

**2021**

**SILVERCORP METALS INC.**  
Fiscal 2021 Sustainability Report



SILVERCORP, A PARTNER YOU CAN TRUST



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# About This Report

## Reporting Period

The information disclosed in this report is for the 2021 fiscal year (April 1, 2020 to March 31, 2021), and includes certain data from previous years for comparison.

## Reporting Scope

This report covers Silvercorp Metals Inc. and its subsidiaries. Silvercorp Metals Inc. is also referred to as "Silvercorp," "the Company," or "we" in this report. Its subsidiaries, Henan Found Mining Co., Ltd. and Guangdong Found Mining Co., Ltd., are referred to as Henan Found and Guangdong Found, or Ying Mining District in Henan Province and Gaocheng (GC) Mine in Guangdong Province respectively.

## Reporting Guidelines

This report has been prepared in accordance with the Core option of the Global Reporting Initiative (GRI) Standards, the China Corporate Social Responsibility Reporting Guidelines 4.0 by the Chinese Academy of Social Sciences (CASS-CSR 4.0) and the CASS-CSR 4.0 Mining Industry, the Sustainable Development Goals ("SDG") Compass by the United Nations Global Compact (UNGC), and the Global Industry Standard on Tailings Management by the International Council on Mining and Metals (ICMM).

## Reporting Content

The information disclosed in this report is intended to reflect the Company's economic, environmental, and social performance in an objective and comprehensive manner. The information and data disclosed in the report is obtained from the Company's official documents, statistical reports, and its social responsibility practices.

## Report Availability

This report is available digitally on our website, [www.silvercorp.ca](http://www.silvercorp.ca), and in physical copies by request. Requests for printed copies of this report should be addressed to Silvercorp Metals Inc.

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# Chairman's Message



On behalf of Silvercorp's Board of Directors, I would like to thank you for your interest in and support of Silvercorp and its ESG commitments. We are proud to present our second sustainability report, publishing information on our environmental, social, and governance (ESG) performance over the last year. 2021 has been a year of increased economic and social uncertainty, marked by the continuation of the COVID-19 pandemic and extreme weather events. Such uncertainty highlights the need to shift towards business models that deliver sustainable growth while protecting the planet. We realize that financial performance should not be the only benchmark by which a company's success is measured. Instead, more attention needs to be paid to the environment, safety, community, and social impact, whose materiality has long been underestimated.

We hold the view that clear waters and green mountains are as valuable as mountains of gold and silver. In Fiscal 2021, we continued to invest in green mines, with three more of our mines named as a "National Green Mine" in China. We set up an environmental management system targeting the key topics of environmental concern: water, air pollution, hazardous waste, and noise and put in place measures for addressing the major environmental risks we have identified. We proactively seek solutions to promote energy efficiency and GHG reductions, doing our part to mitigate climate change and contribute to the Chinese government's goals of achieving peak carbon emissions before 2030 and carbon neutrality before 2060. We conduct energy consumption analyses and replace less energy efficient equipment to maximize efficiency. We have improved our GHG emissions management system and look to reduce our emissions and help facilitate the transition to a low-carbon economy.

Giving back to society is one of Silvercorp's fundamental values as a responsible mining company. We continue to invest in building stronger communities while growing our business. In the Ying Mining District in Henan Province, we have established a long-term mine-community cooperation mechanism with the government in areas where our mines are located to boost local employment and the economy. We positively impact the communities where we operate by working together to build new roads and providing

access to safe drinking water. Together, we are building a better living environment.

Innovation and creativity are in Silvercorp's DNA. We continue to increase our investment in innovation and creativity and advance the construction of digital mines, constantly working to reinvent ourselves. As of March 31, 2021, we had 53 valid patents. The mobile information management tool "Enterprise-Blog" ("Eblog"), which supports the use of digital forms, has been applied across our production and operations processes. This move has allowed for refined management and higher efficiency in our core business processes.

Safety is a top priority at Silvercorp. We combine a focus on prevention with comprehensive management to ensure the safety of every employee and contractor. As we emphasized the goal of zero casualties and zero occupational illnesses in Fiscal 2021, we continued to invest heavily in safety training and strengthening safety management regulations and systems to eliminate hazards and risks in our production facilities. Our approach to workplace safety covers everything from continuous improvement in management systems and the dual prevention mechanism, to fostering ongoing safety awareness among employees and enforcing production safety standards.

We pledge to embed sustainability throughout our business strategy and continue to do our part to promote global sustainability. In Fiscal 2021, we set up the ESG Management Center, taking our ESG system a step forward and ensuring that we remain competitive and grow sustainably in all three areas of ESG. We will remain a safe, efficient, and sustainable company, operating in harmony with the environment and local communities. We will continue to focus on exploration to expand our mineral resources while constantly improving our management capabilities. We are committed to mining sustainably to generate social and economic benefits in the communities where we operate, as a responsible corporate citizen.

