsible departments to manage and maintain the slopes in the office, living and production areas of each camp, and to control the occurrence of landslides by building flood interception ditches and diversion of rainwater and sewage. In addition, all exposed land is planted with grass to further prevent soil erosion and other occurrences. The once-in-a-century heavy rain from June 15 to June 16 2023. did not cause major losses to the personnel and facilities in the mining area.

### Afforestation

- ✓ In accordance with the requirements of the forest management plan, the afforestation target of 12,000 trees on 6 hectares will be completed every year starting from 2023.

### Closure and rehabilitation

- ✓ Main design of Mining operation foreseen afterclosure actions, natural restoration and rehabilitation. When some part of the land ceases to be used, the application of the space reclamation plan is started.





# Serbia Zijin Mining 2023 ESG Performance Data

## Governance

### Economic performance

	Unit	2021	2022	2023
Total Revenue	Thousand USD	534,552	1,108,158	1,282,517
Business Revenue	Thousand USD	529,866	1,083,854	1,240,793
Net profit attributable to owners of the parent	Thousand USD	330,582	684,544	770,136
Total assets at the end of the reporting period	Thousand USD	706,295	858,668	1,148,135
Total operating costs	Thousand USD	147,054	316,223	472,938
Employee salaries and benefits	Thousand USD	8,945	19,864	32,006
Total amount of tax costs	Thousand USD	34,169	65,293	69,690
Other operating costs	Thousand USD	103,939	231,066	371,242
Total donations	Thousand USD	1,440	801	2,137
Short-term liabilities	Thousand USD	125,448	127,540	231,999

### Senior Mangement team

	2021		2022		2023	
	Quantity	Percentage	Quantity	Percentage	Quantity	Percentage
Ratio of women in the senior management team	0	0%	0	0%	0	0%
Ratio of men in the senior management team	10	100%	10	100%	10	100%
Proportion of employees under the age of 30 in the senior management team	0	0%	0	0%	0	0%
Proportion of employees aged 31-40 in the senior management team	3	30%	4	40%	3	30%
Proportion of employees aged 41-50 in the senior management team	4	40%	4	40%	4	40%
Proportion of employees aged 51-60 in the senior management team	3	30%	2	20%	3	30%
Proportion of employees aged 61 and above in the senior management team	0	0%	0	0%	0	0%
Proportion of expatriate in the senior management team	0	0%	0	0%	0	0%
Proportion of Serbian employees in the senior management team	0	0%	0	0%	0	0%
Other categories of employees on the senior management team: disabled, ethnic, minority or vulnerable groups	0	0%	0	0%	0	0%
Total number of management team	10	100%	10	100%	10	100%





Business ethics

	Unit	2021	2022	2023
Total number of whistleblowing reports received				
from employees	/	0	0	5
from suppliers and contractors	/	0	0	1
from other stakeholders	/	0	0	0
Other data/reports				
Number of confirmed cases of corruption and fraud	/	0	0	0
Number of confirmed incidents in which employees were dismissed or disciplined for corruption	/	0	0	0
Public legal cases regarding corruption brought against the organisation or its employees	/	0	0	0
Confirmed incidents when contracts with business partners were terminated or not renewed due to violations related to corruption	/	0	0	0
Business ethics policies and procedures acknowledgement coverage				
Employees with confirmed commitment to the code of conduct	%	100%	100%	100%
Employees with confirmed commitment to anti-bribery and anti-corruption policy	%	100%	100%	100%
Business ethics training coverage				
Management (deputy supervisor and above)	%	100%	100%	100%
Employees	%	100%	100%	100%
Suppliers and contractors	%	100%	100%	100%

# Social

## Serbia Zijin Mining employees by contract type by gender

	2021			2022			2023		
	Female	Male	Total	Female	Male	Total	Female	Male	Total
Number of employees (head count / FTE)	77	663	740	171	859	1,030	222	1,037	1,259
Number of permanent employees (head count / FTE)	0	20	20	20	182	202	59	480	539
Number of temporary employees (head count / FTE)	77	643	720	151	677	828	163	557	720
Number of non-guaranteed hours employees (head count / FTE)	0	153	153	0	264	264	0	0	0
Number of full-time employees (head count / FTE)	77	663	740	171	859	1,030	222	1,037	1,259
Number of Serbian workers (head count / FTE)	0	0	0	0	0	0	199	899	1,098

note: No. of employees is calculated as sum of permanent and temporary employees

## Total number of employees that were entitled to parental leave

	2021			2022			2023		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Total number of employees that were entitled to parental leave	0	1	2	1	7	8	1	9	10
Total number of employees that took parental leave	0	1	1	1	8	9	1	9	10
Total number of employees that returned to work in the reporting period after parental leave ended	0	2	2	0	1	1	1	3	4
Total number of employees that returned to work after parentalleave ended that were still employed 12 months after their returnto work	0	2	2	0	1	1	0	0	0





