



2023

**China Nonferrous Metal Industry's Foreign
Engineering and Construction Co., Ltd.**

Social Responsibility and Environmental, Social
and Governance (ESG) Report

About This Report

Reporting Period

This report covers the period from January 1 to December 31, 2023, and some parts may also involve significant years in the Corporation history.

Reporting Cycle

China Nonferrous Metal Industry's Foreign Engineering and Construction Co., Ltd. publishes ESG reports annually and this report is the 15th Edition.

Reporting Scope

This report covers the information of the headquarters, subsidiaries and affiliates of China Nonferrous Metal Industry's Foreign Engineering and Construction Co., Ltd.

Data Sources

The data in this report is primarily obtained through statistical analysis of relevant information. The operational data mainly comes from the 2023 *Audit Report*, *Annual Report*, and other sources.

Preparation Basis

The report is prepared in compliance with the requirements of the *Guideline on Fulfilling Social Responsibility by Central State-owned Enterprises*, the *Guidelines on Fulfilling Social Responsibility by State-owned Enterprises*, and *Reference of ESG Indicators System for ESG Reports of Listed Companies Controlled by Central State-owned Enterprises* released by the State-owned Assets Supervision and Administration Commission of the State Council (SASAC of the State Council) and in accordance with *Guidance on Social Responsibility Reporting* (GB/T 36001-2015) released by Standardization Administration of the People's Republic of China (SAC), *Guidelines No. 1 for Self-Regulation of Listed Companies on Shenzhen Stock Exchange - Standardized Operation of Companies Listed on the Main Board*, *Guidelines on Corporate Social Responsibility Reporting for Chinese Enterprises (CASS-ESG5.0)* released by Chinese Academy of Social Sciences, *GRI Sustainability Reporting Standards* (GRI Standards) issued by the Global Sustainability Standards Board (GSSB), *Guidance on Social Responsibility* (ISO 26000:2010) issued by International Organization for Standardization (ISO) and UN Sustainable Development Goals (SDGs).

Reporting Version

This report is available in both simplified Chinese and English, and is offered in hard copy as well as PDF format.

References

For better presentation and readability, "China Nonferrous Metal Industry's Foreign Engineering and Construction Co., Ltd." is also referred to as "NFC", "the Company" and "we". "China Nonferrous Metal Mining (Group) Co., Ltd.", "Tsairt Mineral LLC", "Chifeng NFC Baiyinnuoer Mining Co., Ltd.", "Chifeng NFC Zinc Co., Ltd.", "NFC Shenyang Pump Industry Co., Ltd.", "PT Dairi Prima Mineral" and "Qinghai NFC Mining Development Co., Ltd." are respectively referred to as "CNMC", "Tsairt Mineral", "CNBM", "CNZC", "NSPI", "DPM" and "Qinghai NFC".

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For a hard copy of the report, please contact us using the details provided below. To continuously enhance our CSR performance and the quality of our reports, we highly value your opinions and suggestions and look forward to your evaluations and feedbacks.

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Chairman's Letter



刘宇

Liu Yu
Deputy General Manager of CNMC
Chairman of NFC

The year 2023 is a pivotal year for NFC to implement the "14th Five Year Plan" and support CNMC in accelerating its progress to become a world-class enterprise. It is a year of advancement, as the Company stand at a new threshold, poised for the future. It is a year of celebration, marking the Company's 40th anniversary, with a focus on promoting high-quality development with renewed vigor. It is also the first year for the Company to innovate its systems and mechanisms and implement equity incentives.

Adhering to reform and innovation to energize vitality. Continuing to deepen reform, we earnestly implement the requirements of the State-owned Assets Supervision and Administration Commission (SASAC) to further improve the quality of listed companies controlled by central enterprises. We were rated as "Excellent" in SASAC's special evaluations of the "Double-Hundred Actions" and the "Science and Technology Reform Demonstration Actions", and our "Three-system Reform" was rated as excellent by CNMC. Committed to seeking progress while maintaining stability, we capitalized on strategic opportunities to boost operational efficiency, striving for new records in production and management. In our efforts to take new steps in deepening reform, we have fully implemented term-based and contract-based management, rapidly advanced equity incentives in the securities market, and fully motivated our employees to take initiative and be creative in their work.

Adhering to Lean Management to Strengthen Momentum. Guided by CNMC's "1+4" development strategy, we accelerate the implementation of "projects for resources + mining for resources." By bolstering our project management system with a focus on standardizing the bidding and procurement process, we further standardized the entire project management process. We launched special actions for compliance management of business operations, aiming for financial core control to enhance efficiency. We also emphasize the management of technological projects, formulating the *Measures for the Management of Scientific Research Projects*, injecting new vitality of technological innovation into our long-term growth.

Adhering to Green Development for Effective Results. Thoroughly implementing the "Two Mountains" theory, we formed a leadership group for rectifying issues identified by the Central Environmental Protection Inspectorate, fully promoting the rectification efforts. We have established environmental protection management organizations, and leadership groups for carbon peaking and carbon neutrality, to coordinate various energy-saving, environmental protection efforts, and the "dual carbon" work. We phased out energy-intensive outdated electro-mechanical equipment, fueled our drive towards energy-saving and emissions reduction, and improved the ecology of our mining areas, and achieved new improvements in overall safety and environmental quality.

Adhering to Responsibility and Promoting Harmony. Upholding a red-line awareness and bottom-line thinking, we established the Safety Production and Environmental Protection Committee to conduct regular supervision and special inspections on our invested enterprises in China, overseas project departments and invested enterprises. Aiming for "zero harm, zero fatalities", we continually advanced series of activities for risk prevention, hazard identification, and management enhancement, accelerating the governance of major risks and hazards through multiple measures to guarantee safety and stability. We facilitate unimpeded communication channels for employees, implement care and concern measures for them, standardize assistance for employees in difficulty, and promote the harmonious and stable development of the Company. By proactively assuming our corporate social responsibilities, we provide support for local cultural, educational, economic, and social development. We also contribute to rural revitalization and building harmonious overseas communities, establishing a responsible and compassionate corporate image.

Looking ahead, we are poised to align closely with CNMC's development strides, pursuing long-term growth in resource assurance, industrial growth, and innovation leadership. With value creation as a critical driver, we will prioritize benefits, efficiency, innovation, serving the overall interests, and industrial optimization and upgrading. Our goal is to build NFC into a national team in China's nonferrous metals industry for overseas engineering construction and a world-renowned mining company. We aim to make new and greater contributions to accelerating CNMC's development into a world-class enterprise!



About Us

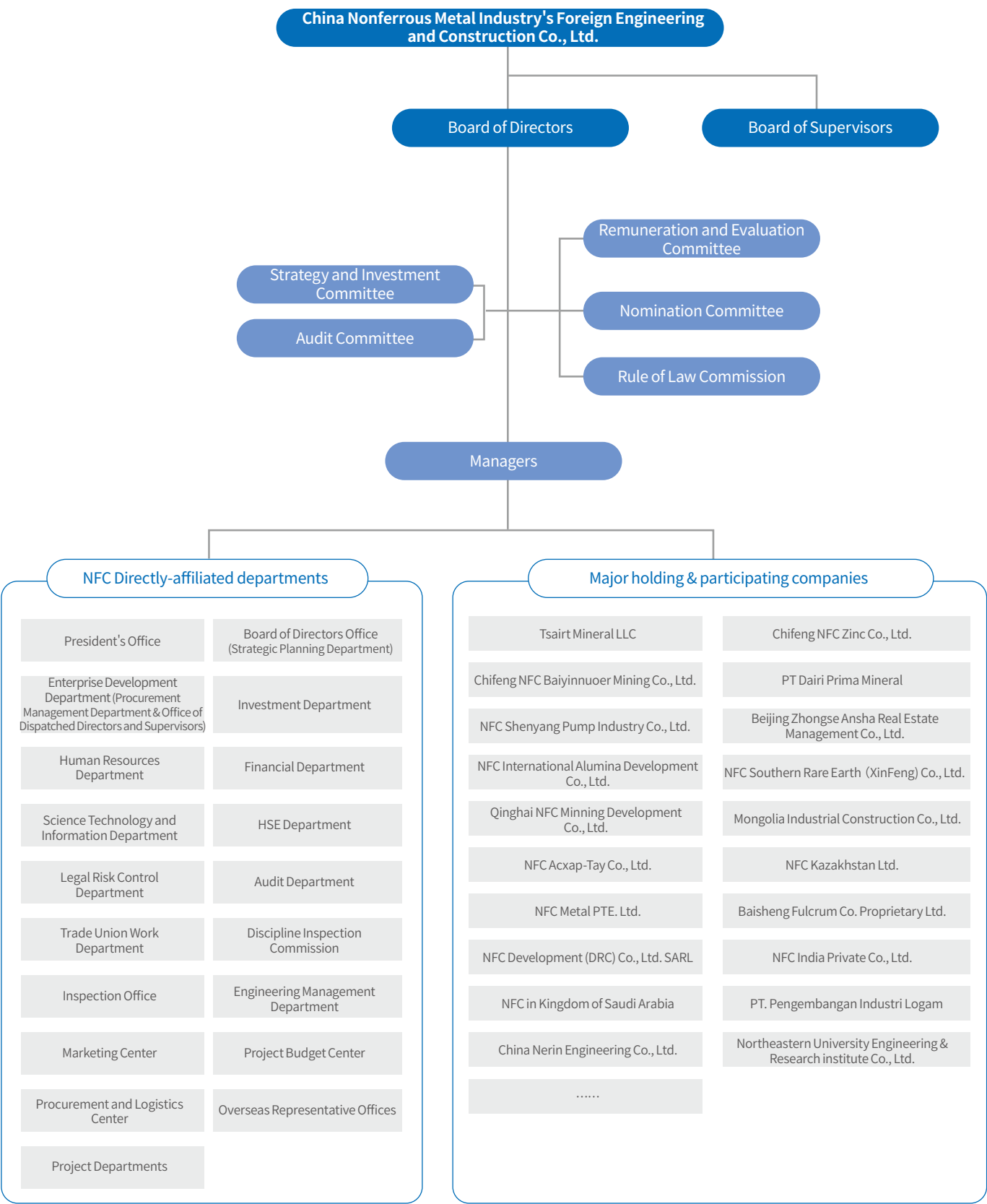
Company Profile

China Nonferrous Metal Industry's Foreign Engineering and Construction Co., Ltd. (hereinafter referred to as "NFC") was established in 1983 with approval of the State Council. In April 1997, NFC was listed on the Shenzhen Stock Exchange (stock code: 000758) under China Nonferrous Metal Mining (Group) Co., Ltd., a large central SOE in China.

NFC is among the earliest Chinese companies going global for international project contracting. Under CNMC's strong leadership, after four decades of development, NFC has evolved itself from a mere international project contractor into a comprehensive nonferrous metals company specializing in international project contracting and development of nonferrous metals minerals resources. Our services span the entire nonferrous metals industry, including nonferrous metals consulting, minerals exploitation, industrial design and R&D of nonferrous metals, international project contracting, minerals investment, production and operation, mining, smelting, and metallurgical equipment manufacturing. NFC boasts a global presence in more than 40 countries and regions, including Kazakhstan, Mongolia, and Indonesia. Through international capacity cooperation with over 20 countries and regions along the Belt and Road (BRI), NFC has significantly boosted their industrial, economic, and social development. Having been selected among the "Top 250 International Contractors" by the U.S. *Engineering News-Record (ENR)* for consecutive years, NFC has established itself a highly recognized brand in the international nonferrous metals industry.

NFC features one special-level qualification for general contracting (metallurgical engineering), three first-level qualifications for general contracting (construction engineering, mining engineering, electromechanical engineering) and one second-level qualification for general contracting (highway engineering). NFC has 29 holding and contributing subsidiaries. Having established an integrated production and operation system of lead and zinc mining and smelting, we possess two mines in production and one mine under construction at home and abroad, with 210,000 tons of zinc smelting capacity in Chifeng, Inner Mongolia. These are testament to our strong resource development ability at home and abroad.

Organizational Structure



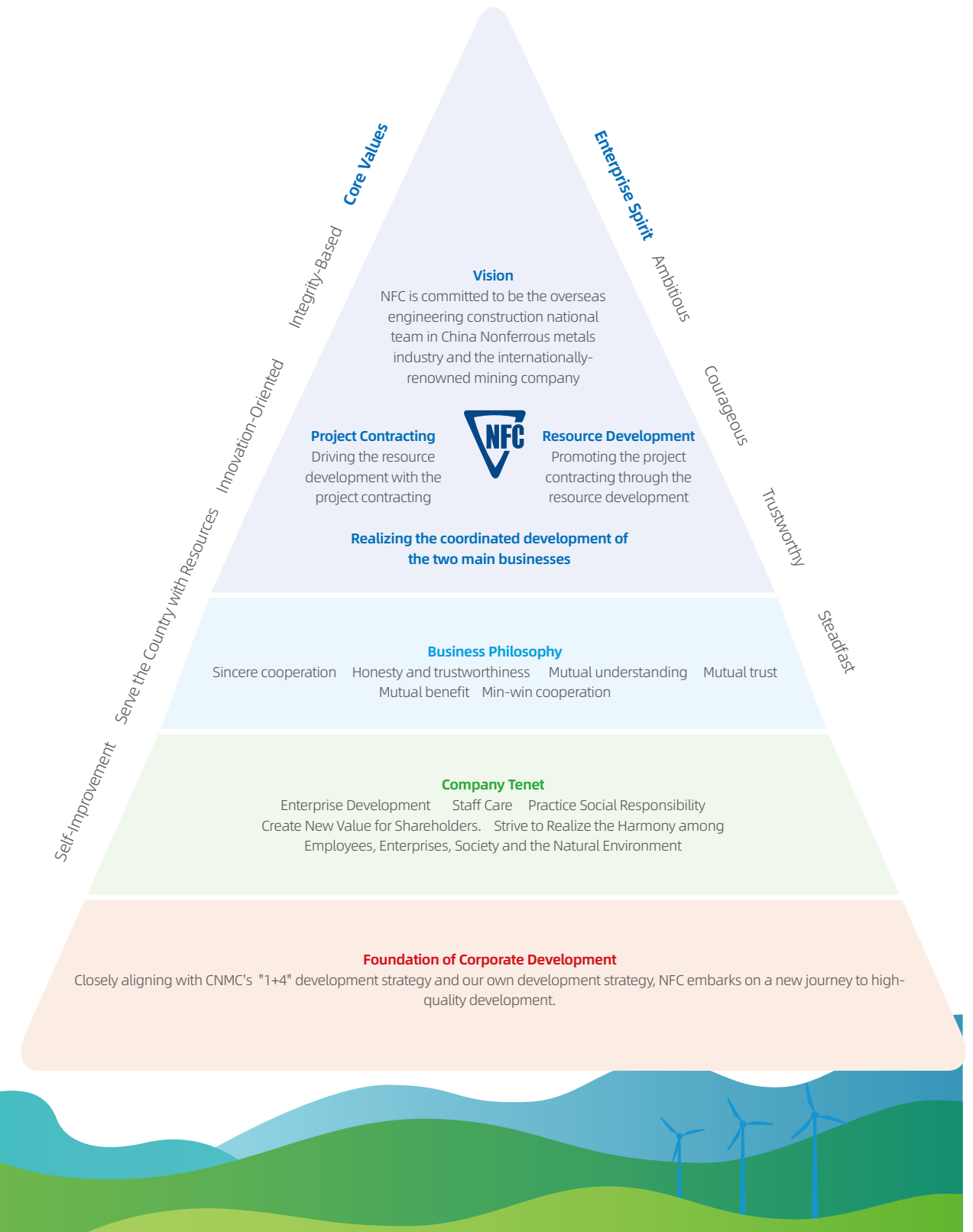
Our Culture

As one of the first trailblazers in global outreach, NFC promotes the corporate spirit of "Ambitious, Courageous, Trustworthy, Steadfast". Steered by our core values of "Integrity-based, Innovation-oriented, Serve the country with resources and Self-improvement", NFC has navigated four decades of a journey of adversity, stringency, loyalty and accountability.

One Center: Our vision is to grow into "the overseas engineering construction national team in China Nonferrous metals industry and the internationally-renowned mining company".

Two Pillars: We drive synergy between two pillars, where engineering contracting drives resource development and vice versa.

Dual Supports: Working faster to advance CNMC's "1+4" development strategy and our own development strategy fortifies our developmental foundation, serving as the main engine and hard support for NFC's high-quality and sustainable growth. Our philosophy of "Sincere Collaboration, Honesty and Trustworthiness, Mutual Understanding, Mutual Trust, Mutual Benefit, and Win-Win Cooperation" and our mission of "Pursuing a Harmony across Employees, Corporate Development, Society, and Environment" formed in our enduring journey constitute a crucial cultural booster and soft support for NFC's high-quality and sustainable growth.