Dr. Rui Feng  
Chairman of Silvercorp Metals Inc.

# Silvercorp in China



## About Us

Headquartered in Vancouver, Canada, Silvercorp Metals Inc. is a Canadian mining company trading on the Toronto Stock Exchange (TSX: SVM) and the New York Stock Exchange (NYSE American: SVM). The Company engages in the acquisition, exploration, development, and production of mines inside and outside of China. Our focus is on the sustainable, profitable, and long term production of precious and nonferrous metals such as silver, gold, lead, and zinc. Our rapid growth and solid production profile have made us one of China's premier silver, lead, and zinc producers.

Our core objectives are to be safe, efficient, and sustainable, and operate responsibly with the environment and cooperatively with the local communities. Our long term strategy is focused on expanding our mineral reserves, streamlining our mine production management, achieving sustainable development, and seeking mutually beneficial opportunities globally. We strive to build a strong corporate culture centered around our key values of respect, equality, and responsibility, and aim to deliver social benefits while creating shareholder value.

For the year ended March 31, 2021 ("Fiscal 2021"), the Company processed 967,581 tonnes of ore, produced 6.3 million ounces of silver and 96.4 million pounds of lead and zinc, and recorded revenue of US \$192.1 million. As of March 31, 2021, the Company had produced 80.4 million ounces of silver (including gold as silver equivalent) and 1.1 billion pounds of lead and zinc since inception.





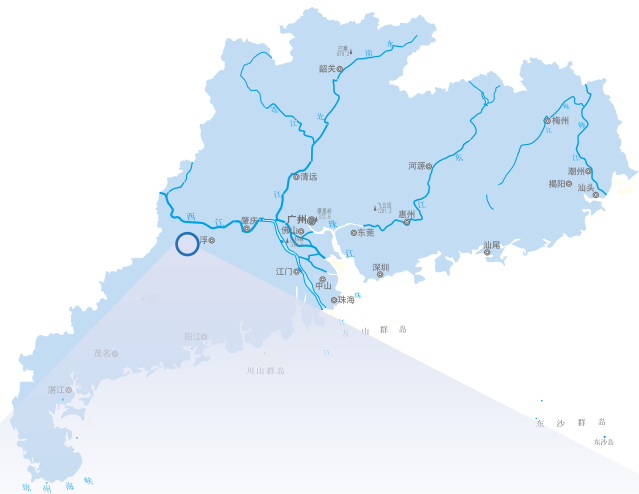
## A Focus in China

Silvercorp actively participates in the development and promotion of China's mining industry. The Company owns several mines and projects in Henan, Guangdong, and Hunan Province, where it conducts various production, exploration, and development activities. Silvercorp has a long-term commitment to China and seeks reliable partners and opportunities to acquire high-quality mineral resources there and elsewhere.



### Ying Mining District

Henan Found Mining Co., Ltd. (Ying Mining District in Henan) focuses on exploring and developing lead-zinc-silver projects in the Xiaoqinling metallogenic belt in western Henan Province. Using advanced exploration technology and modern management theories and approaches, Henan Found has achieved continuous breakthroughs in geological prospecting. The company has grown into a large mining company that specializes in ore exploration, mining, and processing. Henan Found has four mining licenses with a total area of 68.59 km. As of the end of Fiscal 2021, our SGX-HZG lead-zinc-silver, TLP-LM silver-lead, and HPG silver-lead mines have received the Chinese "National Green Mine" certification. In Fiscal 2021, Henan Found produced 5.6 million ounces of silver and 64.8 million pounds of lead and zinc, and recorded revenue of US \$157.3 million.



### GC Mine, Guangdong Province, China

Guangdong Found Mining Co., Ltd. (GC Mine) is located in Yunfu City, Guangdong Province. The total area of its mining licenses is 5.52 km, with proven mineral reserves of gold, silver, lead, and zinc. With a total investment of over US \$118 million, it has an annual ore processing capacity of 500,000 tonnes. Guangdong Found benefits from the application of leading technologies in exploration, mining, and processing, while implementing Silvercorp's advanced management approach. In Fiscal 2021, Guangdong Found produced 716,000 ounces of silver and 31.6 million pounds of lead and zinc, and recorded revenue of US \$33 million. In Fiscal 2021, the GC Mine received the Chinese "National Green Mine" certification.





# Milestones

2000

• **October**

Silvercorp was founded in Canada as SKN Resources Ltd. ("SKN")

2004

• **August**

SKN set up Henan Found Mining Co., Ltd. in partnership with Henan Nonferrous Mining and Minerals Group Co., Ltd.

2005

• **May**

SKN officially changed its name to Silvercorp Metals Inc.

• **September**

Silvercorp graduated from the TSX Venture Exchange (TSXV) to the TSX

2006

• **March**

Henan Found obtained the SGX-HZG mining permit.

• **December**

Silvercorp made an investment to set up the Henan Huawei Mining Co., Ltd. ("Henan Huawei").