Subcontractors by contract type by gender

	Subcontractors 2021			Subcontractors 2022			Subcontractors 2023		
	Female	Male	Total	Female	Male	Total	Female	Male	Total
Number of employees (head count / FTE)	77	1,486	1,563	112	1,698	1,810	265	2,664	2,929
Number of permanent employees (head count / FTE)	19	180	199	32	283	315	93	703	796
Number of temporary employees (head count / FTE)	58	1,306	1,364	80	1,415	1,495	173	1,960	2,133
Number of non-guaranteed hours employees (head count / FTE)	0	5	5	5	10	15	0	0	0
Number of full-time employees (head count / FTE)	77	1,486	1,563	112	1,698	1,810	264	2,661	2,925
Number of Serbian workers (head count / FTE)	0	0	0	0	0	0	136	877	1,013

note: No. of subcontractors employees is calculated as sum of permanent and temporary employees

Employees from local communities

	2021	2022	2023
Number of employees from local communities (Bor + villages)	578	798	976
Percentage of employees from local communities (Bor + villages)	77%	78%	78%
Number of employees covered under the Collective Bargaining	0	0	0
Percentage of employees covered under the Collective Bargaining	0	0	0
Percentage of senior management at significant locations of operation that are hired from the local communities (Bor + villages).	6%	6%	6%

note:

Senior management - Deputy supervisors and core engineers and management staffs

Geographical definition of ‘local’ - Bor municiple



Employment by age and gender

	Unit	2021	2022	2023
Total number of staff		740	1,030	1,259
Local employment rate (Serbian employees)	%	86%	87%	87%
By gender				
Male	%	90%	85%	82%
Female	%	10%	15%	18%
By age				
Under 30 years old	%	31%	33%	32%
30-50 years old	%	61%	57%	62%
Over 50 years old	%	8%	8%	7%

Employee turnover

	Unit	2021	2022	2023
Staff turnover rate	%	9%	8%	11%
By gender				
Male	%	75%	78%	80%
Female	%	25%	12%	20%
By age				
Under 30 years old	%	35%	40%	45%
30-50 years old	%	61%	57%	45%
Over 50 years old	%	4%	4%	10%





# OHS

## Workers covered by an occupational health and safety management system

	2021		2022		2023	
	No.	%	No.	%	No.	%
The number and percentage of all employees who are covered by OHS management system	742	100	963	100	1,260	100
The number and percentage of all workers who are not employees but whose work and/or workplace is controlled by the organization, who are covered by OHS management system	1,326	100	1,405	100	2,685	100
The number and percentage of all employees who are covered by OHS management system that has been internally audited	742	100	963	100	1,260	100
The number and percentage of all workers who are not employees but whose work and/or workplace is controlled by the organization, who are covered by OHS management system that has been internally audited	1,326	100	1,405	100	2,685	100
The number and percentage of all employees who are covered by OHS management system that has been audited or certified by an external party	408	55	420	43.6	426	33.8
The number and percentage of all workers who are not employees but whose work and/or workplace is controlled by the organization, who are covered by OHS management system that has been audited or certified by an external party	52	3.9	63	4.48	278	10.35

## Work-related injuries - Employees

	2021		2022		2023	
	No.	%	No.	%	No.	%
Fatalities as a result of work-related injury	0		0		0	
High-consequence work-related injuries (excluding fatalities);	0		0		0	
Recordable work-related injuries;	2	0.27	6	0.62	7	1.83
The number of hours worked.	813,601	/	1,414,700	/	2,562,000	/



Production safety

	2021			2022			2023		
	SZM	Contractors	Total	SZM	Contractors	Total	SZM	Contractors	Total
Lost work hours rate (per million hours worked)	0	2,743.6	2,145.1	137.2	3,227.1	2,373.6	0	4.34	3.25
Lost time injury rate (LTIR) (per million hours worked)	0	2.74	2.14	1.41	2.69	2.14	0	0.14	0.11
Total recordable incident rate (TRIR) (per million hours worked)	2.45	5.14	4.56	4.24	4.03	4.09	1.83	1.36	1.68
Near miss frequency rate (NMFR) (per million hours worked)	0	0.68	0.53	0.71	1.07	0.97	1.83	3.80	2.95

Work-related injuries - workers who are not employees but whose work and/or workplace is controlled by the organization

	2021		2022		2023	
	No.	%	No.	%	No.	%
Fatalities as a result of work-related injury	1	0.07	2	0.14	0	0
High-consequence work-related injuries (excluding fatalities)	2	0.15	1	0.07	0	0
Recordable work-related injuries	13	0.98	14	0.99	10	1.36
The number of hours worked.	2,915,880	/	3,718,469	/	5,369,448	/