Milestones in 2023

NFC held the 2023 Work Conference & the Fifth Meeting of the Second Workers' Congress and the 2023 Safety and Environmental Protection Work Conference

Mr. Qin Junman, General Manager of NFC, met with Saudi Arabia's Minister of Energy and Deputy Minister of Industry and Mining



A delegation led by Mr. Qin Junman, General Manager of NFC, attended the Future Minerals Forum

CNBM was honored as "Excellent Company in Investment Attraction" by Bairin Left Banner

A delegation led by Mr. Liu Yu, Deputy General Manager of CNMC and Chairman of NFC, conducted research and guidance for enterprises in Chifeng



Mr. Liu Yu, Deputy General Manager of CNMC and Chairman of NFC, met with a delegation led by General Manager of Vietnam National Coal and Mineral Industries Group

The project "Key Technology for the Efficient Utilization of Complex and Difficult-to-Process Copper and Cobalt Ores and Its Industrialization" participated by NFC received the first prize in the "2022 China Nonferrous Metals Industry Science and Technology Award" from China Nonferrous Metals Industry Association and the Nonferrous Metals Society of China

NFC Saudi Arabia was commended by the Chinese Embassy in Saudi Arabia

Mr. Xi Zhengping, Chairman of CNMC, accompanied by Mr. Liu Yu, Deputy General Manager of CNMC and Chairman of NFC, met with a delegation led by Mr. Oleg Novachuk, Chairman of KAZ Minerals



NFC held the 2023 Science and Technology Work Conference and the 2023 Publicity Work Conference

NFC passed the annual supervisory audit on quality, environmental, and occupational health and safety management systems for 2022-2023

Mr. Xi Zhengping, Chairman of CNMC, conducted investigation at the Indonesian project of NFC



NFC finalized the grant registration of 23.64545 million ordinary A shares in the first batch to 214 qualified middle and senior managers and key personnel

The RTR Project in the DRC received the C5 Certificate

NFC's safety management practice for Aktogay Cooper Expansion Project in Kazakhstan was selected as an outstanding project management case on the website of the UN Industrial Development Organization (<https://open.unido.org/>)



NFC Indonesia obtained a general contracting qualification

NFC conducted the "Work Safety Month" campaign

Mr. Qin Junman, General Manager of NFC, met with a delegation led by Mr. Yun Deng, General Manager of Erdenet Mining Corporation (formerly Minister of Mining and Heavy Industry) and Mr. Badamusuren, head of the Copper Smelting Sector, State Committee for Industrial Construction of Mongolia



Figures in 2023

CSR honors

NFC received from the Embassy of the Republic of Kazakhstan in the People's Republic of China a Letter of Thanks, affirming its contribution to boosting international production capacity cooperation

NFC's safety management practice for Aktogay Cooper Expansion Project in Kazakhstan was selected as an outstanding CSR project in the construction sector in China (Project ID: 180270) by the United Nations Industrial Development Organization and displayed on its website (<https://open.unido.org/>).

NFC was selected into the *100 Best Practices over the Past Decade of the BRI Cooperation by Chinese Listed Companies* and received the certificate for Best Practice of the Board of Directors of Listed Company

The "SALCO 300,000 Tons/Year Aluminum Project" was honored the "National Quality Engineering Award"

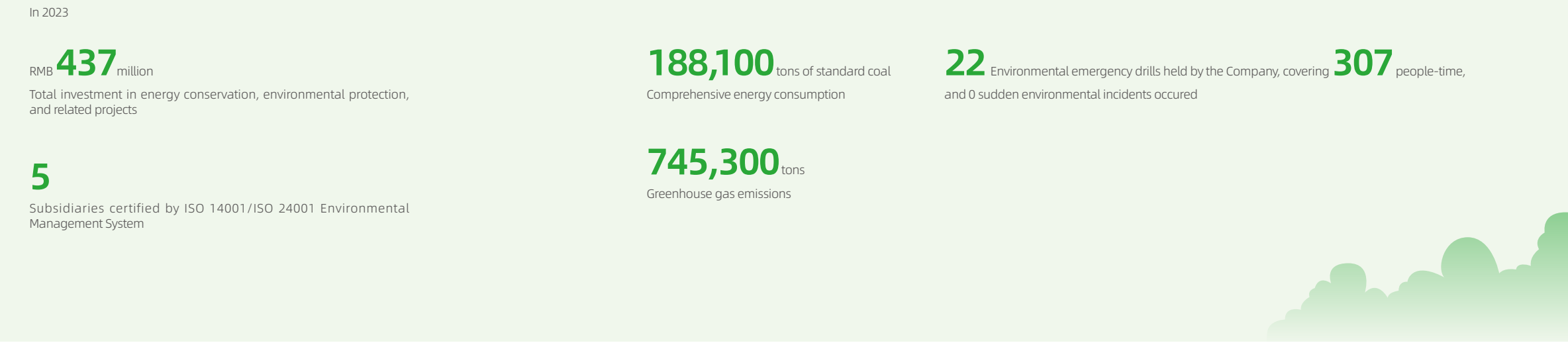
The project "Key Technology for the Efficient Utilization of Complex and Difficult-to-Process Copper and Cobalt Ores and Its Industrialization" participated by NFC received the first prize of the Science and Technology Progress Award in Jiangxi Province

NSPI was certified as a specialized and innovative SME in Liaoning Province for the first time

Social performance



Environment performance

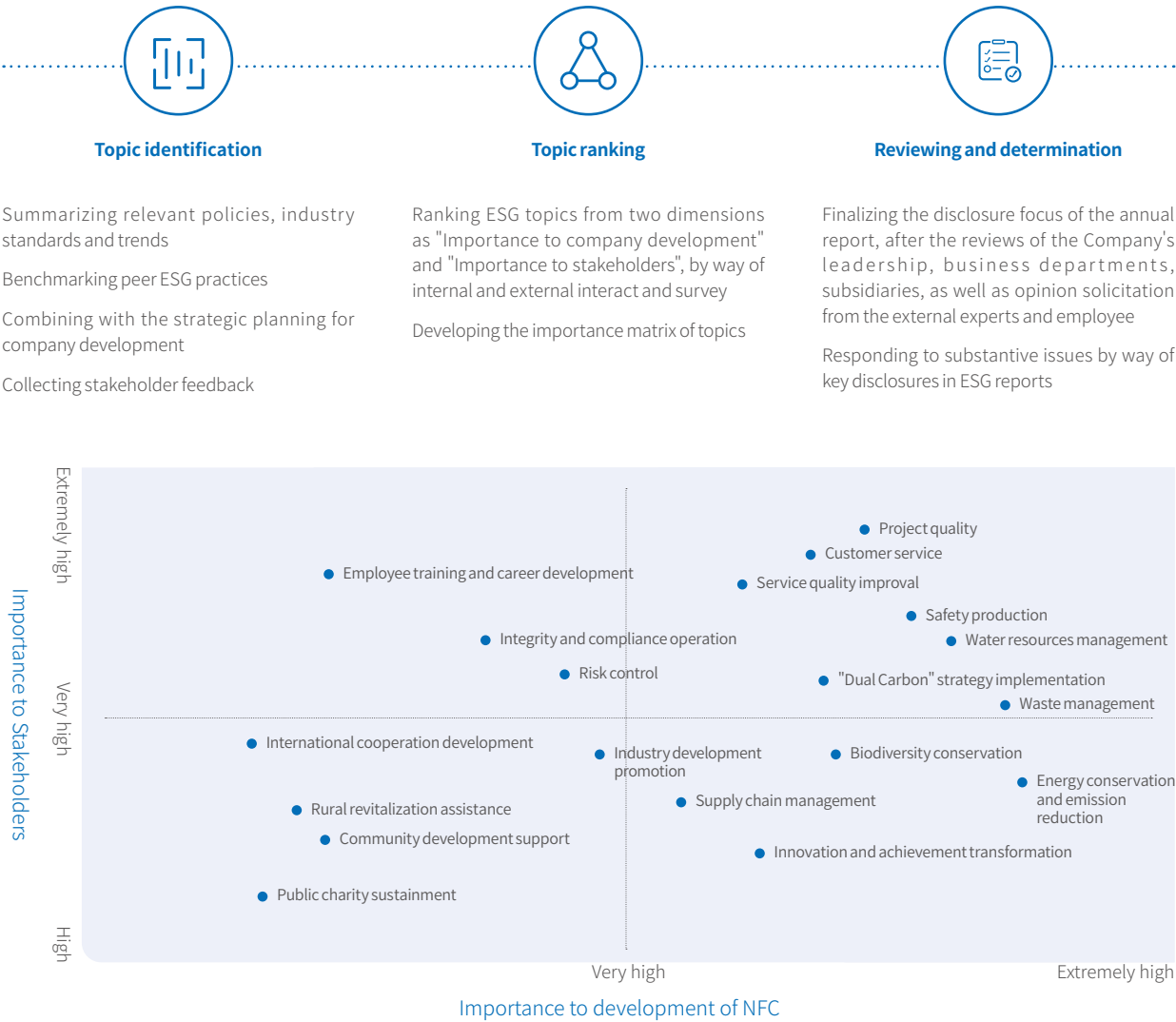


ESG management

We actively promote the establishment of an ESG organizational structure that encourages deep involvement of management, horizontal coordination among professional departments and vertical integration across all levels. We have established a leading group and office for ESG reporting preparation which take charge of ESG daily affair management. The relative responsibilities are divided among relevant departments and comprehensively implemented at all levels. By way of ESG-specific training, we enhance ESG awareness in work and continuously improve the capabilities in terms of ESG governance and risk management, thereby achieving normalized ESG management for the company.

Materiality analysis

Following the analysis process of substantive issues including "topic identification, screening assessment, reviewing and determination, topic response" we comprehensively consider the importance of different issues to stakeholders and to company's development, identify and screen out issues with higher substantive significance which would be emphasized in the disclosure.



Stakeholder communication

NFC continuously expands its communication channels and methods with the stakeholders, collects their requirements and expectations through multiple channels. responds actively to their demands accordingly. Simultaneously NFC makes self-evaluation on our own performance KPIs, in purpose for improving ESG work performance and achieving common development with stakeholders.

Stakeholders	Communication mechanism	Stakeholder demands	CSR practices
 Shareholders and investors	General Meeting of Shareholders Board of Directors Daily communication	Continuous return on investment Rights protection Information disclosure and transparency	Improving business performance Improving corporate governance Protecting shareholder rights and interests Ensuring proper information disclosure
 Government	Policy guidance Special subject report	Responding to national strategies Law-abiding and compliant operations Paying taxes in accordance with the law	Serving national strategy Adhering to prudent operation Complying with laws and regulations
 Owners and clients	Satisfaction survey Visits Company website	Strict contract fulfillment Good quality Providing satisfactory services	Ensuring contract fulfillment and qualification rates Strengthening quality management and technological innovation Improving service system
 Employee	Workers congress Corporate culture activities Daily communication	Reasonable compensation and welfare Safe working environment Career development and training Employee care	Protecting legitimate rights and interests Ensuring occupational health Improving the training and promotion system Assisting and caring for the needy workers
 Communities and the public	Community communication and visits Community-based charity activities	Participating in community development Paying attention to special groups	Participating in community charity and welfare services Promoting local procurement and employment Carrying out charity activities
 Environment	Analyzing domestic and international trends Mastering advanced technology Enhancing environmental awareness	Complying with environmental regulations Reducing pollution emissions Protecting the ecological environment	Energy conservation, emission reduction, and carbon reduction Increasing investment in environmental protection Improving energy efficiency Building green mines and green projects
 Suppliers	Collaborative development Joint activities Daily communication	Responsible procurement Reasonable price Strengthening cooperation	Fair and open procurement Adhering to the contract Win-win cooperation
 Industry	Participating in industry associations Engaging in industry standard development Business exchange and cooperation	Fair competition Mutual benefits Driving industry progress	Participating in the development of industry standards Leveraging the advantages of the entire industry chain to offer high-quality services Maintaining a fair and orderly competitive environment in the industry

Feature One

Steadfastly Setting Forth Again After a Fruitful Decade of the Belt and Road Initiative

The year 2023 marks the 10th anniversary of the BRI. As one of the first batch of enterprises to "go global", NFC has been serving as a window to the outside world for China's nonferrous metal industry since the 1980s. Actively participating in the construction of overseas infrastructure, livelihood projects, and nonferrous metal industrial projects, NFC leverages China's advanced and mature nonferrous metal industrial technology, large-scale complete sets of equipment, and management experience to actively promote the BRI.

Upholding Collaborative Development, Advancing the High-Quality Development of the Belt and Road Initiative

Since the introduction of the BRI, NFC has been adhering to the business philosophy of "integrity and trustworthiness, mutual understanding, mutual trust, mutual benefit, as well as win-win cooperation." With a profound understanding that the BRI is highly welcomed as an international public product and platform for international cooperation, we have actively advanced overseas project contracting, resource development, and technical economic cooperation in nonferrous metal industry. In more than 20 countries and regions along the BRI routes, we have invested in or undertaken a number of governmental cooperation projects with international influence, landmark exemplary projects, and world-class engineering projects. These efforts have promoted industrial, economic, and social development in the project host countries, bolstering NFC's contribution to drawing a new blueprint for the high-quality development of the BRI.



NFC's Footprints in Overseas Market

Engineering sector

NFC is fully committed to advancing the ongoing projects, continuously focusing on major clients and key partners, actively exploring and innovating project financing and business models, intensifying efforts in project development with emphasis on markets such as Indonesia, Kazakhstan, Vietnam, and Saudi Arabia, etc.

In 2023, the design and procurement of the Indonesia AMIN Captive Copper Smelter (ACCS) Project has entered the final stage, with the overall progress going smoothly; the deep and marginal mining construction project for the zinc mine in Mongolia continues to move forward; and the Phase I and II of Copper Mine Camp project are proceeding as planned. Meanwhile a series of significant engineering contracting projects, have been developed by our professional engineering technicians and commercial team.

Case: The Indonesia ACCS Project represents a significant breakthrough in market development along the BRI routes

Featuring the "flash smelting and flash converting" process, the 900,000-ton copper smelter project in AMIN, once completed, will be among the most technologically advanced copper smelters in the world. It is another major milestone for NFC's market development efforts in countries along the BRI routes. The project employs China's independently developed flash smelting and flash converting with swirling column technologies, as well as a complete set of anode slime hydrometallurgical treatment technologies. It meets the high standards of the owner and managing company, overcoming numerous challenges such as complex geological conditions and community issues. With a commitment to quality and safety, the construction progress is being actively pushed forward to ensure timely completion of the project milestones. The smooth progress of the ACCS project is a testament to the coordinated planning, rational arrangement, and collaborative efforts of the project team and all involved units. This project makes a positive contribution to the NFC's development and contributes to the high-quality development of the BRI.



NFC has signed a contract for the Indonesia ACCS Project, adding new vibrancy to the BRI.

Resource sector

NFC is committed to a refined resource development strategy, accelerating the construction of resource bases in Chifeng and Qinghai regions, as well as neighboring countries such as Mongolia and Indonesia. The Indonesia Dairi Lead-Zinc Mine Project, which is currently under construction, is expected to significantly increase our lead and zinc concentrate production once it is completed and commences operation.

Case: Tsairt Mineral achieves mutual benefit and win-win situation, acclaimed as a "Model Project of Sino-Mongolian cooperation"

In North Asia, NFC has invested in the establishment of Tsairt Mineral in Mongolia and has successfully developed the Tumurtiin-Ovoo Zinc Mine. This is the first mining project developed under the framework agreement between China and Mongolia and is currently the largest Sino-Mongolian joint venture mining enterprise in Mongolia. The Tumurtiin-Ovoo Zinc Mine achieved trial production within just three months after commissioning and realized profits in the first year of operation, marking a miracle in the industry. Now, after eighteen years of operation, the mine has reached an annual

ore processing capacity of 400,000 tons. The Tumurtiin-Ovoo Zinc Mine has marked a shift for NFC from solely engineering contracting to a new pattern that equally emphasizes international engineering contracting and nonferrous mineral resource development. It is hailed as a "model project of Sino-Mongolian cooperation", making significant contributions to the economic and social development of Mongolia and promoting common development of China and other countries participating in the BRI.



Tsairt Mineral was awarded as one of the top 100 enterprises in Mongolia in 2022.

Case: The Indonesia Dairi Lead-Zinc Mine Project actively advances international capacity cooperation

The Indonesia Dairi Lead-Zinc Mine Project is a typical project for NFC to "go global". In 2018, NFC completed the acquisition of 51% of the equity in DPM and undertook the construction of the Dairi Lead-Zinc Mine Project as the EPC main contractor. In 2023, we continued to vigorously advance compliance with qualification procedures, convergency of shareholders' goals, improvement of community relations, land acquisition and compensation for relocation, construction of external power transmission lines, and optimization of technical solutions. Moreover, we optimized construction plans, aligned schedule, costs, and funding, arranged project financing based on progress, saved on capital costs, and took multiple measures to control investments, thereby actively pushing forward with project construction.