2008

• **November**

Guangdong Found Mining Co., Ltd. was established.

2009

• **November**

Silvercorp began trading on the New York Stock Exchange (NYSE).



2010

December

Guangdong Found obtained a mining permit.

2015

November

The SGX-HZG Lead-zinc-silver Mine of Henan Found received the "National Green Mine" certification from the Ministry of Land and Resources (MLR).

2018

September

Henan Found obtained 23 utility model patents.

2019

June

Henan Found R&D Center was recognized as one of Luoyang's first corporate R&D centres.

September

Luoyang Hongfa Building Materials and Aggregates Co., Ltd. was established.

2020

December

The TLP-LM Mine and the HPG Mine of the Ying Mining District received the "National Green Mine" certification.

December

The GC Mine of Guangdong Found received the "National Green Mine" certification.

December

Henan Found was recognized as a High and New Technology Enterprise ("HNTE") at the national level.

2021

March

Henan Zhonghe Mining Co., Ltd. was officially established.



## Fiscal 2021 Awards and Recognition

Time	Entity	Awards/Recognition
March 2021	Henan Found	2020 Luoyang Outstanding Unit for Production Safety
January 2021	Silvercorp	"2020 Responsible Brand Award" at China Charity Festival
January 2021	Henan Found	Awarded A Credit Grade Enterprise Certificate by Henan Government
December 2020	Henan Found	China Red Cross Medal for Giving
December 2020	Henan Found	2020 Top 100 Enterprises in Luoyang
December 2020	Henan Found	2020 Top 20 Private Enterprises in Luoyang
December 2020	Guangdong Found	Yunfu City Enterprise for Clean Production
December 2020	Guangdong Found	Outstanding Unit for Epidemic Response recognized by the Yunfu Municipal People's Government

Time	Entity	Awards/Recognition
November 2020	Henan Found	2020 Environmentally and Socially Responsible Enterprise
November 2020	Guangdong Found	Pilot Unit for Digital Construction of Green Mines
November 2020	Guangdong Found	2020 Model Enterprise for Green Development
September 2020	Henan Found	Luoyang 2020 "99 Public Welfare Day" Caring Enterprise for fundraising for courageous acts
August 2020	Henan Found	Model Unit for High-quality Development in China Mining Industry
July 2020	Guangdong Found	Outstanding Workers' Home of Yunfu City
June 2020	Henan Found	Winner of National "Ankang Cup" Contest
June 2020	Guangdong Found	Executive Council Member of China Green Development Alliance





# Industry Involvement



# Strategy and Management

## Our Philosophy

### Mission

At Silvercorp, we strive to operate all aspects of our business in line with the highest safety standards, and in the most efficient and sustainable way possible. Our focus is on generating sustainable growth through the optimization of innovative technology while operating in an environmentally responsible way.

### Vision

Be a technologically advanced, well-managed, and sustainable mining company.

### Values

- Operate sustainably by prioritizing safety and the environment.
- Apply technology and efficient management to ensure our competitiveness.
- Respect our people and enable them to achieve their potential.
- Embody the principles of honesty and integrity.
- Strive to innovate for further excellence.



# ESG Management

## ESG Strategy

As a responsible miner, we are committed to integrating environmental, social, and governance factors into our business strategy and generating impactful change in the communities in which we work and live. Through the integration of ESG factors into our strategic planning, operations, and management, we are able to bring about sustainable economic, social, and environmental value to all stakeholders. A significant portion of our ESG strategy is rooted in the identification of innovative ways to integrate technology into our systems and management to optimize our performance/operations; through the optimization and enhancement of our systems we are able to make more impactful and lasting change in our communities and environment.

We recognize that our business and operations have significant impacts on the local communities and environments and that it is our duty as a responsible mining company to drive progress and growth in both of these areas. As a result, over the fiscal 2021 year we proceeded to align our sustainability strategy with the United Nation's SDGs. The 17 SDGs serve as a blueprint for achieving a more sustainable future by addressing global challenges such as poverty and climate change, in accordance with the 2030 Agenda for Sustainable Development. We have organized them under our 5 pillars: Transparency and Compliance, Health and Safety, Talent Retention and Development, Sustainability and Environment, and Our Community.