Work-related ill health - Employees

	Unit	2021	2022	2023
The number of fatalities as a result of work-related ill health	NO.	0	0	0
The number of cases of recordable work-related ill health	NO.	0	0	0





Work-related ill health - workers who are not employees but whose work and/or workplace is controlled by the organization

	Unit	2021	2022	2023
The number of fatalities as a result of work-related ill health	NO.	0	0	0
The number of cases of recordable work-related ill health	NO.	0	0	0

Investment in production safety (USD)

	Unit	2021	2022	2023
	USD	5,000,000	8,000,000	11,000,000

H&S training

	Unit	2022	2023
SZM Employee Training Hours	NO.	10,356	12,456
Contractors Training Hours	NO.	6,586	7,698



# Environment

## Water

### Water withdrawal in megaliters

2023		
Surface water (total)		
Freshwater (≤1,000 mg/L Total Dissolved Solids)	1,119,531	Brestovac river
Other water (>1,000 mg/L Total Dissolved Solids)		
Groundwater (total)		
Freshwater (≤1,000 mg/L Total Dissolved Solids)		
Other water (>1,000 mg/L Total Dissolved Solids)	804,342	Underground work
Produced water (total)		
Freshwater (≤1,000 mg/L Total Dissolved Solids)		
Other water (>1,000 mg/L Total Dissolved Solids)	9,949,626	TSF
Water discharge megaliters		
Total water discharge	/	
Water consumption megaliters		
Total water consumption	11,873,499	
Water reuse rate % (Total water consumption - Total water withdrawal)/Total water consumption	91	





# Waste

## Non mineral waste by composition

	Unit	2022	2023
Hazardous not mine waste generated	metric tons (t)	28.64	43.70
- Off-site directed to disposal trough other disposal operations	metric tons (t)	28.64	43.70
Total non-hazardous waste generated	metric tons (t)	62.30	4,165.59
- Off-site diverted from disposal by recovery operation trough recycling	metric tons (t)	/	584.54
- Off-site directed to disposal trough other disposal operations trough Incineration (with energy recovery)	metric tons (t)	62.30	55.93
- Off-site directed to disposal trough other disposal operations trough Landfilling	metric tons (t)	/	3,581.05

## Mineral waste by composition

	Unit	2022	2023
Flotation tailings	metric tons (t)	1,222,000	1,421,979
- Reuse (used as a component in pit backfill)	metric tons (t)	765,000	924,287
- On-site directed to disposal	metric tons (t)	457,000	497,692
Tailings recycled rate	%	62.60	65.00
-Storage of pyrite concentrate	metric tons (t)	/	871,882



# Energy

Indicator	Unit	2021	2022	2023
Total fuel consumption within the organization from non-renewable sources, in joules or multiples			5,838.10	6,136.08
Total fuel consumption within the organization from renewable sources, in joules or multiples, and including fuel types used.		/	/	/
In joules, watt-hours or multiples, the total:	10 <sup>4</sup> kWh	3,748.28	7,739.78	12,313.28
i.electricity consumption	10 <sup>4</sup> kWh	3,748.28	7,739.78	12,313.28
ii. heating consumption		/	/	/
iii. cooling consumption		/	/	/
iv. steam consumption		/	/	/
Total energy consumption within the organization, in joules or multiples	tce	5,918.03	14,464.26	23,322.29

# GHGs and Air emissions

## GHGs emissions

Indicator	Unit	2021	2022	2023
Total GHGs emissions	tCO <sub>2</sub>	23,214.86	52,780.12	84,639.58
Direct GHGs emission (SCOPE 1)	tCO <sub>2</sub>	2,830.59	10,688.86	17,676.25
Indirect GHGs emissions (SCOPE 2)	tCO <sub>2</sub>	20,384.27	42,091.26	66,963.34





Air emissions

Indicator	Unit	Limit	2022	2023
Particulate matter (PM 10)				
The number of days of exceeding daily limit values per year for suspended PM10	No. of days	35	23	16 (at 8 measuring points)
Average annual value of the concentration of suspended particles PM 10	"Annual limit $\mu\text{g}/\text{m}^3$ "	40	21.5-26.9	18.7 – 24.8
Dust (Total sediment matter)				
Average annual value of the concentration of dust	"Annual limit $\text{mg}/\text{m}^2/\text{day}$ "	200	35.7-190.3	44.5 – 166.2



# GRI Content Index

**Statement of use :** SZM has reported the information cited in this GRI content index for the period 1 January 2023 to 31 December 2023. following the GRI Standards.