The Dairi Project is an important venture for the Group and NFC in practicing the BRI and advancing international capacity cooperation. It holds significant importance for strengthening international cooperation between China and Indonesia, achieving win-win cooperation for Chinese and Indonesian shareholders, and sustaining high-quality development of both the Group and NFC.



In April 2023, Xi Zhengping, Chairman of the Group, and Liu Yu, Deputy General Manager of CNMC and Chairman of NFC, conducted a field survey at the Dairi Project.

Facilitating People-to-People Bond, Penning a New Chapter of the "Silk Road Spirit" in the Modern Era

Diversity spurs interaction among civilizations, which in turn promotes mutual learning and their further development. Throughout the years of its international development, NFC has actively integrated into local development, promoted cultural fusion, engaged in overseas public welfare, built harmonious communities, and supported the improvement of infrastructure such as healthcare, education, culture and sport in the regions where it operates. NFC has contributed to the society with practical actions to help the economic development of the local community, and implemented overseas donation of RMB 1.585 million in 2023.



DPM distributed over 800 saplings of economic crops such as longan, mango, and durian to the surrounding communities of the project, contributing to the increase in local resident income.

In 2023

NFC Indonesia donated a total of **RMB 424,100**. The ACCS Project team, in alignment with local traditional festivals, donated daily necessities to the towns and communities around the project.

The Indonesia ACCS Project has cumulatively created **over 1,000** job opportunities locally, involving more than ten local contractors in the construction.

DPM in Indonesia contributed approximately **RMB 69,100** to address real-life difficulties faced by local community residents and to provide support in areas including culture, sports, and economic development.

NFC Kazakhstan donated about **RMB 80,900**, bringing warmth and care to children with autism, low-income families, the disabled, low-income individuals, and vulnerable groups.

Tsairt Mineral donated approximately **RMB 537,700** for educational sponsorship, disaster relief donations, assistance to those in difficulty, infrastructure construction, and cultural exchange activities.



The Indonesia ACCS Project team carried out "Love & Donation" activities within the local communities of the project area, delivering daily necessities to the residents, such as food, oil, and meat etc.



NFC Kazakhstan visited to the Autism Children Rehabilitation Center located in Bayanaul, providing heartfelt comfort and practical support to dozens of children with autism and their families through the local Altyn Bata Autism Foundation.



Tsairt Mineral donated to the construction of infrastructure in Mongolia, supporting the development of education, healthcare, and cultural sectors, benefiting the local people, and sharing development achievements with the community.

Feature
Two

Setting Sail Anew in Full Swing After Forty Years of Diligence and Endeavor

After 40 years of development, NFC has gradually grown from a mere project contractor into a leading enterprise in international cooperation in China's nonferrous industry, with business covering a full industrial chain of nonferrous metals.

Forty Years of Dedication, Practicing the Concept of Win-Win Development

We have established strong cooperative relationships with internationally renowned resource companies, continuously enhanced our nonferrous metal technology export capability. By cooperating with well-known international equipment and technology suppliers, we vigorously expand our business in project contracting and resource development, thereby fostering the sustainable development of local industry, economy, and society.

1983

China Nonferrous Metal Industry's Foreign Engineering and Construction Co., Ltd. (NFC) **[was officially established]**.

1990

NFC signed the contract for Faryab Ferroalloy Works Project, marking its first entry into the Middle Eastern market.

1997

NFC was **[listed]** on the Shenzhen Stock Exchange with the stock code: 000758; it was also selected for the first time among the **[Top 250]** largest international engineering contracting companies by the U.S. *Engineering News-Record (ENR)*.



Listing Ceremony of NFC in 1997

2005

The completion and production of the Tumurtiin-Ovoo Zinc Mine in Mongolia signified the Company's shift from being a **[mere]** international engineering contractor to an **[integrated]** business model, forming its **[first nonferrous metal resource base]**.

2006

The Sin Quyen copper mine's mining and processing plant in Vietnam was officially completed and put into production. NFC acquired and invested in Chifeng Hongye Zinc Smelting Co. Ltd., achieving an expanded **[zinc smelting capacity of 110,000 ton]**.

2008

NFC Acquired the controlling stake in the Baiyinnuoer lead-zinc mine and established its **[second nonferrous metal resource base]**. The Kazakhstan aluminum smelter plant was completed and put into production, marking NFC's **[first entry into the Kazakhstani market]** for international engineering contracting.



The Kazakhstan Pavlodar Aluminum Smelter Plant Project - Kazakhstan's First Aluminum Smelter Plant

2009

NFC Shenyang Pump Industry Co., Ltd. (NSPI) was established, becoming the company's **[first high-tech enterprise]**. NFC **[relocated]** to its new headquarter building - NFC Building.

2011

NFC signed the SALCO Aluminum Smelter Project, with a total contract value of RMB 7.2 billion, marking its **[largest single EPC project in history]** at that time. NFC invested in the 100,000t/a zinc smelter project of Chifeng NFC Zinc Co., Ltd.(CNZC), achieving a **[210,000t/a zinc ingot production capacity]**, which placed it at the forefront among the peers in China.

2014

NFC won bids for the Bozshakol Copper Concentrator Project and the Aktogay Copper Concentrator Project, **[establishing Kazakhstan as a pillar market]**.

2016

NFC successively signed the EPC contracts for Phases I and II RTR project in the Democratic Republic of the Congo (DRC), marking NFC's **[first entry into the DRC market]** for international engineering contracting



By utilizing its technical strengths, NFC innovated the contracting mode for the DRC RTR copper and cobalt reclamation project.

2018

NFC acquired 51% of the equity in PT Dairi Prima Mineral, forming its **[third nonferrous metal resource base]**, with a resource reserve exceeding 5 million metal tons.

2021

NFC signed the contract for the AMIN 900,000t/a Copper Smelter Project, **[further expanding the Indonesian market]**.

2022

NFC actively pursued the "big market, major client, large-scale project" strategy, achieving historic breakthroughs in both the **[single new contract value of engineering contracting business and the cumulative new contract value for the year]**.

2023

NFC established Qinghai NFC Mining Development Co., Ltd. and sought resources in the Central Asian region, striving to **[develop its fourth nonferrous metal resource base]**.

Benchmarking against World-Class Standards, Innovating New Ideas for Development.

NFC will play a substantial role in technical innovation, industry control, and safety support, contributing to the new development pattern, and continuously strengthening, optimizing, and expanding state-owned capital. We aim to enhance our core competitiveness and core functions, and uphold safety production, environmental protection, compliance in operations, and integrity in business practices, aspiring to grow into a distinctive, vibrant, and progressive modern enterprise.



Mission and vision

NFC aims to constantly improve resource integration capability and industry leadership, continuously stimulating vitality for innovation to gradually establish itself as an integrated global provider of nonferrous metal industry solutions that combines investment, construction, and operation. NFC aspires to grow into the national team for overseas engineering construction in China's nonferrous metal industry and a world-renowned mining company.



Development principles

High-Quality Development

With high-quality development as the main focus and deepening reforms as the fundamental driving force, we are fully committed to enhancing quality, efficiency, and effectiveness. We work on strengthening strong suits and addressing weak links, continuously optimizing the industrial chain and business presence to consolidate and improve our core competitiveness, ensuring high standards to guarantee high-quality outcomes.

Innovative Development

We regard innovation as the primary driving force for development, and reinforce the central role of technical innovation across the company, propelling collaborative innovation across the industry chain, and advancing innovative engineering contracting models. We accelerate the establishment of a scientific and technical innovation system to enhance our capacity for independent innovation. We focus on key technology breakthroughs in energy conservation, environmental protection, digitalization, and intelligent technologies to achieve comprehensive advancement in scientific and technological innovation, institutional innovation, and management innovation.

Sustainable Development

We are committed to enhancing our safety management practices, and adhering to the fundamental principles of safe production. Embracing the "Carbon Peaking and Carbon Neutrality" philosophy, we persistently advance green manufacturing, energy conservation, emission reduction, and comprehensive resource utilization through various aspects including technology, equipment, and management. We endeavor to establish a robust ESG framework to manage environmental and social risks, create societal value, and achieve sustainable development.

Dual Circulation Development

In line with the new development pattern featuring domestic and international circulations, we seize opportunities for international cooperation under the BRI, actively acquire high-quality mineral resources at home and abroad, and expand the overseas engineering contracting markets, driving the "going global" trend in equipment manufacturing industry.

Collaborative Development

We continuously innovate in the synergy development model of dual main businesses where engineering contracting drives resource development and vice versa. We strengthen collaboration with domestic and international partners to build a mutually beneficial and win-win cooperation mechanism.



Development Strategy

We insist on the concept of leading by innovation, advancing through reform. We strive to strengthen engineering contracting capacity and promote resources development, relying on the main business to cultivate high-end equipment industry.



Guarantee Measures

During the "14th Five-Year Plan" period, we remains focused on our primary responsibilities and major businesses, maintaining strategic resolve, and fully implementing the new development philosophy. We have built sound systems regarding organizational control, capital management, talent team, incentive and restraint, strategic management, risk prevention and control, informatization, as well as disciplinary inspection and supervision to support the company in achieving high-quality development.

Ethical Conduct

Uprightness, Self-respect, Integrity, Frugality



Business Value—Maintaining Integrity Through Compliance Operation



NFC continuously enhances corporate governance, improves corporate governance systems, optimizes governance structures and standardizes the operation of the shareholders' meeting, board of directors, and board of supervisors of listed subsidiaries, establishes a sound long-term risk prevention and control mechanism. At the same time, NFC resolutely safeguards the bottom line of compliance operation, promotes responsible procurement and improves the supplier management system to achieve mutual benefit and win-win cooperation with partners and promote high-quality development of the Company.

Improving Corporate Governance

NFC actively promotes the construction of compliance management and further enhances management capabilities in both compliance and risk control. Furthermore, NFC works to promote the integration of rule of law, compliance, and risk control, and to continue exploring and improving corporate governance systems.

Strengthening the building of the board of directors

Governance structure

We actively implement the *Work Plan of Improving the Quality of Listed Companies held by Chinese Central Stated-owned Enterprises* issued by SASAC. The Company's board of directors has established various specialized committees to actively participate in corporate governance. These communities have strictly fulfilled their respective duties and responsibilities in accordance with the articles of association to continuously improve the corporate governance system and advance the modernization of governance capabilities in the long term.

Governance system

The Company fully leverages the core governance role of the board of directors. By revising the *Measures for Authorization Management of Board of Directors*, the *List of Major Decisions for Important Administrative and Fiscal Items* and improving the *Independent Director Working System*, it further clarifies the rights and responsibilities of governance subjects, enhances the effectiveness of independent directors, improves the board's efficiency of decision-making, and solidifies the its function of "setting strategy, making decisions, and preventing risk". As a result, the Company constructs a scientific, efficient, and compliant management operation mechanism.

Board Meetings held	Extraordinary Shareholders Meetings held	Annual Shareholders Meeting held	Meeting of the Board of Supervisors held
14	5	1	8
Proposals deliberated	Proposals deliberated	Proposals deliberated	Proposals deliberated
52	17	7	14

Diversity in the board of directors

The board members with various backgrounds can provide different perspectives and values for the Company's strategic planning as the board members could take the best interests of stakeholders into consider. The Company's board of directors consists of 7 directors, including 4 external directors (3 independent directors), accounting for more than half of the board. The Board of Commissioners consists of 3 commissioners, including 1 employee commissioners. The company's remuneration and evaluation committee is independent as it is composed entirely of external directors. The current board members have rich work experience in various fields such as non-ferrous metal mining and smelting, international engineering development and management, accounting and finance, economics and management, engineering cost estimation, and project management, enabling them to provide specialized advice for the Company's development.

Upgrading compliance operation

Adhering to the principle of governing the company by law, we work to establish a sound leadership system for compliance work, compile compliance with risk control manuals, issue compliance-related guidelines. Furthermore, we integrate functions of legal compliance and risk control and conduct comprehensive legal compliance training for all staff, to further enhance the overall compliance management capabilities.

Improving the organizational structure of compliance management

We continuously improve a leadership system for compliance work by setting up a Law-based Governance Committee at the level of the board of directors to coordinate the Company's legal construction, risk prevention and control, and compliance management and deepening the integrative operating mechanism of law-based governance, compliance and risk control. We have appointed the chief compliance officer, who is concurrently the General Legal Counsel, to participate in major decision-making and provide compliance opinions, and guide the compliance management department's work. We have also set Business Compliance Officers, who are heads of various departments, to conduct compliance investigations in their business areas, establish business compliance management systems and processes, and carry out compliance risk identification, assessment, and response.

Improving the compliance management system

We have compiled the *Risk Control and Compliance Manual*, *Internal Control Manual*, and *Key Business Process Manual* for compliance with risk control. Following the requirements of "preventing risks, strengthening internal controls, and promoting compliance," we have comprehensively integrated the functions of law-based governance, compliance, and risk management and incorporated the relevant requirements into 165 key business processes across 25 areas of the company. We have organized the compilation of *Compliance Penalty Cases of Domestic and Foreign Enterprises*, in which introduces experiences learned from production and operation of domestic and foreign enterprises through case studies and analysis. This serves as a reference for relevant departments and investing enterprises to timely and effectively identify and prevent compliance risks.

Optimizing the operational mechanism of compliance management

According to the company's "Three Determinations", departmental responsibilities have been reorganized. The Legal and Risk Control Department, which undertakes legal, compliance, and risk control responsibilities, set a risk control and compliance position to deepen the integrative operating mechanism of law-based governance, risk control, and compliance.

Holding training to strengthen compliance management awareness

We conduct comprehensive compliance training for all employees and incorporate compliance training into training program for new employees, in which would specifically explain compliance risk prevention measures. We also hold specialized training sessions on risk management for overseas engineering projects, inviting senior lawyers to provide detailed explanations of common execution risks in engineering contracts and systematically summarize risk prevention and control measures during contract execution stages, thus to further enhance employees' awareness of observing contract and protecting legal rights, and improve the delicacy management of projects.



In November 2023, NFC held the specialized training sessions on compliance management

Strengthening risk prevention and control

We attach great importance to risk management and strictly implement the deployment requirements of SASAC and CNMC. We integrate it into top-level design, major decision-making, and daily operations. We handle various types of risk events in business areas properly and promote the integrated operation of law-based governance, compliance and risk control to ensure the sustainable and steady development of the Company. During the reporting period, the Company did not experience any significant violations of laws or regulations.

Construction of risk management system

We carry out institutional construction in areas such as corporate governance, internal control auditing, and legal affairs by revising or formulating of 86 new systems. These systems focus on important segments such as key business, important areas, operational management, and accountability for violations, thereby enhancing the integrated system of vertical control and horizontal coordination.



establishment of common risk control mechanism

We establish a mechanism for reporting major operational risk events to implement the requirement of "One event, One report" for major risk events. Emergent major risk events should be reported within 24 hours and responsible units are urged to conscientiously handle risk disposal. We also establish a risk monitoring system covering all business units of the company, strengthen the application of risk assessment results, and ensure that a bottom line for preventing major risks is firmly established.



Prevention and control of foreign risk

We continue to do a good job in preventing and controlling foreign-related risks, properly respond to intensified geopolitical risks and unstable political situations in some countries, analyze and assess the related impacts, formulate and improve response plans, track and handle progress, and ensure the normal implementation of overseas operations.



Complaint and report mechanism

We have a complaint and report mechanism, regularly evaluating its effectiveness and continuously expanding the channels for complaints and reports, thus to ensure the convenience of complaints for every stakeholder and the promptness of response.

By setting up a report mailbox, issuing the *Notice on Further Strengthening and Standardizing the Work of Complaints and Reports*, and announcing the reporting email address and phone number on the Company's official website, we further clarify the scope of acceptance by the disciplinary organs, the rights and obligations of reporters, and the reporting requirements. We also have requirements for disciplinary organs at all levels handle complaints and reports in a standardized and efficient manner; at the same time, we will take measures to conceal the personal information, strictly control the number of personnel contacting the reporters, and keep the reported information confidential.



Promoting Responsible Procurement

To comply with the principle of responsible procurement, NFC continuously improves the supplier management system, promotes responsible procurement, and establish sustainable long-term partnerships with suppliers in order to jointly build the responsible supply chain featuring "openness, sharing and win-win cooperation".

The Company adheres to the principles of "open, fair and just" in positive procurement. In accordance with the provisions of the *Measures of Procurement Management of China Nonferrous Metal Industry's Foreign Engineering and Construction Co., Ltd. (NFC)* and the principle of "separation of administration and operation," the Company establishes a procurement system where administrative supervision is separated from procurement implementation. This enhances the compliance guarantees, standardizes bidding and tendering operations, and safeguards the legitimate rights and interests of suppliers.