## Supporting SDGs







SDGs								
Content	End poverty in all its forms everywhere	End hunger, achieve food security and improved nutrition and promote sustainable agriculture	Ensure healthy lives and promote well-being for all at all ages	Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all	Achieve gender equality and empower all women and girls	Ensure availability and sustainable management of water and sanitation for all	Ensure access to affordable, reliable, sustainable and modern energy for all	Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all
Silvercorp actions in Fiscal 2021	<ul style="list-style-type: none"> <li>• Provided 4,428 direct jobs for people and employed over 50 new college graduates and veterans every year, with 60% of the employees hired locally;</li> <li>• Provided indirect employment and income-generating opportunities through the supply and distribution of production materials and logistics support materials, mineral product transportation, infrastructure project construction, catering and living services, etc.;</li> <li>• Paid taxes to the government in places where we operate and boosted the economic development of surrounding communities where our business is located.</li> </ul>	<ul style="list-style-type: none"> <li>• Invested US \$1,032,601 building new roads in Xiayu Town, including tunnels with a total length of 5.5 kilometers. The roads were opened to traffic in January 2021, making it easier for villagers to travel and transport goods;</li> <li>• Implemented the local employment policy and provided regionally competitive compensation and benefits packages.</li> </ul>	<ul style="list-style-type: none"> <li>• Provided a comfortable working environment and ensured employee health and safety; zero clusters of COVID-19 cases at the Company since its outbreak;</li> <li>• Carried out occupational disease prevention and control, set up occupational health files for employees, and provided annual physical examinations to protect employees' physical and mental well-being.</li> </ul>	<ul style="list-style-type: none"> <li>• Carried out the education assistance program providing scholarships for employees' children; made social donations in the area of education, which totalled US \$103,260 in Fiscal 2021;</li> <li>• Improved the employee education and training program; recorded 8,000 employee participations in Fiscal 2021; vocational training coverage reached 100%.</li> </ul>	<ul style="list-style-type: none"> <li>• Upheld gender equality, setting up the Female Workers Committee within the trade union, held regular meetings to hear from female workers, and encouraging female employees to participate in the Company's management;</li> <li>• Established an equitable compensation system to ensure men and women receive equal pay for equal work.</li> </ul>	<ul style="list-style-type: none"> <li>• Assisted in the water supply project for villagers in Gaocun Town, Yun'an District, Yunfu City, Guangdong Province, benefiting 80 households and over 360 villagers by giving them access to safe, clean drinking water.</li> </ul>	<ul style="list-style-type: none"> <li>• Phased out gas-powered vehicles and encouraged employees to buy energy efficient vehicles to accelerate energy infrastructure transformations;</li> <li>• Replaced less-energy-efficient equipment.</li> </ul>	<ul style="list-style-type: none"> <li>• Improved production efficiency, reduced labor intensity, and enhanced resource utilization efficiency through automated, digitized, and intelligent electrical solutions;</li> <li>• Provided competitive compensation and benefits and a comfortable working and living environment.</li> </ul>



								
<p>Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation</p>	<p>Reduce inequality within and among countries</p>	<p>Make cities and human settlements inclusive, safe, resilient and sustainable</p>	<p>Ensure sustainable consumption and production patterns</p>	<p>Take urgent action to combat climate change and its impacts</p>	<p>Conserve and sustainably use the oceans, seas and marine resources for sustainable development</p>	<p>Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, halt and reverse land degradation, and halt biodiversity loss</p>	<p>Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels</p>	<p>Strengthen the means of implementation and revitalize the global partnership for sustainable development</p>
<ul style="list-style-type: none"> <li>Invested US \$7,408,438 in scientific research throughout the year; 183 researchers and 53 patents;</li> <li>Built platforms for industry-university-research collaboration and established cooperative relationships with China University of Geosciences, Jilin University, and Central South University.</li> </ul>	<ul style="list-style-type: none"> <li>Formulated the Human Rights statement which formally prohibits child labor, forced labor, and discrimination based on any non-work factors such as gender, sexual orientation, ethnicity, and religious beliefs.</li> </ul>	<ul style="list-style-type: none"> <li>Contributed to the Rural Revitalization National Strategy in China, invested over US \$1.1 million building roads in Xiaoyu Town, where our mine is located and promoted the construction of the urban-rural integrated development system.</li> </ul>	<ul style="list-style-type: none"> <li>Published sustainability reports on a regular basis and proactively disclosing ESG-related information to enhance transparency;</li> <li>Advocated sustainable and transparent procurement; encouraged suppliers and contractors to fulfill their responsibilities to improve the environmental and social performance of the supply chain.</li> <li>Continuously improved resource utilization; invested US \$5.2 million and founded Hongfa Building Materials and Aggregates Co., Ltd. to achieve comprehensive utilization of the waste rock.</li> </ul>	<ul style="list-style-type: none"> <li>Responded to the Chinese government's goal to achieve peak carbon emissions before 2030 and carbon neutrality before 2060 while continuously controlling and reducing GHG emissions;</li> <li>Hired a professional consultancy to conduct a carbon accounting to improve the Company's statistical method for GHG emissions;</li> <li>Optimized the energy consumption structure of the Company's business with a view of achieving "high utilization and low emissions".</li> </ul>	<ul style="list-style-type: none"> <li>Replaced water transportation with land transportation altogether near the Gu County Reservoir to protect the water resources and underwater ecosystem.</li> </ul>	<ul style="list-style-type: none"> <li>Commissioned a professional agency to carry out a comprehensive environmental assessment of the area before launching new mining projects, including a biodiversity assessment, and strictly avoiding ecological and nature reserves;</li> <li>Carried out geological restoration and land reclamation; planting 67,132 saplings, sowing 2,372kg of grass seeds, and reclaiming 6.03 hectares of land in Fiscal 2021.</li> </ul>	<ul style="list-style-type: none"> <li>Laid down EHS requirements for suppliers in bidding descriptions to push suppliers and contractors to strengthen their safety and environmental protection management;</li> <li>Improved compliance management, respected the code of business conduct, and strictly prohibited corruption and bribery.</li> </ul>	<ul style="list-style-type: none"> <li>Participated in industry organizations and initiatives and serving as an Executive Council Member in the China Mining Federation, the China Gold News, and the Canada China Business Council, to actively promote the development of the industry.</li> </ul>