**GRI 1 used:** GRI 1: Foundation 2021

GRI STANDARD	DISCLOSURE	LOCATION
GRI 2: General Disclosures 2021	2-1 Organizational details	6, 7
	2-2 Entities included in the organization’s sustainability reporting	1
	2-3 Reporting period, frequency and contact point	1
	2-5 External assurance	1
	2-6 Activities, value chain and other business relationships	8, 70, 71
	2-7 Employees	35, 98
	2-8 Workers who are not employees	35, 99
	2-9 Governance structure and composition	17,18
	2-10 Nomination and selection of the highest governance body	17,18
	2-11 Chair of the highest governance body	17,18
	2-12 Role of the highest governance body in overseeing the management of impacts	19,20
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	2-29 Approach to stakeholder engagement	10, 11
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	3-2 List of material topics	13



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GRI 201: Economic Performance 2016	3-3 Management of material topics	15
	Disclosure 201-1 Direct economic value generated and distributed	15
GRI 204: Procurement Practices 2016	3-3 Management of material topics	70
	Disclosure 204-1 Proportion of spending on local suppliers	70-71
GRI 205: Anti-corruption 2016	3-3 Management of material topics	21-29
	Disclosure 205-1 Operations assessed for risks related to corruption	21-24
	Disclosure 205-2 Communication and training about anti-corruption policies and procedures	21, 97
	Disclosure 205-3 Confirmed incidents of corruption and actions taken	97
GRI 302: Energy 2016	3-3 Management of material topics	73-74, 78-79
	Disclosure 302-1 Energy consumption within the organization	106
GRI 303: Water and Effluents 2018	3-3 Management of material topics	73-74, 87-90
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	Disclosure 303-3 Water withdrawal	104
	Disclosure 303-4 Water discharge	104
	Disclosure 303-5 Water consumption	104
GRI 304: Biodiversity 2016	3-3 Management of material topics	73-74, 91
	Disclosure 304-3 Habitats protected or restored	91-93
GRI 305: Emissions 2016	3-3 Management of material topics	73-74, 75-78
	Disclosure 305-1 Direct (Scope 1) GHG emissions	106
	Disclosure 305-2 Energy indirect (Scope 2) GHG emissions	106
	Disclosure 305-7 Nitrogen oxides (NOX), sulfur oxides (SOX), and other significant air emissions	107
GRI 306: Waste 2020	3-3 Management of material topics	73-74, 80-86
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	Disclosure 306-2 Management of significant waste-related impacts	80-86
	Disclosure 306-3 Waste generated	105
	Disclosure 306-4 Waste diverted from disposal	105
	Disclosure 306-5 Waste directed to disposal	105
GRI 308: Supplier Environmental Assessment 2016	3-3 Management of material topics	70
	Disclosure 308-1 New suppliers that were screened using environmental criteria	70, 71
GRI 401: Employment 2016	3-3 Management of material topics	34, 35
	Disclosure 401-1 New employee hires and employee turnover	100
	Disclosure 401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	35
	Disclosure 401-3 Parental leave	98





GRI STANDARD	DISCLOSURE	LOCATION
GRI 403: Occupational Health and Safety 2018	3-3 Management of material topics	45-47
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	Disclosure 403-2 Hazard identification, risk assessment, and incident investigation	48-50
	Disclosure 403-3 Occupational health services	51
	Disclosure 403-4 Worker participation, consultation, and communication on occupational health and safety	47
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	Disclosure 403-8 Workers covered by an occupational health and safety management system	101
	Disclosure 403-9 Work-related injuries	101-103
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GRI 404: Training and Education 2016	3-3 Management of material topics	43
	Disclosure 404-1 Average hours of training per year per employee	43, 44
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GRI 405: Diversity and Equal Opportunity 2016	3-3 Management of material topics	38
	Disclosure 405-1 Diversity of governance bodies and employees	40, 41, 96,100
GRI 406: Non-discrimination 2016	3-3 Management of material topics	38
	Disclosure 406-1 Incidents of discrimination and corrective actions taken	40
GRI 407: Freedom of Association and Collective Bargaining 2016	3-3 Management of material topics	39, 99
GRI 408: Child Labor 2016	3-3 Management of material topics	38
	Disclosure 408-1 Operations and suppliers at significant risk for incidents of child labor	39
GRI 409: Forced or Compulsory Labor 2016	3-3 Management of material topics	38
	Disclosure 409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	39
GRI 410: Security Practices 2016	3-3 Management of material topics	56-57
	Disclosure 410-1 Security personnel trained in human rights policies or procedures	56-57
GRI 413: Local Communities 2016	3-3 Management of material topics	58
	Disclosure 413-1 Operations with local community engagement, impact assessments, and development programs	59-69
GRI 414: Supplier Social Assessment 2016	3-3 Management of material topics	70
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