Suppliers management

The company has established management system according to the *Supplier Management Measures of China Nonferrous Metal Industry's Foreign Engineering and Construction Co., Ltd. (NFC) (2022 Edition)*. We exactly follow the principles of "strict access, definite classification, dynamic assessment, merit-based cooperation," thereby establishing a mechanism for supplier sourcing, access, selection, evaluation, reward or punishment, and elimination to form a stable and competitive supplier team qualified to meet the needs of the Company. The company expands its supplier base through partner recommendations, supplier self-recommendations, and other methods. By the end of 2032, the company has a total of 3,221 qualified suppliers, with an addition of 293 new suppliers in this year.

In accordance with the principles of "bidding for all applicable projects, openness and fairness, dynamic management," we strictly follow the bidding process and prohibit splitting them into smaller items for procurement items that meet the bid implementation amount. Throughout the evaluation process, we make audio and video recording to ensure fairness and transparency, and any inducive language or actions are strictly prohibited. For evaluation experts, we employ a dynamic management approach, conducting objective evaluations of participating experts after each bidding to achieve dynamic management.



Supplier access

Proposed suppliers must register in the MCC Supplier Management System and be recommended by the user department. After initial review and scoring, only suppliers scoring 75 points or above meet the entry criteria. Proposed suppliers must also register on the procurement and tendering e-commerce platform and enter the warehouse after the approval according to the procedure.



Evaluation of supplier social responsibility

It is explicitly required that suppliers and contractors shall not delay the payment to employees and laborers and shall ensure their right to receive remuneration. It is also clearly stated that contractors must purchase commercial insurance for employees working on site to safeguard their legitimate rights.

Informatization procurement

The Company further enhances the informatization establishment of the procurement platform and gradually achieve overall online circulation of the procurement and approval, thereby improving procurement efficiency. NFC actively studies procurement informatization strategies, formulates informatization establishment plans that meet the requirements of the procurement work to realize a high-quality, high-efficiency, as well as open, fair, and just procurement.

Quality Philosophy

Striving for perfection in products, prioritizing quality, taking lifelong responsibility for projects, and ensuring owner satisfaction

Quality Foremost—Striving for Excellence and Perfection



NFC thoroughly implements the CNMC'S "1+4" development strategy, focuses on resource development and engineering contracting as its two main businesses, further strengthens the synergistic development advantages among various business segments, vigorously expands in country-specific markets with competitive edges, and concentrates on high-quality efforts to drive strategic implementation, contributing significantly to the CNMC'S growth into a world-class enterprise with high-quality development.

Mineral Resources Development

NFC has established its foundation in the lead and zinc business, consolidating and expanding resource bases both domestically and internationally. The Company actively advances the construction of intelligent and automated mines, adheres to green development, and continues to maintain stable and high-quality production.

Case: Tsairt Mineral Tumurtiin-Ovoo Zinc Mine Model Project

Tsairt Mineral Tumurtiin-Ovoo Zinc Mine is currently the largest Sino-Mongolian joint venture specific in mining in Mongolia. It is also the first overseas resource project obtained by NFC through the "engineering for resources" approach. It has been jointly praised as a "Model Project of Sino-Mongolian Cooperation" by the leaders of both states.

Located 16 kilometers north of Baruun-Urt, Sükhbaatar Province, Mongolia, at the foot of Ovoo Mountain, the mine has achieved an annual processing capacity of 400,000 tons of ore. After its commissioning in August 2005, the project underwent technological upgrades and completed trial production in just three months after starting operations, achieving profitability within the first year. Over the years, the stable production and operation of the project have not only driven local socio-economic development but also made significant contributions to advancing Sino-Mongolian economic and trade cooperation.



Tsairt Mineral Tumurtiin-Ovoo Zinc Mine

Case: CNBM - A Mining Pearl in the grasslands

Situated in the northern part of Bairin Left Banner, Chifeng City, Inner Mongolia Autonomous Region, CNBM is mainly engaged in lead and zinc concentrates, with the lead containing silver. As of the end of 2023, CNBM has a total resource/reserve of approximately 23.51 million tons of ore. With an annual production of 990,000 tons and a daily mining and concentrating capacity of 3,000 tons, the mine produces around 40,000 tons of lead and zinc metals each year.

Leveraging the unique advantages of being located in Chifeng, known as the "Hometown of Nonferrous Metals in China", CNBM gives full play to the platform strengths of the Group and NFC and is dedicated to becoming a leading domestic mining enterprise with focus on "safety, green development, intelligence, and efficiency", aiming to usher in a new era of

development. Throughout its journey, it has been honored with numerous accolades, including the Advanced Unit of China's Nonferrous Metal Industry System, Advanced Enterprise of the Inner Mongolia Autonomous Region, Top 50 Enterprises with Highest Economic Benefits in China's Nonferrous Metal Mining and Processing Industry, Advanced Unit of "Urban Revitalization based on Science and Technology" of Chifeng City of the Inner Mongolia Autonomous Region, Civilized Unit of the Inner Mongolia Autonomous Region, and Advanced Collective of National Unity and Progress of the Inner Mongolia Autonomous Region.



CNBM

Case: Mutually beneficial and win-win development at DPM

The Dairi Lead-Zinc Mine Project, located in the northwest of Sumatra Island, Indonesia, approximately 120 kilometers from Medan – the third-largest city in Indonesia is one of the large-scale high-grade undeveloped lead-zinc ore deposits in the world. Upon completion and commencement of operation, it is set to become a significant global production base for lead and zinc. The Dairi Lead-Zinc Mine Project represents NFC's active engagement in the BRI and stands as the its first integrated "investment-construction-operation" project in Indonesia, a country that marks the starting point of the "21st Century Maritime Silk Road". After being put into operation, the project will substantially enhance cooperation within the mining sector between the two countries, holding great importance for local economic development and the improvement of the residents' livelihoods.



The Dairi Lead-Zinc Mine Project

Case: Development of CNZC driven by technology innovation

CNZC, formerly known as "Chifeng Smelter Plant", was one of the key construction projects of the "Eighth Five-Year Plan" in the Inner Mongolia Autonomous Region. Starting construction in June 1992, it was put into operation in August 1995, and acquired by NFC in 2006.

As a large nonferrous zinc metal smelting enterprise, CNZC has been continuously improving its production processes over the years. It has independently developed the "hot acid leaching low-pollution jarosite iron removal wet-process zinc smelting" process, suitable for treating complex components and converting zinc concentrate into zinc products. It also employs a full wet-process to recover valuable metals from smelting waste slag, enhancing impurity removal capabilities, improving final product quality, reducing raw and auxiliary material, as well as energy consumption, increasing metal recovery rates, and facilitating the comprehensive recovery of valuable metals. In 2017, its industry-academia-research integrated project of "New Process for the Recovery of Metallic Zinc and Recycling of Mineral Processing Wastewater through Solvent Extraction from High-Leach-Slag in Wet Zinc Smelting" succeeded in recovering zinc from mineral processing wastewater through extraction process, filling a domestic and international gap in the recovery of metallic zinc through solvent extraction from high-leach-slag in wet zinc smelting, offering significant value for widespread promotion. Currently, CNZC produces 210,000 tons of zinc products and nearly 400,000 tons of sulfuric acid annually. Its zinc production capacity ranks 9th in China, and its zinc alloy production capacity ranks 3rd, giving it a strong brand influence in China.



CNZC

Quality Engineering Construction

NFC has integrated into the new development paradigm of domestic and international circulations, actively acquiring high-quality mineral resources both at home and abroad, and engaging in international engineering contracting. It endeavors to deliver exquisite projects to its clients, constructing a beautiful life, and is committed to providing high-quality products and services that support socio-economic development and benefit the national economy and people's livelihood.

Quality management

NFC has been diligently enhancing its quality management, refining the quality management systems for both products and services. We maintain continuous certification eligibility for our quality management system and launch brand-led initiatives. We strategically undertake brand-building efforts related to quality, organizing a variety of activities such as knowledge contests, brand development, QC circles, and dedicated quality month campaigns. By reinforcing the building of quality brands, NFC consistently delivers high-quality products to its clients. In 2023, NFC achieved a 100% contract fulfillment rate and a 100% engineering acceptance qualification rate.


NSPI

Based on its actual situation, NSPI has rigorously implemented the "3 inspections" system, emphasizing the self-inspection for operators and promoting the "mutual inspection" system. NSPI executes comprehensive quality control throughout the entire process, setting quality hold points and control points across the design, production, painting, and shipping processes. It conducts exhaustive inspections, random checks, and batch testing on raw materials, work-in-progress, and standard components, achieving the quality supervision goal of "not accepting defects, not producing defects, and not delivering defects", thereby ensuring a 100% qualification rate for diaphragm pumps. NSPI strengthens internal quality assessment rewards and penalties, enhances supplier quality management, and organizes quality education and training to promote quality control throughout the entire production process.


CNBM

CNBM has implemented comprehensive management across various production stages from mining design to sampling techniques and ore extraction management, according to the *Special Management Plan for Reducing Ore Dilution and Enhancing Ore Grade (Trial)*. Subsequently, with the completion of the ore pre-selection waste rejection and backfill system construction, it effectively reduced the ore dilution rate and enhanced the grade of the selected ore. On August 26, 2022, CNBM successfully obtained the quality management system certification.


CNZC

CNZC has issued the *Implementation Plan for the 2023 Quality Improvement Action Plan of CNZC*, which involves detailed planning around new product development, process transformation and upgrades, comprehensive resource utilization, and optimization of technical indicators. In addition, a quality improvement leadership team has been established to propose a reasonable reward mechanism and further stimulate internal motivation for enterprise development. CNZC has also convened a QC achievement conference, continuously advancing QC activities, enhancing innovation capabilities, and raising quality awareness among all employees.

Superior service

NFC continuously integrates market and client demands to provide convenient, efficient, and customized services. We actively address client concerns and consistently enhance service quality and standards. By further refining the client management system with a focus on protecting client information, we persistently meet and surpass client expectations, aspiring to improve client experience and satisfaction, and achieve win-win cooperation and shared benefits with our clients. In 2023, our product qualification rate at the factory reached 100%, with customer satisfaction achieving 98%, and there were no major complaints or quality issues reported.

Full Lifecycle service

In line with the individualized needs of clients, NFC offers full lifecycle services from geological exploration to project operation and maintenance under the model of "financing + EPC general contracting + product underwriting + operational services". Adhering to the quality philosophy of "striving for perfection in products, prioritizing quality, taking lifelong responsibility for projects, and ensuring owner satisfaction," we stoutly promote project fulfillment to enhance client satisfaction.

Client Information Protection

We place high importance on information security and privacy, continuously reinforcing the responsibility for confidentiality. During operations, we strictly maintained the secrecy of significant non-public information from partners and clients, strictly prohibiting the leakage or loss of sensitive information.

- NSPI has established the *Confidential Work Implementation Rules*, requiring personnel involved in confidential matters to adhere to the confidentiality system, strictly guard company secrets, and not to divulge any company secrets by taking advantage of their positions.
- CNBM implements the *Measures for the Administration of Work Secrets*, rigorously preventing client information from being leaked.

Client Feedback Management

We require all divisions to learn about and assess the causes of client equipment malfunctions promptly upon receiving external feedback on quality problems. Within 24 hours, a preliminary resolution plan and recommendations should be proposed to the clients, ensuring that their equipment is restored to operation in the shortest possible time.

- NSPI has established a client feedback management system, which includes regulations such as the *Provisions on the Management and Assessment of External Feedback on Quality Problems* and the *Provisions on On-site Handling Procedures and Authorities for External Feedback Problems*.

Client Complaint Management

We have established relevant after-sales service management methods to clarify responsibilities and processes for resolving client feedback and complaints. We have built a client communication platform to promptly learn about the dynamics of product use, continuously meet client needs for products, enhance the company's product brand, drive product upgrades and innovation, and ensure the company's healthy and sustainable development.

- To standardize the after-sales services for zinc products, improve the quality of after-sales service, and enhance client satisfaction. CNZC has issued the *Management Measures for After-Sales Service of CNZC*, detailing the organizational structure, responsibilities, and workflow of the after-sales service team.
- CNBM has formulated a client satisfaction survey to conduct client satisfaction analysis, understand client needs, and protect clients' legal rights.

Case: The Indonesia ACCS Project enhances client satisfaction

The Indonesia AMIN Captive Copper Smelter Project, with an annual output of 900,000 tons, employs the "flash smelting and flash converting" process and is set to become one of the most technologically advanced copper smelting plant in the world upon completion.

In the early stages of the project, faced with numerous adverse factors, the leadership of NFC made multiple site visits to conduct thorough investigations to gain a detailed understanding of the on-site management processes and operations. Based on the management suggestions from the owner and the actual conditions on-site, they proposed targeted management requirements for the project. The project team proactively analyzed various factors, developed improvement measures, and assigned clear responsibilities, further leveraging the role of NFC as the general contractor. To strengthen communication and coordination with the owner and all parties involved in the project, a dedicated communication and coordination mechanism was established, which played a significant role in harmonizing the relationships between the owner, the project departments, and the construction units. Through the collective efforts of the entire project team, the main plant's steel structure was successfully capped 3 days ahead of the schedule, earning high recognition from the owner and enhancing client satisfaction.



The Indonesia AMIN Captive Copper Smelter Project

Quality engineering

NFC adheres to the principle of continuous improvement, integrating high standards and strict requirements into every aspect of its work. It is dedicated to creating projects that withstand scrutiny, winning client trust with excellent engineering quality and sincere service.

Case: The perfect integration of "China Speed" and Western standards in the Kazakhstan Bozshakol Copper Concentrator Project

The Kazakhstan Bozshakol Copper Concentrator Project, developed by NFC, represents a collaborative endeavor aligning with the BRI and Kazakhstan's Bright Path (Nurly Zhol). Boasting an annual processing capacity of 30 million tons of ore, with associated products including gold, silver, and molybdenum, it is the first world-class mine project that NFC has undertaken, designed, and managed according to Western standards. Throughout its implementation, HSE, quality, progress, materials, and construction were all controlled and managed meticulously in accordance with Western standards and procedures, achieving a seamless integration of "China Speed" and Western standards. It stands as a world-class high-quality project developed by NFC, contributing to the experience accumulation for the company to undertake large international projects in the future.

On December 11, 2015, the then President of Kazakhstan, Nursultan Nazarbayev, witnessed the official start of ore processing production at the Bozshakol Copper Concentrator Plant. The project was also awarded the "AltynSapa" prize - the Best Industrial Project Golden Eagle Quality Award, serving as a new driving force for economic growth of Kazakhstan.



Bozshakol Project Corridor



Main Equipment of Bozshakol Project (Ball Milling + Semi-Autogenous Grinding)



Case: Southern Aluminum Project won the "National Quality Engineering Award"

The NFC Southern Aluminum Industry Electrolytic Aluminum Plant Project, approved by the State Council as the large-scale BRI capacity cooperation project, currently boasts an electrolytic aluminum production capacity of 300,000 Tons/Year, and employs high energy efficiency aluminum electrolytic cell technology independently developed in China. Through the dedicated efforts of the project team, it meets all contractual requirements, with indicators including single cell output, product quality, and environmental protection surpassing those stipulated in the contract, earning full recognition from the client.

Case: Congo (DRC) RTR Project recognized as a management benchmark project

The RTR project in the Democratic Republic of Congo (DRC) is a copper-cobalt tailings hydrometallurgical smelting project and represents the first EPC general contracting project signed by NFC in the DRC. During the construction phase, NFC leveraged its technical strengths and established an HDPE pipeline production line on-site, breaking free from conventional thinking to address procurement challenges. By thoroughly understanding the original design standards and combining the advantages of both domestic and international designs, the engineering quality was effectively enhanced.



The RTR Project

Case: The Indonesia ACCS Project employs China's independently developed processes and technologies

The Indonesia AMIN Captive Copper Smelter Project, undertaken by NFC, is situated in the southwestern part of Sumbawa Island, West Nusa Tenggara Province, Indonesia. The project is executed through two separate contracts, onshore and offshore, primarily utilizing China's independently developed flash smelting and flash converting with swirling column technologies, as well as a complete set of anode slime hydrometallurgical treatment technologies. With an annual processing capacity of 900,000 tons of copper concentrate, it offers an integrated package of engineering services including design, procurement, construction, and commissioning for delivery to the owner. The signing of this project signifies another significant breakthrough for NFC in market expansion in countries along the BRI routes.