## Our Business Model

### Capital Investment

	Financial capital	<b>US \$110</b> million paid to contractors and service providers	<b>US \$30</b> million in employee compensation and benefits	<b>US \$7.6</b> million in capital costs	
	Manufacturing capital	Processed <b>967,581</b> tonnes of ore	<b>91,000</b> metres of exploration tunneling	<b>255,000</b> metres of diamond drilling.	
	Intellectual capital	<b>US \$78,040</b> invested in vocational training	<b>19,066</b> hours of employee vocational training	<b>US \$7.4</b> million invested in R&D	<b>183</b> researchers
	Natural Capital	<b>US \$1,460,392</b> invested in environmental protection	<b>1,134</b> people received environmental training		
	Human capital	<b>4,428</b> Total workforce	<b>1,262</b> employees	<b>3,166</b> contractors	<b>277</b> new employees
	Social and relational capital	<b>US \$300,000</b> invested in the community	<b>US \$1.2</b> million in public welfare contributions	<b>US \$88,361</b> invested in education assistance programs	





## Value Creation

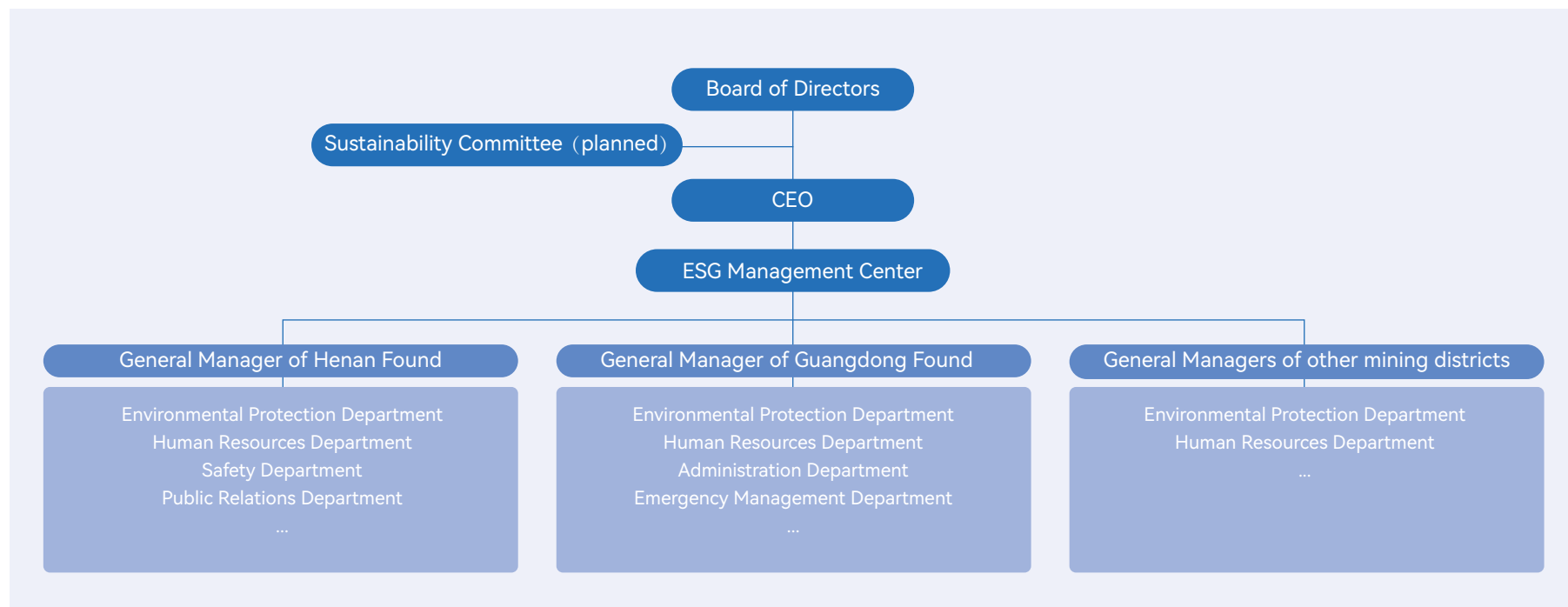
<b>0</b> accidents in TMFs	<b>0</b> major work-related injuries	<b>0.65</b> Lost time incident rate (LTIR)	Safety and compliance
<b>6.3</b> million ounces of silver produced in Fiscal 2021	<b>96.4</b> million lbs of lead and zinc produced in Fiscal 2021	<b>US \$192.1</b> million economic value generated in Fiscal 2021	Economic value
<b>53</b> patents in total	<b>2</b> papers published in leading industry journals		Technological achievements
<b>3</b> newly-approved nationally certified "Green Mines"			Environmental protection
Recipient of the 2020 Responsible Brand Award	Recipient of the China Red Cross Medal for Giving (Henan Found)		Social contributions
<b>15.27</b> Average employee training hours	<b>69.33%</b> Percentage of local hiring		Harmonious workplace

