Ecological and Environmental Protection

Biodiversity Management

Biodiversity Conservation

Silvercorp actively carries out biodiversity protection measures to reduce non-compliance costs, avoid potential penalties, facilitate efforts to obtain mining licenses, and protect the Company's reputation. The Company abides by relevant environmental protection laws and regulations, strictly conducts environmental impact assessments in accordance with the law before entering any project, identifies ecologically sensitive areas, avoids areas prohibited for development due to the ecological red line, and takes appropriate biodiversity protection measures along the whole life cycle of mining operations to minimize or eliminate our environmental impact. We are committed to refraining from exploration and mining in World Heritage sites and any area prohibited for development due to the ecological red line, and respecting all internationally required legitimate protected areas, including protected areas in categories Ia, Ib, II, III, IV, V and VI as defined by the International Union for Conservation of Nature (IUCN). In Fiscal 2022, the Company had no incidents of damage to biodiversity. As of the end of Fiscal 2022, none of our mines were located in close proximity to protected areas or near the habitats of endangered species.

Wild pigs in the Ying Mining District

An egret in the Ying Mining District

The Ying Mining District in Henan Province is adjacent to the Guxian Reservoir in Luoyang City. With a capacity of 1.2 billion cubic meters, the reservoir not only ensures the drinking water supply of nearly 2 million people in Luoyang City but is also one of the places where species of rare fish from the Aquatic Germplasm Bank of Henan Province are found. In November 2020, we stopped utilizing the reservoir for transportation to protect the ecological environment of the reservoir. In addition, we set up observation stations staffed by Silvercorp personnel to monitor rare fish species, waterfowl, and other birds, aiding in the ecological preservation of the Yellow River basin.

Our Biodiversity Commitments and Actions

Commitments

- We will identify ecologically sensitive areas, refrain from exploration and mining in World Heritage sites and any area prohibited for development due to the ecological red line, and respect all internationally required legal protected areas, including Ia, Ib, II, III, IV, V and VI protected areas as defined by the International Union for Conservation of Nature (IUCN).
- We will conduct annual biodiversity conservation training to foster awareness of biodiversity conservation among frontline workers.
- We will actively reduce the negative ecological impact of our production operations.
- We will actively promote value chain partners to fulfill these commitments.

Actions

- We proactively carry out relevant ecological risk identification work; currently, this includes conducting internal biodiversity impact assessments of our operations, while future plans include seeking advice from external experts.
- We organize events to raise biodiversity awareness every Earth Day and carry out activities to help protect and promote biodiversity.
- We follow the mitigation mechanism of "avoidance - minimization of damage - immediate response and compensation for related damage" when working in close proximity to biodiversity areas.

Acid Rock Drainage

Acid rock drainage (ARD) can contaminate water sources and damage biodiversity around mining areas. In accordance with the standards of the *Global Acid Rock Wastewater Guidelines*, our mining areas do not have any ARD risks in Fiscal 2022. We carry out relevant risk monitoring in order to prevent any possible future incidents.

Reclamation and Ecological Environment Restoration

Reclamation and Ecological Restoration

Silvercorp carries out reclamation and ecological restoration in strict accordance with the *Mine Geological Environmental Protection and Land Reclamation Plan*. Henan Found and Guangdong Found work with restoration experts to formulate the *Ecological Environmental Protection Work Plan* every year, systematically drawing out their plan for native vegetation restoration work in the next year. The headquarters ensure the smooth implementation of the project with a dedicated fund to reduce the impact of our production and operation activities on the ecological environment.

In Fiscal 2022, we optimized our land reclamation statistics mechanism and conducted a consolidated statistical analysis of the areas where our operations had caused ecological disturbance, aiming to set better ecological protection targets and positively impact the local ecological environment as much as possible. Henan Found and Guangdong Found consolidated their achievements of green mine construction and carried out targeted measures in areas with poor vegetation growth; this included improving the watering network in greening areas and using organic fertilizers to improve soil fertility. In addition, efforts were made to cultivate a greater diversity of flowers and plant saplings to enrich plant diversity in the mine areas, creating a beautiful green mine environment.

Reclamation Methods

For geological hazards such as collapse sites and landslide sites, we mainly focus on protection, including slope cutting and leveling, then strengthening through shotcrete-bolt support or a retaining wall.