The project owner imposes strict requirements and high standards for design and procurement. The project team proactively adapted to the stringent demands of both the owner and the managing company, overcoming multifaceted challenges regarding complex geological conditions and community issues. With a commitment to quality and safety, the team enhanced communication and coordination with all stakeholders, expedited the construction process, and endeavored to ensure the timely completion of the project. This has demonstrated NFC's positive international and professional image, contributing to the advancement of the BRI.



Steel Structure Installation for the Potroom of the Indonesia ACCS Project

Case: The first "investment-construction-operation" integrated project in the Indonesian market

The Dairi Lead-Zinc Mine Project, invested in and constructed by NFC, is located in the northwest of Sumatra Island, Indonesia. It is one of the world-class, large-scale, high-grade lead-zinc ore deposits, with 3.5765 million tons of lead and zinc metals. In 2018, NFC completed the acquisition of 51% equity in DPM and undertook the project as the EPC contractor, responsible for engineering design, equipment and material supply, as well as the plant.

The Dairi Lead-Zinc Mine Project is NFC's first "investment-construction-operation" integrated project in the Indonesian market, representing a milestone in actively implementing the BRI and promoting international capacity cooperation. This project holds significant importance for strengthening international cooperation and achieving win-win cooperation between China and Indonesia, as well as for sustaining high-quality development of the Group and NFC.



Temporary Camp of Dairi Project



Core Repository of the Indonesia Dairi Lead-Zinc Mine

Guide the Industry Development

In recent years, seizing the strategic opportunities of the Belt and Road Initiative and international production capacity cooperation, NFC has actively promoted overseas engineering contracting, resource development, and non-ferrous metal technology and, as well as economic cooperation. We have invested in or undertaken a batch of influential non-ferrous metal industrial projects in more than 20 countries and regions of the Belt and Road Initiative, greatly promoting local industrial, economic, and social development, and gaining high popularity and reputation in the host countries of the projects.

Open cooperation for a win-win future

NFC has united various forces and is actively engaging in strategic cooperation with governments, enterprises, academic institution, overseas partners, etc., to integrate resource advantages and promote a brand-new win-win cooperation.

Expanding inter-enterprises cooperation

We have communicated and exchanged with many enterprises such as KAZ Minerals, Vietnam Coal-Mineral Industries Group, Trafigura, Eurasian Resources Group, PT BUMI Resources Tbk, China 15th Metallurgical Construction Group, Guizhou Construction & Investment Group, etc., to establish closer cooperative relationships, expand cooperation space, and promote mutual benefit and win-win cooperation among enterprises.



Meeting with Adika Nuraga Bakrie, Chairman of PT Bumi Resources, the two sides conducted in-depth exchanges on continuing to strengthen communication and jointly promoting project cooperation.



Expanding pragmatic cooperation with Guizhou Construction & Investment Group and exploring cooperation opportunities in areas such as technological innovation, institutional innovation, management innovation, and business model innovation.

Deepening the cooperation with institutions

We have had in-depth communication with the China Academy of Safety Science and Technology on enhancing enterprise safety production; collaborated with Northeastern University to tackle technical challenges in production; engaged in discussions with Liaoning Technical University, University of Science and Technology Beijing, and Kunming University of Science and Technology on mining methods, beneficiation and related topics.



Liu Yu, Deputy General Manager of CNMC and Chairman of NFC, met with Zhou Fubao, the Head of China Academy of Safety Science and Technology

Industry exchange promoting common development

We actively strengthen communication and connection with peers by participating in important international conferences and multilateral economic and trade activities, exploring new regional markets, business models, and cooperation highlights to promote complementary advantages. In 2023, we participated in more than 50 important conference activities to support the sustainable development of the industry. The organizers of those meeting included the Ministry of Commerce, the Ministry of Foreign Affairs, China International Contractors Association (CHINCA), China Chamber of Commerce for Import and Export of Machinery and Electronic Products (CCCME), China Overseas Development Association (CODA), the International Chamber of Commerce (ICC), and China Non-ferrous Metals Industry Association.

In January 2023, the General Manager Qin Junman participated in the Future Minerals Forum 2023 and held extensive and in-depth discussions with Saudi Arabian government officials, international mining giants, and key clients on project cooperation in Saudi Arabia and the Middle East region.



In March 2023, Liu Yu, Deputy General Manager of CNMC and Chairman of NFC met with the President & CEO of Vietnam Coal-Mineral Industries Group, Mr. Dang Thanh Hai and held in-depth discussions and exchanges on consolidating and deepening cooperation.



In March 2023, the delegation of NFC attended the 2023 Conference of International Industrial Cooperation (Singapore) & China's Machinery and Electronics Show held in Singapore. We established closer connections with companies and institutions in Singapore and even Southeast Asia, created more opportunities for cooperation.



In May 2023, NFC was invited to attend the 14th International Infrastructure and Construction Forum & Expo as a representative of the leading enterprise in the non-ferrous metal industry. This event injected new impetus into our efforts to expand global market cooperation channels and also broadened the s channels for developing new national markets.



In June 2023, the Third China-Africa Economic and Trade Expo was held in Changsha. We, together with the CNMC, completed tasks related to attending the meeting and exhibiting at the event.



In October 2023, NFC participated in the Third "Star of Translation" English Competition organized by CHINCA and achieved excellent results.



Core Values

Integrity-Based
Innovation-Oriented
Serve the Country with Resources
Self-Improvement

Reform and Innovation— Fostering Unique Governance



NFC consistently intensifies its efforts in deepening reforms without slackening, persistently advances reform initiatives, and continuously improves the modernization level of its governance system and capabilities. The market-oriented operating mechanisms are further refined, effectively unleashing the vitality of reform. Upholding innovation as the primary driving force for corporate survival and development, the Company continues to strengthen innovative management, focuses on technological breakthroughs, delves into digital and intelligent transformation, reinforces the lead in scientific and technological innovation, and strives to build new quality productive forces within the enterprise.

Reform to Spur Growth Drivers

We fully promote the "Double Hundred Actions" implementation plan for 2023-2025, and maintain the momentum of reform. In 2023, we organized and participated in over 20 special reform training sessions, issued the *NFC 2023-2025 'Reform Deepening and Enhancement Action and Double Hundred Actions' Reform Implementation Plan*, signed the annual reform pledge with the Group, and focused on improving the modern enterprise system with Chinese characteristics, deepening market-oriented operating mechanisms, continuously advancing the three major institutional reforms, structural adjustments and loss management, technological innovation, as well as mixed-ownership transformation and equity diversification. **All 22 specific tasks** related to the six aspects covered by the reform pledge and **all 33 specific tasks** involved in the "Double Hundred Actions" have been completed, achieving a 100% completion rate.

The three institutional reforms rated as first-class (A) by the Group

Awarded "Excellent" for two consecutive years in the SASAC's special assessment for the "Double Hundred Actions"

Advancing the "Three Determinations" initiative to improve the organizational structure

We have scientifically carried out the "Three Determinations" initiative, implemented a system of large departments and positions, reduced management levels, decreased the number of departments, and established an operational and managerial headquarters. We improved the position grade system, facilitated staff movement channels, realized dual career development sequences for management and technical roles, and established a normalized mechanism for vertical promotion, horizontal cross-sequence movement, and demotion exits. Furthermore, we continued to streamline and clean up organizational structures; persistently managed loss-making enterprises with tailored strategies and categorized management.

Implementing the "Three Capabilities" system to improve market-oriented mechanisms

We have strengthened competitive appointment to consolidate the new normal with dynamic cadre appointment, vigorously employed outstanding youth cadres, made comprehensive use of cadres from all age groups, and initiated lateral exchanges of cadre positions. We have introduced a project manager appointment system, separating evaluation from appointment, with remuneration determined by position appointments and promotions supported by performance contributions. Guided by business performance, we fully implement a tenure-based contract management system, with all 26 managerial members of the headquarters and key invested enterprises under this tenure-based contract management, achieving tangible results in perfecting market-oriented operating mechanisms.

Innovating incentive mechanisms to stimulate corporate vitality

We have improved the salary distribution system, constructed a positive incentive mechanism, unified the salary structure, and optimized salary levels. Taking performance assessments as the leverage, with rewards for development and execution as a draw, NFC strives to maximize the guiding role of performance assessments. Committed to actively exploring medium and long-term incentive mechanisms, we have developed and implemented the NFC restricted stock incentive plan, offering directors, managers, and core key personnel with equity incentives, fully mobilizing the initiative and creativity of our staff, and enhancing internal corporate vitality. In 2023, NFC awarded 23.87065 million shares of restricted stock to 216 incentive recipients for the first time.

Innovation-Driven Development

The Company adheres to the belief that science and technology constitute a primary productive force and innovation is the primary driver of growth, solidifying the role and significance of technological innovation as the "propeller" for promoting high-quality development. We highlight the central role of technological innovation, establish and refine the management system for scientific and technological innovation, intensify efforts to tackle key problems, advance the digital transformation in information technology, and continuously strengthen the momentum of technological innovation, striving to achieve new breakthroughs in enhancing efficiency through technological innovation.



NFC has convened a special meeting on science and technology work to summarize the achievements in scientific and technological endeavors over recent years, analyze existing issues, exchanging experience in technological innovation, and sign technology performance assessment responsibility documents with invested enterprises, as well as research project task lists with project departments, thereby stimulating the vitality of technological innovation.

1 provincial and ministerial-level science and technology award

Initiated 45 science and technology innovation projects

"Southern Aluminum 300,000 Ton/Year Electrolytic Aluminum Project" won the National Quality Engineering Award

1 provincial-level specialized and sophisticated enterprise

2 research topics included in the Group's science and technology projects

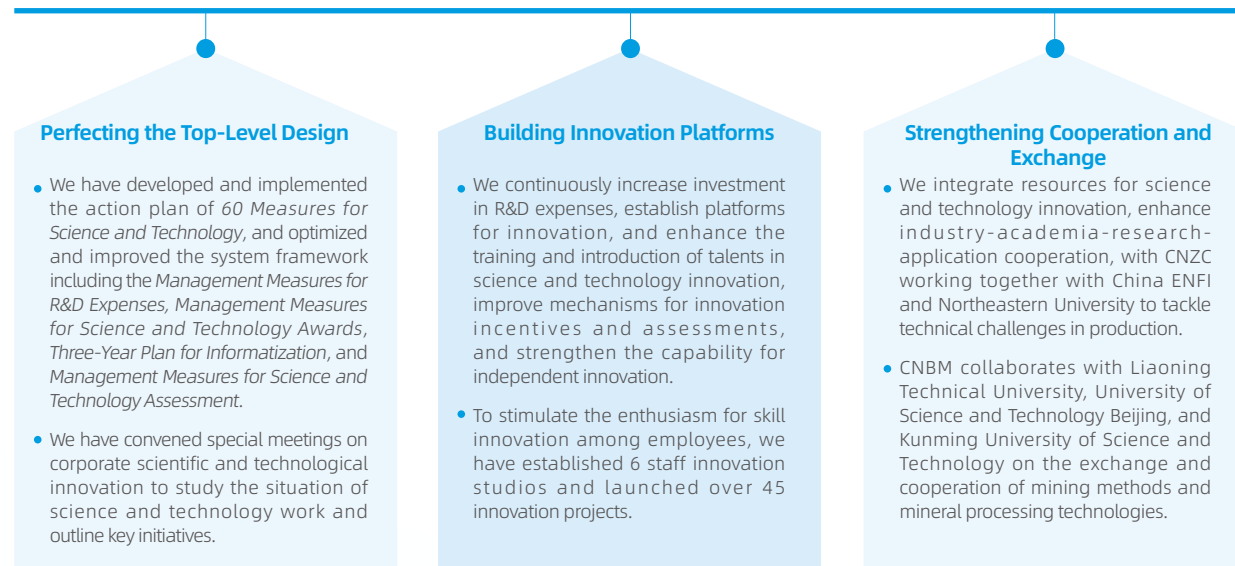
"Key Technologies for the Efficient Development of Complex and Difficult-to-Process Copper-Cobalt Ores and Industrialization" won the Jiangxi Provincial Science and Technology Progress Award First Prize.

Case: NFC implements equity incentives to stimulate internal momentum

In 2023, NFC issued 23.87065 million restricted shares to 216 incentive recipients. According to the *NFC 2022 Restricted Stock Incentive Plan*, this incentive plan prioritizes the distribution of shares to technical backbones and front-line employees, with recipients including key technical staff, business leaders, and core management team members from NFC headquarters, 13 invested enterprises, and 11 project departments. The plan aligns performance assessment indicators with strategic planning goals, harmonizing corporate operational efficiency, employee compensation, and the shareholder returns of the broader investor community. It truly realizes the shared risk and reward mechanism, fully mobilizing employee enthusiasm, and effectively fostering a synergistic corporate effort to stimulate corporate development, performance growth, and vitality enhancement.

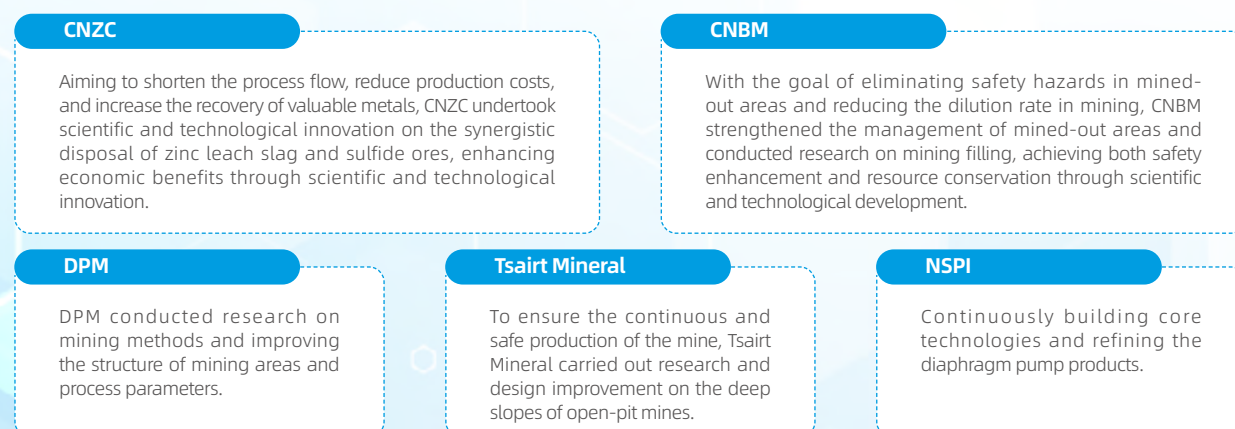
Improving innovation management to invigorate the drive for innovation

Rooted in the goal of high-quality development and keeping a close eye on the cutting-edge technologies and innovation peaks within the industry, we have developed and implemented the action plan of 60 Measures for Science and Technology. We have convened special meetings on corporate scientific and technological innovation, continuously increased investment in R&D expenses, built platforms for innovation, cultivated and attracted talents in science and technology innovation, strengthened industry-academia-research-application cooperation, and systematically advanced technological innovation.



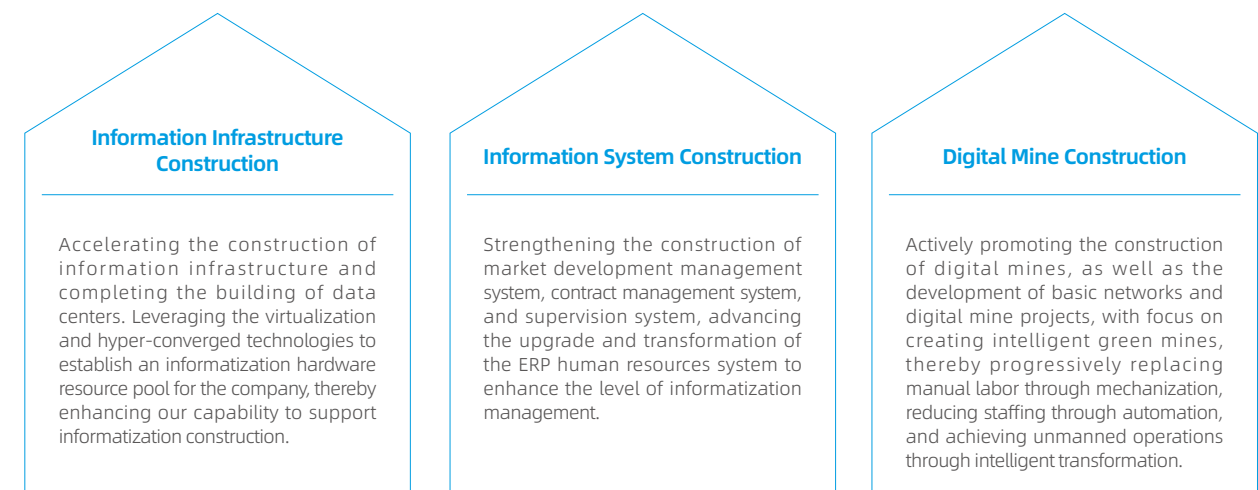
Strengthening scientific and technological innovation to consolidate the basis for innovation

We focus on the bottleneck issues that restrict cost reduction, efficiency enhancement, and green development in production management and technical processes. By benchmarking against advanced enterprises, we accurately identify research directions, tap into scientific and technological potential, and conduct targeted research on new technologies and processes, along with equipment transformation and upgrading. We have organized and conducted several scientific and technological projects, such as the "Research Project on the Synergistic Disposal of Zinc Leach Slag and Sulfide Ores and Process Improvement" and "Research on the Improvement of Zinc-Aluminum-Magnesium Alloy Production Process" at CNZC, as well as the "Experimental Research and Application of Mineral Processing Technology Improvement" and "Development of a Constant Deceleration Brake Hydraulic System for Hoists" at CNBM.