## ESG Management

In Fiscal 2021, Silvercorp established an ESG Management Center in Beijing, headed by Vice President Mr. Lichang Peng. The ESG team works to develop the Company's sustainability plan and implement and coordinate key tasks. The specific functions include: following ESG-related policies and regulations and evaluating the completeness and effectiveness of the Company's ESG policies and systems; identifying ESG risks and opportunities and formulating management policies and plans; organizing the preparation of sustainability reports and other ESG disclosure documents.

## Sustainability Committee (planned)

Silvercorp's Board oversees the Company's sustainability-related policies, strategies, and performance. A separate Sustainability Committee is being established for Fiscal 2022 to oversee the Company's work related to ESG performance and initiatives, to provide guidance on assessing ESG risks and opportunities, and to review the annual sustainability reports, among other responsibilities. The establishment of this committee will not only strengthen our ESG performance but will also assist in implementing our sustainability strategy moving forward.





# Stakeholder Engagement

Stakeholders' trust and support are pivotal to Silvercorp's sustainable development. We continue to optimize stakeholder engagement mechanisms to drive high quality and sustainable development that balances economic growth, environmental protection, and social harmony.

## Materiality Assessment

In Fiscal 2021, we identified, assessed, and prioritized our top sustainability topics based on input collected from stakeholders through questionnaires, and identified a range of ESG risks with material impacts for all stakeholders. The process resulted in a materiality matrix that illustrates how each sustainability issue ranked regarding its "impact on the Company's sustainable development" and "significance to stakeholders." The results of this materiality assessment have been reviewed and confirmed by the ESG Management Center and the Board.

### Steps of Materiality Assessment

#### Identification



We identified policy shifts and opportunities in the mining and metals sector based on a study of macroeconomic policies, industry trends, and the sustainability focus of our industry peers; identified 21 issues with the highest materiality to the Company and to stakeholders based on the Company's strategy and planning.

#### Assessment



50 employee representatives from Silvercorp Beijing Management Center, Henan Found, and Guangdong Found assessed the significance of the issues to Silvercorp during the annual ESG training with sustainability experts to evaluate their significance to stakeholders. Those inputs informed an assessment of each issue's significance in two dimensions.

#### Prioritization



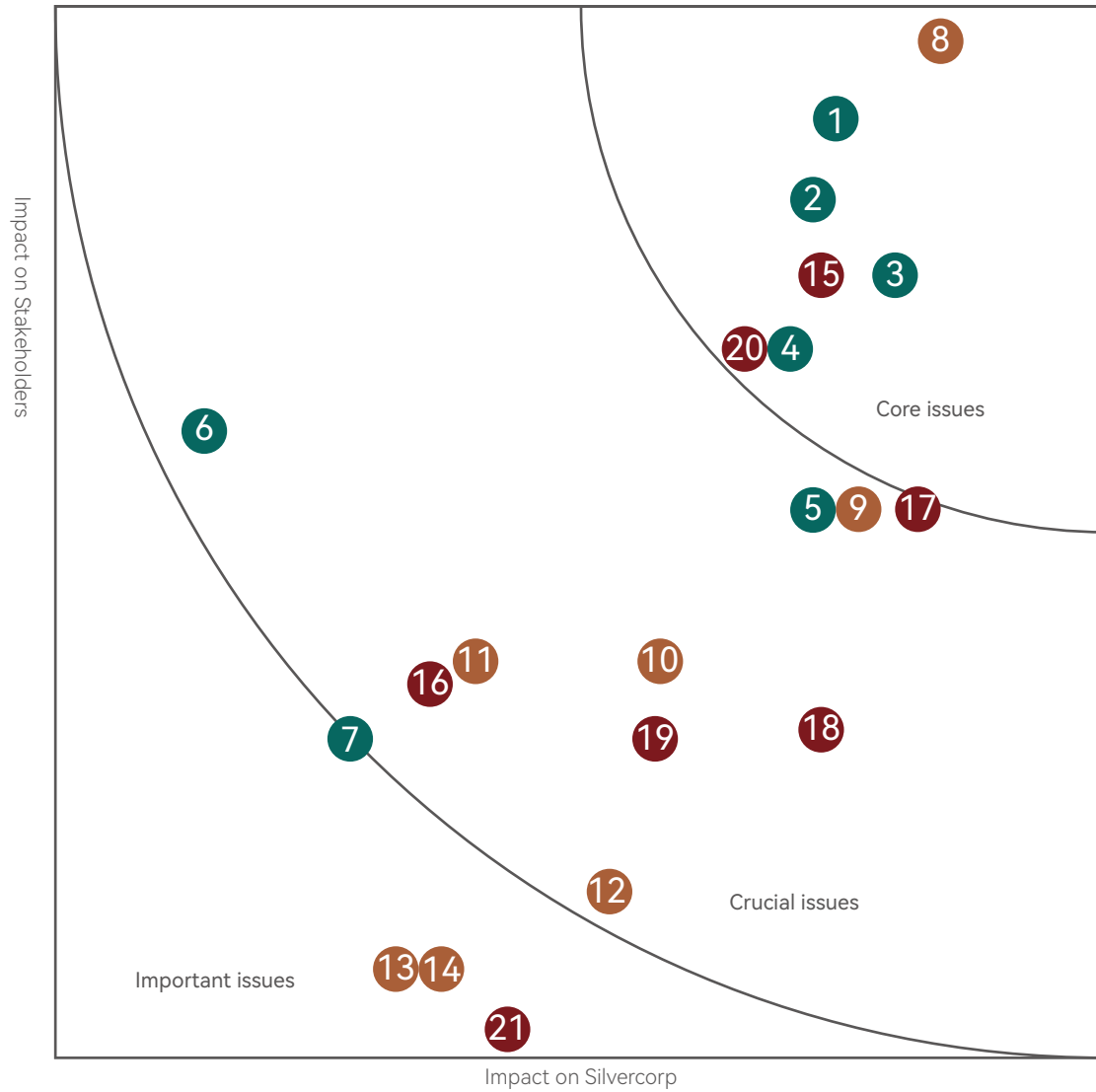
A materiality matrix has been produced based on the two-dimensional assessment, with differentiated management strategies.