For dam surfaces of dry stack TMFs and slopes of waste rock yards, we stack them in a step-like manner, build drainage facilities, level the ground and backfill with topsoil, then plant shrubs, grass, and plants to restore the greenery.

For the slopes of roads and buildings, as well as those with drainage facilities built at the foot of the slope, we plant climbing plants at the foot of the slope or use a seeder to sow grass seeds.

Slopes of waste rock yards after reclaimed

Mining Area	Regreening Results
Ying Mining District	• Planted 18 kinds of saplings, totaling 29,002 new saplings planted • Sowed 7 kinds of grass seeds, totaling 2,159 kg of grass seeds sown
GC Mine	• Planted 6 kinds of saplings, totaling 15,869 new saplings planted • Sowed 5 kinds of grass seeds, totaling 58 kg of grass seeds sown

44,871
saplings planted

2,217
kg of grass seeds sown

Guangdong Found used degradable plastic wrappings to sow seeds for mine reclamation

Land Reclamation [Note1]	Ying Mining District	GC Mine	Total
Area with ecological disturbance but not yet reclaimed (hectares) (Beginning of Year 2021)	77.21	41.52	118.73
Area with new ecological disturbance created during the year (hectares)	3.89	0	3.89
Area reclaimed in Fiscal 2022 (hectares)	4.48	0.62	5.10
Area with ecological disturbance but not yet reclaimed (hectares) (End of Year 2021)	76.62	40.9	117.52
Investment in land reclamation and environmental mitigation (In thousands of $)	193	100	293

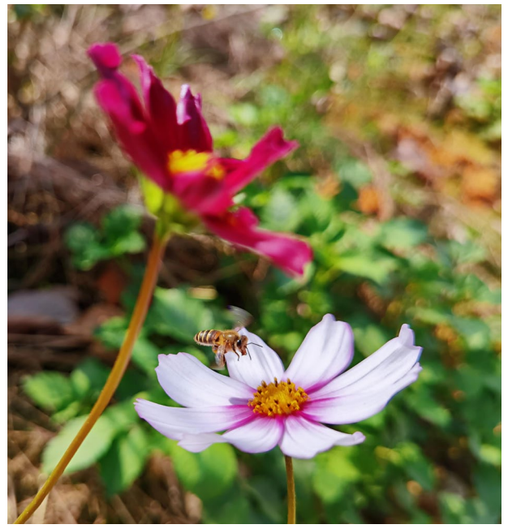
Note1: Data calculated based on the *Land Reclamation Plan and Ecological Restoration Plan*, which is based on calendar year, not fiscal year.

Addressing Climate Change

Climate Change Risks and Responses

Our main operation is located in the Ying Mining District, Henan Province. In July 2021, a devastating rainstorm hit the province, causing flooding and landslides that disrupted transportation. We took prompt action and worked with local governments to assist in repairing the damage. Thanks to our forward-looking risk analysis, solid regular flood control drills, and TMF emergency plan drills, we had no casualties or TMF incidents despite the disaster. Since then, we have invested in a review to evaluate the potential impact of extreme weather events on the Company's production and operation and refined our TMF emergency plan and flood control emergency plan by updating the flood control shift system, replenishing flood control supplies, and organizing capacity building activities for employees.

Based on recommendations by the Task Force on Climate-related Financial Disclosures (TCFD), the Company has identified its key climate-related risks and is committed to developing an ESG-based action plan to address them.



Physical Risks

Type	Climate Related Risks and Impacts
Short-term	Extreme weather events such as torrential rains, floods, and typhoons can lead to the interruption of operations or even the closure of mines, the washing out of roads, and dam failures due to rising water levels in TMFs. This could cause the Company's production capacity to decline, injure employees/contractors or result in environmental problems.
Long-term	Changes in precipitation and extreme fluctuations in weather patterns can lead to higher infrastructure costs (e.g., extended construction periods, damage to equipment) and higher insurance costs for equipment and personnel.

Transition Risks

Type	Climate Related Risks and Impacts
Policy and Law	China will introduce a quota system for carbon emissions, which could increase compliance costs if the Company is included in the national carbon trading market as key emitters.
Reputation	Stakeholders are paying more attention to the Company's response to climate change, natural resource consumption, etc., and unmet expectations may have a negative impact on the Company's reputation.
Market	If downstream customers investigate the carbon emission intensity of unit products, it will increase the uncertainty of the Company's business sales and cause corresponding market risks.