Deepening digital transformation to empower overall strength

We seize the opportunities of transformation towards informatization, digitalization, and intelligence, actively advance the construction of information infrastructure and smart mines, accelerate the intelligent transformation of production equipment, and comprehensively enhance the our overall competitiveness and sustainable development capabilities.



Case: Digital mine construction at CNBM

NFC has initiated the construction of intelligent mines in full swing, and established a leadership group and office for mine intelligence construction to clarify the organizational structure and responsibilities, providing organizational support for the construction of intelligent mines. Special training classes on mine intelligence have been held to foster the development of key talents in mine intelligence transformation. As one of the first batch of pilot enterprises, CNBM has launched the construction of intelligent mines as well, continuously promoting efficiency and safety in mining operations, and advancing towards the goal of intrinsic safety.



Training and Launching Meeting on Mining Intelligence Construction of CNBM

Concept of safety and environmental protection

Pollution prevention Energy saving

Hazard elimination Caring for life



Safety and Environmental Protection—Shaping a Harmonious Ecology



Upholding the bottom-line mindset of safety and environmental protection, NFC puts safety and environmental protection above all other efforts. We are dedicated to ensuring safety and environmental protection during crucial and sensitive periods, comprehensively enhancing the company's foundation of safety and environmental protection. We refine our systems and mechanisms, enhancing the basic safety standards. We work to advance the environmental protection inspections by the government agencies and the safety risk management, maintaining overall stability in our approach to safety and environmental protection.

Sticking to the Bottom-line of Workplace Safety

We continuously improve the safety management system and clearly stipulate safety-related responsibilities at all levels. We take concrete actions in risk identification and control, and hazard investigation and management. In addition, we consistently provide safety education and training, steadily enhancing emergency response and rescue capabilities, and refining occupational health management. Our aim is to contribute to the Company's sustainable, stable, and healthy development in production and operation.

Enhancing safety awareness through better safety management

We keep enhancing our safety management system and operate the unified guidance of the work safety committee. We manage to carry out the campaign of "safety management improvement year" and refine the collateral system for safety and environmental risks. In addition, we establish a dual-prevention system and undertake targeted initiatives to address major hidden dangers. With our endeavors, the company has scaled new heights in safety management. During the reporting period, NFC convened the 2023 safety and environmental protection work conference during which assessment and conclusion were made on safety and environmental work and the relevant key tasks for the upcoming phase were planned and deployed.

Case: Selection of excellent cases of production safety of NFC into the official website of the United Nations Industrial Development Organization

In 2023, NFC's safety management practices for the expansion project of the Aktogay copper concentrator plant in Kazakhstan were recognized as an excellent case in the project of Development of CSR in the Construction Sector in China by UNIDO (Project ID: 180270) and were showcased on the official website (<https://open.unido.org/>). Throughout the project's development, NFC remained committed to the safety objective of "zero injuries and zero accidents," and adopted a management approach of "clear standards and strict enforcement." In addition, we employed an assessment strategy focusing on "rigorous evaluation in key areas" and implemented control measures under the principle of "preventive measures and swift response." These efforts ensured work safety during the operation of the project. The selection of the case underscores UNIDO's acknowledgment of NFC's dedication to safety management and fulfillment of social responsibility in project execution.



Tsairt Mineral won the highest award of "Occupational Safety and Health-oriented Enterprise" in the field of labor safety from the Mineral Resources and Petroleum Authority of Mongolia



Tsairt Mineral won the second place in the "Healthy and Safe Workplace Enterprise" appraisal by the Ministry of Labor and Social Protection



Refining management system

We establish work safety committee to comprehensively lead the company's safety production work and to study and make decisions on major issues of the company's work safety. We hold quarterly working meetings of the work safety committee to supervise the implementation of work safety requirements.

We conduct safety management improvement year and establish the leading team and work office. We introduce the relevant Implementation Policy outlining 73 tasks in 25 areas. We also carry out quarterly assessments for better safety management.

We revise, improve and publish the *Occupational Health and Safety and Environmental Management System Document* and promote the establishment of a sound safety management system and accountability system for units at all levels. We formulate and revise 259 systems and 583 operating procedures.

We ramp up safety input and advance workplace safety with science and technology. We improve production safety intelligence and promote the implementation and application of the intelligent safety inspection app. Our aim is to control risks and hazards in a scientific, accurate and efficient manner.



Ensuring safety accountability

We have signed safety and environmental protection responsibility statements with 8 subsidiaries and 8 project departments, clarifying the annual safety objectives and key tasks, and requiring responsibilities to be delivered at each level.

We improve the collateral system for safety and environmental protection risks, expand the coverage of candidates, and adopt a more dynamic approach to safety production at the grassroots level through heavy rewards and penalties.



Improving prevention system

We compile and release the *Construction Manual of NFC for Dual Prevention System of Engineering Contracting* and the *Work Guidelines of NFC for Dual Prevention System of Graded Safety Risk Control and Hidden Danger Detection and Management*.

We promote enterprises and project departments at all levels to establish and improve the dual prevention system, realizing the closed-loop management of risk identification and control and hidden danger investigation and management, for the purpose of effectively preventing and curbing the occurrence of accidents.



Strengthening special campaigns

We further improve the standards for the investigation of major hidden dangers, organize special campaigns for major hidden dangers in 2023, and intensify the efforts of safety supervision and inspection.

We keep carrying out comprehensive campaigns in mine production safety, with a focus on 8 specific topics, and conduct in-depth self-examination, self-correction and supervisory inspections for all parts of the mine system.

We conduct risk evaluation among all units and implement dynamic measures for risk identification and control. We carry out a series of special actions for work safety and crack down on "three violations", strengthening the safety management of on-site work.

Fostering a culture of safety through enhanced safety education

We are committed to ongoing safety training and education for both pre-job and on-the-job scenarios. We believe in leading by example with top management actively involved in learning alongside all employees. Our approach encompasses diverse formats of safety training, emphasizing post-based hands-on practice and assessment. We enforce certification requirements rigorously, ensuring a continuous enhancement of our staff's safety awareness and operational skills.

Improving professional strength

By offering subsidies in the form of salary, we encourage employees to become certified safety engineers, driving various levels of units to enhance the ratio of certified safety engineers. We establish HSE engineer training initiatives and categorize training for HSE management personnel, aiming to steadily strengthen the workforce dedicated to safety practices.

Enhancing safety awareness

We conduct promotional and educational activities like Work Safety Month and Occupational Disease and Health Week to continuously enhance employees' safety awareness. In 2023, 101,500 people received safety training sessions, with both safety management personnel and specialized operators obtaining certification for their positions.

Case: CNBM conducts on-site operation training and awareness education regarding workplace safety

The first mine of CNBM selected key technical operators with good safety-based skills from over 20 types of workers. Tailoring the training to the specifics of each role, the mine conducted comprehensive hands-on demonstrations covering the proper use of protective gear, identification of hazards and risks, equipment and facilities inspection and maintenance, and safe operational techniques. Through practical, on-site instruction and error correction, employee safety awareness and operational proficiency were significantly enhanced.



On-site operation training and awareness education regarding workplace safety

Strengthening emergency response capabilities through refined emergency management

We are committed to fostering a refined emergency response management system with a focus on scientific approaches and practical applications. We actively enhance the development, implementation, and rehearsal of emergency plans, bolstering our emergency response capabilities and ensuring the storage and provision of essential supplies. Progressing steadily, we modernize our emergency management framework and capabilities. In 2023, we devised and revised 51 emergency plans and conducted 102 emergency response drills, involving a total of 3,309 participants. Presently, we maintain 1 dedicated mine rescue team comprising 54 full-time rescuers and 361 part-time personnel.

Case: CNBM conducts the emergency rescue drill for tunnel collapse

In terms of the drill for emergency response to tunnel collapse, the first mine of CNBM conducted thorough organization and planning at the early stage, adhering to the principles of combining practical demonstration and training. After the emergency rescue training and table-top exercise, the mine managed to carry out an on-site drill. The scenario-based simulation and on-site drill not only enhanced the mine's preparedness for emergency response regarding tunnel collapse but also bolstered the awareness of risk prevention and self-rescue capabilities of both participants and observers.



On-site drill for emergency rescue



The ACCS project department in Indonesia conducts anti-riot and anti-terrorism emergency drill for better security emergency response capacity



CNMC carries out publicity and awareness education in a variety of ways for enhanced safety awareness among employees during Work Safety Month.

Safeguarding occupational health with equal stress on prevention and treatment

We adhere to the occupational disease prevention and treatment strategy of "focusing on prevention and combining prevention and treatment". In this regard, we enhance our occupational health management system, categorizing and comprehensively managing health risks in the work environment. We devise employee occupational health management plans, promptly report major factors that may lead to occupational diseases to health authorities, and routinely monitor these hazards through a commissioned third-party. As a result, there were no new cases of occupational diseases in 2023.

CNMC

CNMC enhances the sealing of the head and tail and the feed inlet of the coal conveying system, and controls dust spillage through regular maintenance of dust removal facilities. Mechanical ventilation has been reinforced in the electrolysis workshop to decrease the concentration of acid mist on-site. Protective measures such as wearing noise-cancelling gear and minimizing exposure time to noisy environments are implemented in areas with high noise levels to safeguard employees' occupational health.

NSPI

NSPI organizes staff to watch the promotional video about the Law of the People's Republic of China on the Prevention and Control of Occupational Diseases. The company conducts health training sessions titled "safety for all, emergency response for everyone", enhances the system of the occupational hazard notification card and provides staff with essential supplies like heat-reducing and heatstroke emergency medication. Its efforts are aimed at ensuring employees' safety and well-being.



CNBM holds a meeting with representatives of employees' families under the "safety assurance" coalition, aiming to foster a collaborative approach between families and the company in managing and promoting safety measures and better enhance employee's safety.



The ACCS project department in Indonesia carries out Safety Induction and organizes safety knowledge testing.

Promoting Green and Low-carbon Transition

We act on the idea that lucid waters and lush mountains are invaluable assets. We adhere to the requirements of carbon peak and carbon neutrality, planning and advancing environmental management initiatives in a comprehensive manner. With a focus on environmental risk prevention and control, we work to implement measures such as enhancing source control and investigating and removing potential hazards. In addition, we expedite the resolution of issues highlighted by the government agency's environmental protection inspections while also improving the environmental early warning system and emergency response mechanisms. We aim to drive green and low-carbon development by upholding a green concept that underpins our endeavors.

Advancing green development by implementing China's 30•60 Decarbonization Goal

Guided by the eco-friendly concepts, we continuously advance green development through low-carbon transition and embed the concept of green growth throughout the entire production and operational processes, embarking on the path of sustainable development. We establish the leading team for carbon peaking and carbon neutrality, enhancing coordinated leadership for China's 30•60 Decarbonization Goal. With the push for the development of green mines, we work to expedite the R&D and application of cutting-edge energy-saving and carbon-reducing technologies and increase the utilization rate of clean energy, reducing carbon emissions in a systematic manner. We take prudent measures in implementing key projects outlined in the *Action Plan for Carbon Emission Peaking of CNMC*. In addition, we conduct energy efficiency assessments for products and equipment in crucial sectors, evaluating the rationality of energy utilization in equipment. Furthermore, we review company's carbon emission data over the past five years, laying the groundwork for the carbon emission monitoring system.

Case: Building green mines for green and low-carbon transition

Since its inclusion in Inner Mongolia Autonomous Region's roster of green mine construction projects in 2020, CNBM has been actively advancing its green mining initiatives. This involves the establishment of a dedicated leadership team, adoption of scientifically sound mining methods, efficient utilization of resources, and implementation of digital information management system. The company formulates a plan book for green mine construction each year and attains the annual targets as expected which are then reviewed and approved by regulatory authorities. Moreover, efforts are made to systematically restore the geological environment of 14 spoil dumps and the No. 1 open pit, with a steadfast commitment to sustaining these remediation efforts.



Implementing environmental protection responsibilities for better management

We adhere to national laws, regulations, and policies concerning ecological conservation. We implement the new philosophy of innovative, coordinated, green, open, and shared development and enhance the environmental management system. In addition, we raise awareness on environmental risk prevention and control, stipulate environmental protection responsibilities, and establish an environmental emergency mechanism. Our aim is to advance standardized, normalized, and long-term environmental management, with comprehensively enhanced environmental management standards.

Rectification of problems from inspections

We set up a rectification task force for the feedback issues from the environmental protection inspections by the government agency, with the Chairman and General Manager appointed as co-leaders. This initiative aims to bolster comprehensive guidance for the rectification efforts, ensuring that relevant enterprises address these issues in a comprehensive, systematic, and scientific manner. In 2023, the NFC annual completion rate of the rectification tasks regarding the issues from the environmental protection inspections by the government agency was 100%. Among them, the rectification task of the geological environment improvement of the 3 operational spoil dumps of CNBM was completed on schedule, with the remaining rectification measures proceeding as per the planned schedule.

Environmental emergency management

To establish a robust environmental warning and emergency mechanism, we have revised *NFC Emergency Plan for Environmental Incidents*. This Plan includes the establishment of an organizational structure for emergency management, preventive and early warning mechanism, information reporting procedures, and emergency response strategy. In 2023, we conducted 22 environmental emergency drills involving 307 participants, with no incidents reported.



CNBM carries out emergency drill for environmental incidents of tailings ponds (tailing slurry leakage)

Advancing Energy Conservation and Emission Reduction

Upholding the concept of green development, we work to enhance energy resource management and implement clean production practices. We promote technologies for energy conservation, emission reduction and resource utilization, striving for better utilization of renewable resources. In addition, we advance green production from technological, equipment, and managerial perspectives, integrating the principles of green, low-carbon, energy-saving and eco-friendly practices throughout the entire operational and production processes. All our efforts are aimed at pushing for a sustainable development.

Saving energy and resources through refined technologies and equipment

Energy

As we enhance energy management on a constant basis, we actively drive our subsidiaries to improve their energy management systems. This involves boosting the utilization of clean energy by refining product structures and energy consumption patterns. Additionally, we implement energy-saving technologies and phase out obsolete high-energy-consuming equipment, aiming to continuously elevate our energy management standards and efficiency.

From 2022 up until September 15, 2023, NFC has completed its phase-out plan for outdated high-energy-consuming electromechanical equipment. A total of 912 pieces of equipment were phased out. This initiative of CNBM has been granted with the subsidy of special funds for the development of key industries in the Inner Mongolia Autonomous Region (the second batch).

From 2022 to 2023, CNZC undertook a frequency conversion project on stir speed reducers, converting ordinary motors into rare earth permanent magnet direct-drive variable frequency motors. These motors, controlled by a variable frequency system, enable smooth and non-impact starting, reducing equipment failure rates and mechanical wear and boosting motor efficiency. Meanwhile, the motors have achieved approximately 20% energy savings under similar operational conditions.

NSPI has intensified its management of non-production electricity consumption. Additionally, measures have been implemented including shutting down the air compressor station and turning off air conditioners when production is halted, with energy consumption being effectively reduced. In 2023, electricity consumption decreased by 15.16% compared to the previous year.

Since 2021, CNBM has been undergoing energy-saving technology upgrades. These include switching from wound rotor motor drives to permanent magnet synchronous motor drives for ball mills, replacing friction bearings with rolling bearings for ball mills, substituting oil-immersed transformers with new energy-efficient dry-type transformers, and upgrading underground lighting from incandescent lamps to energy-saving LED strips.

Water resources

As we adhere to water conservation policies, we adopt a scientific approach to utilizing and conserving water resources. Through ongoing enhancements in water management and continuous technological innovation, we employ various means to enhance both the efficiency and recycling rate of water resources utilization. In the mine production system, we treat wastewater from the beneficiation process and recycle it back into our production system. This not only eliminates external discharge of wastewater but also significantly reduces our demand for fresh water.