#### Review



The results of the materiality assessment and the sustainability report were submitted to the Company's CEO for review and have been approved by the Board.

### Materiality Matrix



### List of Issues

 Environmental	1 Environmental management system
	2 Resource utilization and management
	3 Waste discharge and management
	4 Land reclamation and ecological restoration
	5 Disaster prevention and emergency management
	6 Climate change mitigation strategies
	7 Biodiversity protection
 Social	8 Occupational health and safety
	9 Employee rights protection
	10 Respecting human rights
	11 Community engagement and relations
	12 Vocational training and development
	13 Responsible supply chain
	14 Community development
 Governance	15 TMF management and utilization
	16 Research and innovation
	17 Compliance management
	18 Risk management
	19 Corporate governance
	20 Product and service quality
	21 Business ethics and transparency

## Stakeholder Engagement

Stakeholders	Key Issues	Channels of Communication
<b>Government and regulators</b>	<ul style="list-style-type: none"> <li>Climate change mitigation strategies</li> <li>Disaster prevention and emergency management</li> <li>Waste discharge and management</li> <li>TMF management and utilization</li> <li>Environmental Management System</li> </ul>	<ul style="list-style-type: none"> <li>Daily communication and reporting</li> <li>Project review and approval</li> <li>Government oversight</li> <li>Submission of statistical reports and visits</li> </ul>
<b>Shareholders and investors</b>	<ul style="list-style-type: none"> <li>Research and innovation</li> <li>Compliance management</li> <li>Risk management</li> <li>Resource utilization and management</li> </ul>	<ul style="list-style-type: none"> <li>Annual reports and other statutory information disclosures</li> <li>Performance presentations</li> <li>Investor hotline and email</li> </ul>
<b>Employees</b>	<ul style="list-style-type: none"> <li>Vocational training and development</li> <li>Employee rights protection</li> <li>Occupational health and safety</li> </ul>	<ul style="list-style-type: none"> <li>Trade unions</li> <li>Regular employee representative meetings</li> <li>Staff commendation meetings and regular training</li> <li>Corporate cultural activities</li> <li>Team building activities</li> </ul>

Stakeholders	Key Issues	Channels of Communication
<b>Customers</b>	<ul style="list-style-type: none"> <li>Product and service quality</li> <li>Business ethics and transparency</li> </ul>	<ul style="list-style-type: none"> <li>Daily service communication</li> <li>Customer visits</li> <li>Questionnaire surveys</li> <li>Website information disclosure</li> <li>Hotline</li> </ul>
<b>Partners</b>	<ul style="list-style-type: none"> <li>Corporate governance</li> <li>Responsible supply chain</li> </ul>	<ul style="list-style-type: none"> <li>Strategic cooperation negotiation</li> <li>Daily business communication</li> <li>Regular visits</li> </ul>
<b>Communities</b>	<ul style="list-style-type: none"> <li>Community engagement and relations</li> <li>Community development</li> <li>Biodiversity protection</li> <li>Land reclamation and ecological restoration</li> </ul>	<ul style="list-style-type: none"> <li>Charitable activities</li> <li>Regular community engagement activities</li> <li>Environmental assessment of projects</li> <li>Response to external investigations</li> </ul>
<b>Industry organizations and the media</b>	<ul style="list-style-type: none"> <li>Respecting human rights</li> </ul>	<ul style="list-style-type: none"> <li>Press releases</li> <li>Regular media communication</li> <li>Participation in industry organization meetings</li> </ul>