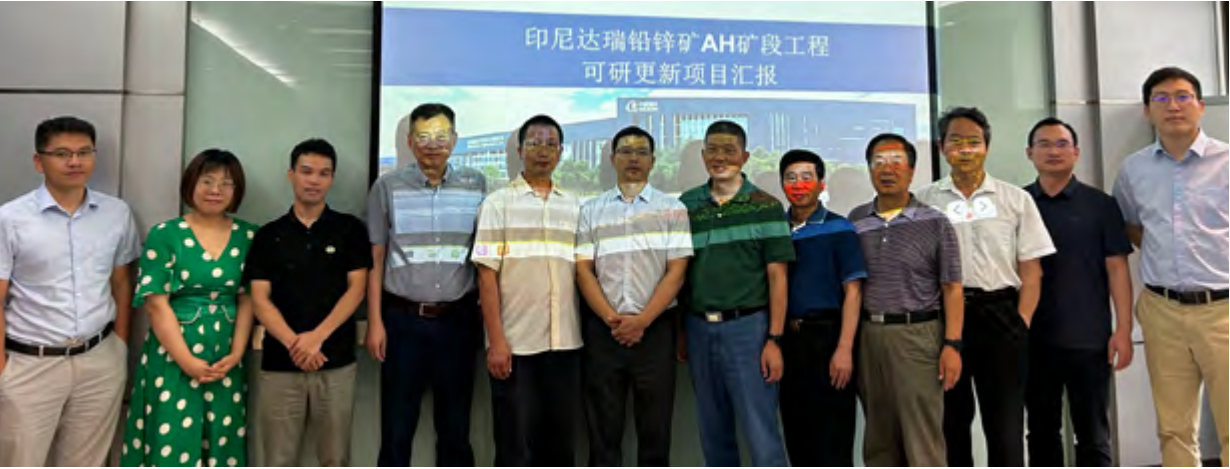
CNBM utilizes coal mine drainage for beneficiation production and uses high-pressure water from pipelines under coal mine to supply water equipment and facilities for tasks like underground rock drilling and dust reduction, with approximately 9,000 tons of water being saved per day.

Strengthening emissions management for less pollutant emissions

Remaining committed to the idea of green production, we advance the battle against pollution, and implement the sewage licensing system. We strengthen control measures for exhaust gas, wastewater, wastes, and other pollutants to ensure compliance with emission standards. We implement a system of classifying and managing pollution sources, enhance management of pollution prevention facilities, and establish and refine job responsibilities, operational procedures, and environmental monitoring regulations, striving to control pollutant emissions. This effort contributes to the mission of keeping our skies blue, waters clear, and lands clean, and helps with the building of a beautiful China.

Wastes

We rigorously adhere to laws and regulations such as the *Law of the People's Republic of China on the Prevention and Control of Environment Pollution Caused by Solid Wastes*. We actively advance the reduction, recycling, and safe disposal of solid waste, optimizing process designs to maximize resource utilization. Our approach includes standardizing the arrangements of solid waste storage and disposal facilities, and carefully managing the entire hazardous waste lifecycle from generation and storage to transfer and disposal, in accordance with regulations such as the *Standard for Pollution Control on Hazardous Waste Storage* and the *Standard for Pollution Control on the Hazardous Waste Landfill*.



Review meeting on the construction program of the lead-zinc mine of DPM

Case: CNZC's program of zinc smelting process optimization and comprehensive utilization and treatment of leaching slag resources

In April 2023, the CNZC's program commenced of zinc smelting process optimization and comprehensive utilization and treatment of leaching slag resources. The project adopts the process of "smelting in side-blowing melting furnace + fuming in fuming furnace" to comprehensively utilize the smelting slag produced by the CNZC's hydrometallurgical zinc leaching system, with a design processing capacity of 225,000 tons/year. After the completion, the project can further recover the zinc and indium valuable metals in the smelting slag, improving the utilization rate of resources and realizing the reduction, recycling and safe disposal of hazardous wastes. With this project, the company can ensure the safety of the regional environment and enables a sound ecosystem.



Wastewater

We adhere to laws and regulations like the *Water Pollution Prevention and Control Law of the People's Republic of China*, enhancing measures for wastewater treatment and emissions reduction. Our facilities are equipped with the system for collecting and treating production wastewater, household wastewater, and rainwater. We continually optimize our wastewater treatment processes and promote wastewater recovery and recycling initiatives, ensuring consistent compliance with discharge standards.

In 2023, CNBM started the construction project of the dewatering water treatment system, with a total investment of RMB 38.2518 million. The project adopts the treatment process of "magnetic separation + cloth media filter system + ultra-filtration + reverse osmosis" for the treatment of dewatering water, and the treatment scale is 10,000m³/d.



CNZC wastewater comprehensive treatment project adopts the process of "physicochemical comprehensive treatment + ultrafiltration + reverse osmosis + MVR brine evaporation." Through in-depth treatment of the wastewater from production and the related recycling process, the company achieves the goal of zero discharge of wastewater.



Exhaust gas

We adhere to standards such as the *Integrated Emission Standard of Air Pollutants* and the *Emission Standard of Pollutants from Lead and Zinc Industry*. This entails enhancing the refined management of exhaust emissions and implementing measures such as centralized collection and treatment, enclosure, covering, sweeping, and sprinkling. Through these efforts, we enforce strict control over the emission of dust and gaseous pollutants.



CNZC has completed the upgrading project of elevating standards of the acid-making tail gas in the main plant. The upgrading involves the addition of alkali liquor spraying and electric demisting exhaust gas treatment facilities to ensure that the pollutants in the acid-making system during the operation of starting and stopping the furnace meet the requirements of the *Emission Standard of Pollutants from Lead and Zinc Industry*.



Tsairt Mineral implements the wet-type sprinkler system by using tailings wastewater, effectively preventing and controlling the dust.

Fostering a Green Ecosystem with Care

We uphold the principle of "development with protection and protection within development" and act on the idea that lucid waters and lush mountains are invaluable assets. We consistently engage in mine environmental management and ecological restoration efforts, advancing the establishment of green mines and safeguarding the pristine ecology through concrete actions.

Preserving the beauty of biodiversity

We place great emphasis on preserving biodiversity throughout our mineral resource development endeavors. We work to maintain and manage the surrounding environment of our projects and continually refine methods for biodiversity conservation, aiming to minimize impacts of our production operations on biodiversity.



In February 2023, Tsairt Mineral wildlife conservation team distributed 22 bales of forage to Sukhbaatar County and the Darkhan mountains, areas belonging to wild argali territory, to supplement the wild argali's food source during the harsh winter.

Case: DPM contributes to national program of mangrove planting in coastal areas of Indonesian islands

Since its inception, DPM has been actively supporting Indonesian government's initiative to enhance mangrove planting in coastal regions of Indonesian islands. The company has integrated biodiversity conservation, such as mangrove plantation, as a pivotal strategy in its operations. Mangrove trees have been planted across 60 hectares in Langkat regency, North Sumatra, which is aimed at restoring the ecosystem in river basins adjacent to mining areas. Additionally, DPM has planted at least 2,000 trees in Daiiri regency and donated over 10,000 saplings to the local government. In September 2023, the Indonesian Ministry of Environment and Forestry invited DPM to the Jakarta LIKE Festival featuring the activity of honoring environmentalists by the Indonesian government, acknowledging its significant contributions to ecosystem preservation in Indonesia.



Advancing restoration efforts to protect land resources

We adhere to laws and regulations such as the *Provisions on the Protection of the Geologic Environment of Mines* and the *Regulation on Land Reclamation*. We develop and enforce land reclamation plans that is aimed at minimizing the negative effects of mining activities on the geological environment. Our goal is to effectively protect and restore the geological environment, while also implementing land reclamation measures.



The ACCS project department in Indonesia promptly reclaims and replants the excavated area, with over 2,000 m² of land being reclaimed and over 3,000 saplings replanted.

Case: Tsairt Mineral conducts reclamation and greening of the mining area

Tsairt Mineral operates primarily in inland regions, which has a fragile system featuring desolate deserts, strong winds and abundant sand. Consequently, the company places great emphasis on environmental protection during its mining operations. It adopts an innovative approach that encompasses management before mining, protection during mining, and restoration and stabilization after mining, pushing for the reclamation and greening of the mining areas. In addition, the company is committed to the reclamation of spoil dumps and the afforestation efforts in the mining sites, striving to build an "oasis in the Gobi Desert". Positive results have been made in ecological restoration and environmental improvement of the mining areas.



Jointly building a sound ecological environment through green lifestyle initiatives

We uphold the principles of prioritizing conservation and fostering green sustainable development, actively embracing green office practices and promoting eco-friendly lifestyles. During the 2023 week-long national campaign to promote energy conservation, National Low Carbon Day, and World Environment Day, we launched the initiative for energy conservation and carbon reduction and conducted various online and offline campaigns, aiming to enhance environmental awareness and implement the principles of green development.



The ACCS project department in Indonesia conducts the beach cleanup activity to help protect local ecosystem

Case: Joint efforts to build a modernization featuring harmonious co-existence between man and nature in World Environment Day

During the 2023 World Environment Day, NFC and its subsidiaries, under the theme of building a modernization featuring harmonious co-existence between man and nature, took various methods such as setting up themed exhibition board, posting posters, displaying themed pull up banners, hanging slogan banners, playing promotional videos, and conducting specialized training sessions. The aim is to mobilize all employees to participate in ecological conservation initiatives and practice green production and lifestyle. Employees from CNZC participated in a themed speech contest, under the theme of "building a modernization featuring harmonious co-existence between man and nature," organized by the Chifeng Municipal Ecology and Environment Bureau, earning both the second prize for individuals and the outstanding organization prize for enterprises. The World Environment Day activities have further enhanced the NFC team's commitment to fostering a consensus and collective effort towards creating green mines and nurturing beautiful environments.



CNZC wins the second prize for individuals and the outstanding organization prize for enterprises of the themed speech contest under the theme of "building a modernization featuring harmonious co-existence between man and nature" by the Chifeng Municipal Ecology and Environment Bureau



Social Responsibility View

Prioritizing Environmental Protection

Building Social Harmony

Promoting Sustainable Development

Mutual Benefit and Sharing – Facilitating a Better Life



Adhering to the people-centered idea and mutual benefit and sharing concept, NFC integrates the corporate development with the enhancement of employee well-being and social harmony. Through taking care of the growth and development of employees, vigorously supporting rural vitalization and actively participating in social welfare, NFC effectively promotes localized management and the development of local communities to jointly build a better life.

Employee Development and Care

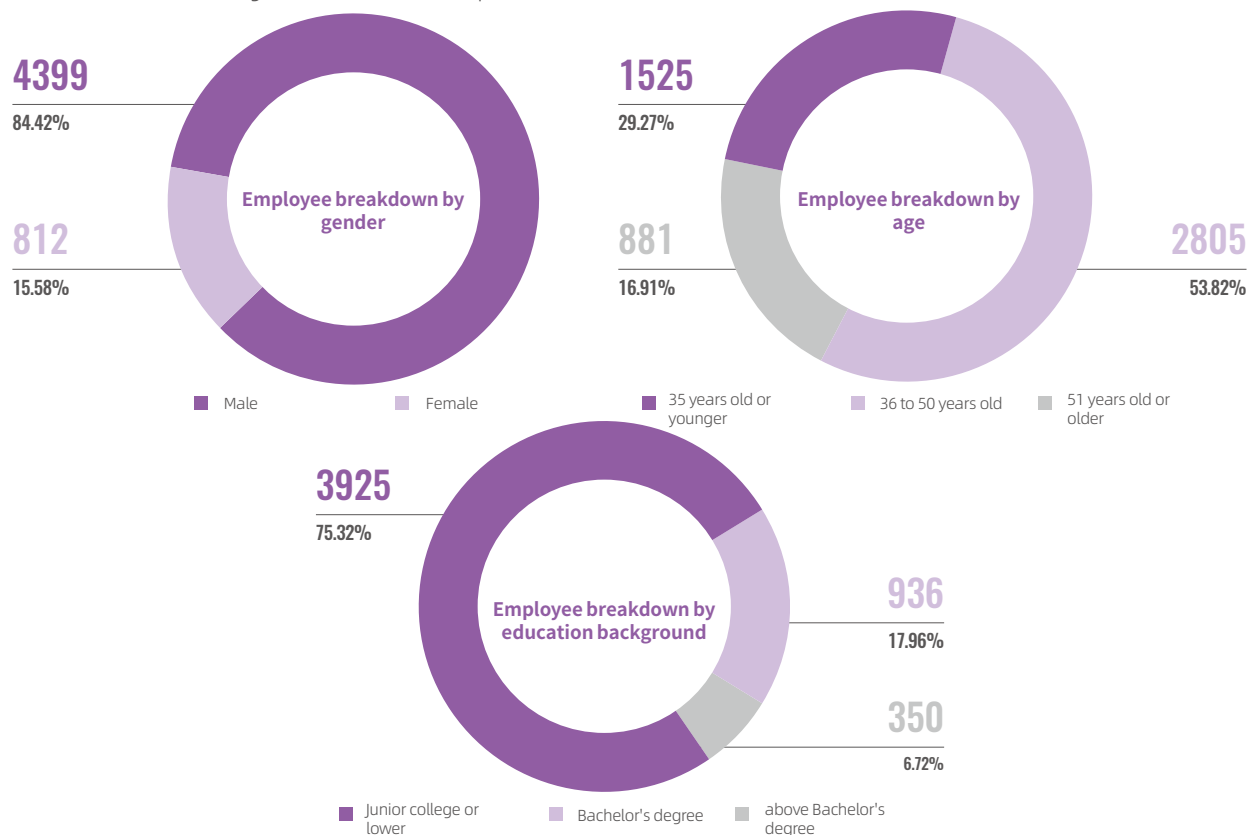
With the development philosophy of prioritizing talents, NFC taking a series of policies such as safeguarding the basic rights of employees, optimizing the compensation and benefits system, improving employee training mechanisms, expanding channels for employee advancement, caring for employee well-being, and upholding employees' democratic rights. These actions actively meet employees' aspirations for a better life and ensure that the benefits of company development are shared around all employees.

Safeguarding the rights and interests of employees and promoting equal employment

We respect and uphold the legitimate rights and interests of every employee, adhere to democratic and lawful procedures in formulating personnel-related management systems so as to create a favorable employment environment.

Equal employment

We comply with universal practices related to human rights and labor use and relevant laws and policies in host countries. We revise relative regulations such as *Recruitment Management Measure of China Nonferrous Metal Industry's Foreign Engineering and Construction Co., Ltd. (NFC)* and *Management Measures for Labor Contracts of China Nonferrous Metal Industry's Foreign Engineering and Construction Co., Ltd. (NFC)*. We recruit employees of different nationalities, races, genders, religious beliefs, and cultural backgrounds in a equal employment basis with labor contracts signed as required by laws to eliminate the use of child labor and forced labor, prohibit all forms of discrimination, harassment, and violence. We firmly protect the rights and interests of employees and committed to creating a collaborative and respectful work environment.



Note: This data is calculated based on the statistics of employees at the end of 2023.

Local employment

We actively implement localization employment policies, employing and nurturing local talent. We are actively cultivating professionals in the countries and regions where our projects are located, addressing employment issues.

Case: Tsairt Mineral promotes localized employment of multi-level positions

Tsairt Mineral actively opens multi-level positions to local employees in Mongolia. There are 3 local personnel in the senior management, and 50% of middle-level positions are held by local staff. Overall, Tsairt Mineral employs more than 600 local employees, with a localization employment rate exceeding 90%. Tsairt Mineral has become the unit that absorbs the most employment locally and has successfully cultivated a professional talent team for Mongolia. This achievement signifies the joint development of the enterprise and the local economy and society.

Case: The Indonesia ACCS Project collaborates with local government to explore a new mechanism for local employment cooperation

The Indonesia ACCS Project has established a cooperative mechanism with the owner unit and the local labor department (Disnaker) regarding local employment. They have invited the Chief of local Regency (BUPATE) to participate in comprehensive coordination, formed a dedicated recruitment team, openly disclosed the required job positions, working hours, and contract matters. As a result, a favorable atmosphere for enterprise-local cooperation has been fostered and local employment initiatives have been systematically advanced.



Collaborating with the local labor department (Disnaker) to conduct local employment recruitment activities.

Compensation and benefits

We constantly establish and improve the compensation and benefit system, innovate and optimize incentive mechanism, and improve 11 regulations including the *Responsible Person's Salary Management Measures*, *Special Incentive Management Measures*, and 2023 Annual "Three No Less Than" Compensation Incentive Plan. These actions promote the formation of a linkage distribution mechanism between employee income, corporate performance, and individual performance, continuously improve the rationality and effectiveness of income distribution, and stimulate employees' innovative vitality. We pay employees wages and contribute to their endowment insurance, medical insurance, unemployment insurance, employment injury insurance, maternity insurance, and housing fund in full and on time in strict accordance with the national regulations. We also establish enterprise annuities and supplement medical insurance program. For employees working overseas, accident insurance, salvage charges insurance and employer's liability insurance are provided. We also establish various kinds of allowances and subsidies and implement annual leave to concretely protect employees' compensation and benefits.

Democratic management

We continue to strengthen democratic management, leverage the role of trade union in safeguarding the legitimate rights and interests of employees and serving the employees wholeheartedly. We uphold the principal position of workers and encourage employees actively participating in corporate governance and providing suggestions for the Company's reform and development. To further enhance communication between trade union and employees in their daily work and life, we have established a staff opinion mailbox and suggestion box to facilitate communication channels between the company and employees which could help create a harmonious and friendly corporate atmosphere.

Supporting career development and realizing employee value

Bearing on the mind the priority of human resource, we improve the employee training system and broaden channels for career development to stimulate the enthusiasm and creativity of employees. We also strive to provide employees with a platform to realize their value, thus to pursue mutual growth with employees.

Employee training

Advocating the training concept of "work is training, training is also work, superiors are teachers", we systematically conduct training needs surveys, formulate annual targeted training plans, and adopt a combination of internal training, external training, and self-learning. We coordinate the orderly implementation of training for all management personnel, professional and technical personnel, skilled personnel, and safety and environmental protection education training. In 2023, a total of 343 training sessions were conducted, with an average training duration of 8.82 hours per person.

Case: "Vocational Education Going Global" effectively assists the development of local specialized talents

Under the guidance of "vocational education going global", DPM in Indonesia has actively cooperated with top domestic vocational colleges. It has adopted a combined approach of taking advanced domestic industrial standards and training content abroad while simultaneously attracting foreign students. This effort aims to help train specialized local employees who meet the needs of the company and its projects. Additionally, it seeks to cultivate more local high-level professional talents. The project has a cumulative 1,116 courses and supports 14 students studying in China.



Employee development

Strengthening the enterprise through talent and diversifying different channels for talent development are our strategies. We have formulated the *Position Management Measures* to provide employees with fair development opportunities and established a vertical promotion and horizontal cross-sequence career development system to achieve parallel career development paths for management and professional roles. We have improved the mechanism for talent evaluation, selection, training, and utilization, implementing the *Excellent Young Cadres Selection and Training Program of China Nonferrous Metal Industry's Foreign Engineering and Construction Co., Ltd. (NFC)*, and gradually establishing a full-chain working mechanism of "selection-nurturing-managing-employing" for outstanding young cadres. We optimize the growth paths for young cadres, promote the rapid development of outstanding young cadres, vigorously select and employ outstanding young cadres to realize the optimization the age structure of the cadre team. We also increase the rotation and exchange of cadres at different levels and in different business areas, enhancing the multi-position work capabilities of cadres.



Strengthening employee care to create a happy workplace

We adhere to a people-centered approach and prioritize humanistic care, organizing diversified entertaining team-building activities and mental health support activities to balance employees' work and life. We have established a normalized assistance mechanism to provide precise assistance to employees in need, care for retired employees, and deepen the implementation of the "Practical Actions for Employees" series of activities, focused on solving key and difficult issues of concern to employees, so as to enhance their sense of gain, happiness, and belonging.

Enriching employees' lives

We made active efforts in improving various benefits for employees, enriching their lives and striving to create a harmonious and joyful working atmosphere. We have continuously strengthened cares for overseas employees, regularly organizing activities such as "Bringing Warmth in Spring" and "Bringing Coolness in Summer", and arranging health lectures, sports competitions, social gatherings, and celebrations of traditional festivals to create a warm and happy working environment for employees.



NFC held activities to celebrate International Women's Day on March 8th.



Organizing team-building activities for owner, project department, and construction units on Hari Kemerdekaan (Indonesian Independence Day).

Position management principles

Multi-channel development

- The principles adapt to job differences and employee development by setting diverse development paths, including vertically across job levels and horizontally across professions, to broaden employee career development space.

Hierarchical management

- We implement a hierarchical management model featuring "unified management and centralized implementation". The Company formulates unified regulations that each contributing enterprise should implement centralized management.

Performance orientation

- We use work performance as the main evaluation criteria, guiding employees to improve their job capabilities through hierarchical management.

Position promotion sequence

Management sequence

- Positions involved in management work and with certain management authority
- 6 levels are set, ranging from M1 to M6

Professional sequence

- Positions involved in professional job roles requiring specific professional knowledge, technology, and skills
- 9 levels are set, ranging from P1 to P9

Caring for physical and mental health of employees

We always prioritize the physical and mental well-being of our employees by implementing comprehensive measures, including establishing a robust labor protection mechanism, ensuring regular occupational health examinations and treatments, maintaining detailed records of employees' occupational health, and strengthening the prevention and management of occupational diseases, so as to protect their security and health in an all-round way. Additionally, we focus on promoting employees' mental health by initiating programs such as employee assistance programs, stress-relief workshops, and providing access to psychological support hotline. With these efforts, we aim at effective safeguard to the holistic health of our employees.



Conducting CPR training for employees



Holding a hiking event at Wenyuhe Park.

Case: Caring for overseas employees, and further implementing the practical activity themed "Delivering Real Deeds for Overseas Employees"

During the festive season when families gather, overseas employees of the Company remain steadfast in the foreign land, ensuring the smooth progress of overseas project construction and operations. Therefore, the Company launched the activity of "Small Gift, Rich Emotion". New Year greetings from overseas employees to their families were collected and made into New Year cards, which were along with small gifts prepared by the Company, sent to the families of overseas employees. Before the Spring Festival, we conducted a New Year caring activity for overseas employees and their families, produced a "New Year Blessings Video for Overseas Employees and Their Families," mailed New Year presents and letters, made phone calls with blessings to overseas employees' families during the holiday, conveying the company's sincere gratitude and heartfelt greetings to overseas employees and their families.

Extending care and support

We have implemented comprehensive measures to provide care and supports for our employees, including assisting employees facing family difficulties, visiting retired staff, and providing care and support for female employees. We have formulated the *Management Measures for Assistance to Difficulties Faced by Employees at NFC Headquarters (Trial)*, which standardizes the assistance provided to employees facing difficulties. This aims to better deliver care for employees from both the company and the labor union, showcasing the warmth and strength of the NFC "family".



NFC conducting retirement farewell activities for retired employees.



NFC's caring activities for families of overseas employees.



Tsairt Mineral built four vegetable greenhouse sheds to supplement vegetable supplies, showing care for a better living condition of overseas employees.

Promoting Social Harmony

The Company has always shouldered its social responsibility, actively participating in rural revitalization, engaging in public welfare undertakings, conducting volunteer service activities, implementing localized management responsibilities, and promoting local economic and social development. Through these practical actions, the Company keeps realizing its social responsibility and promoting social harmony.

Increasing assistance to support rural revitalization

We actively respond to the call for comprehensive rural revitalization, persistently carrying out rural assistance work with dedication and compassion. We aim to consolidate and expand the achievements of poverty alleviation while effectively connecting them with rural revitalization. With precise coordination and sustained investment, NFC and its contributing enterprises have cumulatively invested over RMB 2.8 million in rural revitalization assistance over the past three years, providing tangible support to consolidate the achievements of poverty alleviation efforts and promote rural revitalization in assisted areas.

Case: CNBM has promoted integration with the local community, boosting local employment and income

CNBM adheres to the principle of "Developing the Mine in Baiyinnuoer to Benefit the Local Community." Based on its location in Baiyinnuoer Town in Inner Mongolia, the Company actively integrated into local cultural life, increasing assistance intensity, and supported the local community in successfully winning the battle against poverty. The Company has also made continued efforts to promote rural revitalization and paid close attention to the production and living conditions of local herders, actively responding to their difficulties and demands. In 2023, focusing on areas such as culture, sports, and healthcare, the Company has donated RMB 685,500 to local schools, clinics, and Gacha Village. At the same time, the Company has signed an integration co-construction agreement with Baiyinnuoer Town, aiming to promote local herders' employment together with development of the Company. Since 2022, it has employed over 80 local herders, assisting them in transition to stable workers and driving steady income growth.



Organizing fellowship activities with local herders



Assisting in the construction of a cultural square and fitness equipment for Yaoeryagacha village

Conducting public welfare activities to promote the spirit of Lei Feng

We have persisted in promoting the spirit of volunteer service characterized by "dedication, friendship, mutual assistance, and progress", organizing employees to engage in volunteer activities such as traffic guidance and voluntary blood donation, so as to continuously convey love and warmth, and help build a harmonious society.



Employees of NFC participated in the volunteer service in Beijing, actively engaging in traffic guidance to spread positive energy of civilized behavior.



CNBM joined hands with local units to conduct volunteer services demonstrating the spirit of the new era, participating in garbage cleanup and environmental beautification activities to promote civilized behavior.



CNZC organized a voluntary blood donation activity, inheriting the spirit of Lei Feng through practical actions, and demonstrating the sense of responsibility of young employees in the new era.

Helping build communities to demonstrate responsibility

We adhere to the concept of community relationship management based on win-win cooperation, maintain open channels of communication with communities, actively participate in the development of communities, and continue to carry out activities such as educational assistance, disaster relief, infrastructure construction, and social welfare, thereby promoting the construction of a harmonious company-community relationship.

Case: Tsairt Mineral has deeply integrated into developing local communities

Tsairt Mineral has actively communicated with local communities in Mongolia, integrated into local economic and social development, and signed a three-year cooperation agreement with the local government, assisting in building infrastructure and supporting the development of public services such as education, medical care, and culture. It has actively participated in disaster relief efforts and established a Chinese workshop featuring "Chinese + vocational skills" classrooms, nurturing local talent and boosting local employment and income, so as to share the fruits of development with the communities. In June 2023, in conjunction with "Children Development and Protection Year" of Mongolia's Sükhbaatar Province, Tsairt Mineral conducted "Children's Rights, Education, and Family Care" themed activities, supporting local children protection efforts and jointly promoting children's healthy growth.



Organizing sports activities such as relay races for local children



NFC Kazakhstan has long-term cared for the healthy growth of autistic children and was recognized by the local organization "Altyn Bata" Foundation.



NFC Kazakhstan has held celebrations for the traditional Kazakh New Year, Nowruz, promoting cultural exchange and fostering a spirit of unity and cooperation between Chinese and Kazakh employees.

Outlook in 2024

1
NO POVERTY

2
ZERO HUNGER

3
GOOD HEALTH AND WELL-BEING

4
QUALITY EDUCATION

5
GENDER EQUALITY

6
CLEAN WATER AND SANITATION

7
AFFORDABLE AND CLEAN ENERGY

8
DECENT WORK AND ECONOMIC GROWTH

9
INDUSTRY, INNOVATION AND INFRASTRUCTURE

10
REDUCED INEQUALITIES

11
SUSTAINABLE CITIES AND COMMUNITIES

12
RESPONSIBLE CONSUMPTION AND PRODUCTION

13
CLIMATE ACTION

14
LIFE BELOW WATER

15
LIFE ON LAND

16
PEACE, JUSTICE AND STRONG INSTITUTIONS

17
PARTNERSHIPS FOR THE GOALS

SUSTAINABLE DEVELOPMENT GOALS

In 2024, with the strategic guidance of "innovation-driven, reform-oriented; strengthening engineering, specializing in resources, and cultivating high-end equipment based on the main business", we highlight value creation and focus on enhancing efficiency in output, technology, reform, management, policy, and investment. We will continuously enhance core functions, improve core competitiveness, and promote high-quality development of enterprises.

We will follow the innovation-driven principles to provide strong support for high-quality development. Innovation will remain the primary driving force for development as we promote collaborative innovation along the industrial chain. We will innovate in engineering contracting models, accelerate the establishment of a technological innovation system, enhance our independent innovation capabilities, and advance key technologies such as energy conservation, environmental protection, and digitization in zinc smelting capacity expansion and the digitization and intelligence construction of self-owned mines, so as to achieve comprehensive progress in technological innovation, systematic innovation, and management innovation.

We will adhere to the principle of green development, and accelerate our low-carbon transformation. Bearing the philosophy of environmental protection in mind, we will promote clean production, green manufacturing, energy conservation, emission reduction, and comprehensive utilization of resources to improve the level of resource recycling. We will continuously promote carbon reduction from the perspectives of technology, equipment, and management, aiming to achieve peak carbon emissions and carbon neutrality, realizing sustainable industrial development.

We will remain committed to fulfilling our social responsibility and jointly building of a harmonious society. We will actively engage in social welfare undertakings, continue to shoulder our social responsibility in various fields, strengthen friendly exchanges and cooperation with local governments, partners, industry organizations, communities, and other stakeholders, actively contributing to rural revitalization and the construction of harmonious overseas communities, practicing the "Belt and Road Initiative", and serving the international community, so as to achieve sustainable development between the Company and society, between humanity and nature.

CSR Performance

Indicator	Unit	2021	2022	2023
Business Performance				
R&D expense	RMB 10,000	970.63	2,477.73	3,854.07
Proportion of R&D expense to revenue of primary business	%	0.15	0.36	0.42
Number of R&D personnel	person	108	160	217
Number of patent applications	Nos.	27	20	23
Number of authorized patents	Nos.	24	24	15
Number of valid patents	Nos.	161	159	170
Effective patents per RMB one million of revenue	Nos.	0.025	0.022	0.018
Environmental Performance				
Total investment in energy conservation and environmental protection	RMB 100 million	0.61	0.88	4.37 ^①
Number of subordinates certified by ISO 14001 / ISO 24001 Environmental Management System	Nos.	3	4	5
Total energy consumption	10,000 tons of standard coal	21.00	20.59	19.64
Total energy consumption	10,000 tons of standard coal	20.09	20.07	18.81
Comprehensive energy consumption per RMB 10,000 of revenue (comparable price)	ton of standard coal per RMB 10,000	0.45	0.44	0.45
Greenhouse gas emissions	10,000 tons	80.17	77.81	74.53
Greenhouse gas emission density (comparable price)	tCO ₂ e per RMB 10,000 of revenue	1.79	1.71	1.78
Hazardous waste generated	10,000 tons	33.91	35.76	36.36
Disposal rate of hazardous waste	%	100	100	100
Non-hazardous waste generated	10,000 tons	90.15	102.48	136.82
Disposal rate of non-hazardous waste	%	100	100	100
Sulfur dioxide emissions	ton	267.83	244.10	212.86
Nitrogen oxide emissions	ton	175.98	233.83	199.11
COD emissions	ton	29.91	38.45	16.75
Ammonia nitrogen emissions	ton	12.69	15.92	3.07
Proportion of clean energy usage	%	4.19	3.35	4.48
Clean energy usage	10,000 tons of standard coal	0.88	0.69	0.88

①The scope of above statistics number includes investment in energy conservation and environmental protection work and investment in projects related to energy conservation and environmental protection.

Indicator	Unit	2021	2022	2023
Social Performance				
Investment in work safety	RMB 100 million	0.31	0.26	0.33
Participants in work safety training ①	10,000 person-time	3.9	4.8	10.15
Coverage rate of safety risk protection training	%	100	100	100
Emergency drills	time	62	93	102
Number and ratio of work-related fatalities	person	0	0	0
Total employees ②	person	5,471	5,707	5,211
Staff turnover rate	%	3.83	3.97	4.38
Ratio of labor contracts signed	%	100	100	100
Social insurance coverage rate	%	100	100	100
Paid annual leave per employee	day	12.898	12.876	12.323
Salary per employee	RMB /year	10.39	11.48	11.90
Proportion of female managers (Proportion of female employees among directly managed cadres at the headquarters)	%	13.67	17.85	21.15
Number and proportion of employees from minority or other ethnic groups	person	1,516	1,567	1,456
	%	27.71%	28.20%	27.99%
Number and proportion of people with disabilities employed	person	43	44	47
	%	0.79%	0.77%	0.9%
Annual training expense	RMB	1,414,780.99	495,888.47	1,906,330.86
Annual training sessions	time	309	244	343
Annual training hours per employee for the headquarters	hour	15.9	12.8	25.4
Employee training coverage rate	%	98.99	98.83	97.48
Number of local employees by our overseas subsidiaries	person	451	582	612
Localized employment rate of our overseas subsidiaries	%	83.98	87.78	95.32
Unionization rate	%	100	100	100
Employee membership rate	%	100	100	100
External donations	RMB 10,000	148.7	145.45	251.50
Number of volunteer activities	time	19	21	15
Volunteer services in total	10,000 hour	2.6592	3.6058	1.6568
Funds for assisting difficult employees	RMB 10,000	65.82	76.54	78.45
Young volunteers	person	601	1325	1671
Investment in assistance funds	RMB 10,000	75.82	139.41	94.51
Expending funds for assistance	RMB 10,000	41.2	18.7	23.34

①The scope of statistics number on safety training participants includes safety education and training at various levels such as production workshops and teams.
②This data is calculated based on the statistics of employees at the end of 2023.

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