# Feature: Fighting Covid-19 and Protecting Our People

## Our Response

When we reflect upon the past year, we appreciate and are proud of our people for their dedication to safety and their continued commitment during such unprecedented times. Since the outbreak of Covid-19 in 2020, we have placed a heightened focus on our safety systems and formulated comprehensive and individualized emergency response plans at all sites. We strictly abided by all local government instituted safety requirements, purchased necessary safety supplies/gear, and established joint response measures to protect our people and our communities. At the end of Fiscal 2021, there had been zero Covid-19 cases at Silvercorp.



The Company buys masks, face shields, gloves, and other protective equipment for all employees

### Unified leadership and effective deployment

A Leading Group for Covid-19 Prevention and Control is set up at each subsidiary, headed by their respective general managers. Each group consists of an epidemic response command office, an information collection team, an epidemic handling team, a supplies management team, a logistics support team, a publicity team, a security and stability team, and a public relations team, each with clear roles and responsibilities.

### Strengthened management

We implemented strict measures to contain the spread of Covid-19, including stringent mine access control, regular temperature screening, regular disinfection, and social distancing. Other measures regarding personal protection and Covid testing are implemented as required by the national and local government.

### A focus on people

Masks, disinfectants, rubbing alcohol, protective suits, and other personal protective equipment (PPE) were purchased for our employees and their families. Counselling sessions were made available to support our employee's physical and mental well-being.

### Strengthened awareness

We kept our employees informed about protection against Covid-19 and personal hygiene through both online and physical channels. For instance, we distributed brochures and posted notices in the mining districts. We shared information with employees who cannot return to work through the Eblog App, WeChat group, and emails to help them better protect themselves and others. We spare no effort to help create a tightly woven safety net for epidemic prevention and control.

### Normalized epidemic prevention and control

We continue to enhance our work plan, emergency response plan, and epidemic response guidance to ensure we provide a safe environment for our people during these unprecedented times.

## Case

## Fully Protecting Employees' Health and Safety Amid Covid-19

When Covid-19 first broke out during the Chinese Spring Festival holiday, the Company swiftly developed and implemented a Covid-19 Preparedness Plan to quickly buy needed supplies and align the precautions with the levels and requirements for epidemic response.

- Instituting temperature screening (morning and evening) and constant disinfection of public areas; timely report of abnormal temperatures.
- Increasing investment in medical and logistical support to ensure adequate supplies; the Company canteen preparing meals of high standards for employees under quarantine.
- Raising employees' safety awareness by sharing Covid-19-related information through WeChat, local network, TV, display screens and posters.



Information display on Covid-19

## Organized Reopening

To reopen safely, Silvercorp and its subsidiaries held many meetings on the resumption of work and production in strict accordance with government requirements. They made reopening plans deploying and detailing the response efforts, and supervised their implementation.

During Covid-19, Silvercorp launched "Epidemic Management" on the Eblog App, providing daily updates on Covid-19 and documenting workers returning to work, among other functions. It enabled online monitoring of the Company's epidemic control and production safety quickly and efficiently, providing support for new and updated production safety measures.



Covid test for employees



- Performing Covid-19 tests and temperature screening and setting out personal hygiene requirements for employees returning to work.
- Instituting a health declaration system, a safety responsibility pledge, and a health information documentation system, requiring all employees on duty and returning to the mines (including construction units and their family members) to fill out a Health Declaration Card and take a safety responsibility pledge.
- Strictly controlling employee access, setting up monitoring points in all mining districts, and arranging for security personnel to be on site 24/7.
- Arranging for regular disinfection of public areas and vehicles.
- Strictly regulating staff gathering and closing places where people might congregate.
- Convening meetings on epidemic control with the General Manager deploying related work on a daily basis.
- Conducting temperature checks on employees twice a day and reporting body temperature abnormalities within 10 minutes of detection so that timely measures could be taken.



Daily disinfection

## Case

## Henan Found: Actively Facilitating Resumption of Work and Production

On February 19, 2020, following nearly a month of lock down, the surface drilling team of the LMW Mine of Henan Found finally had an "ordinary workday". As the first team in Henan Found to resume production, the frontline workers first received safety training and confirmed on-site safety led by the team leader. He stressed the special requirements and precautions about working during Covid-19 and the importance of sufficient protection. By March 20, 2020, Henan Found had resumed 100% of work and reached 98% of its production capacity.



Register employee body temperature





## Donating to Covid-19 Relief

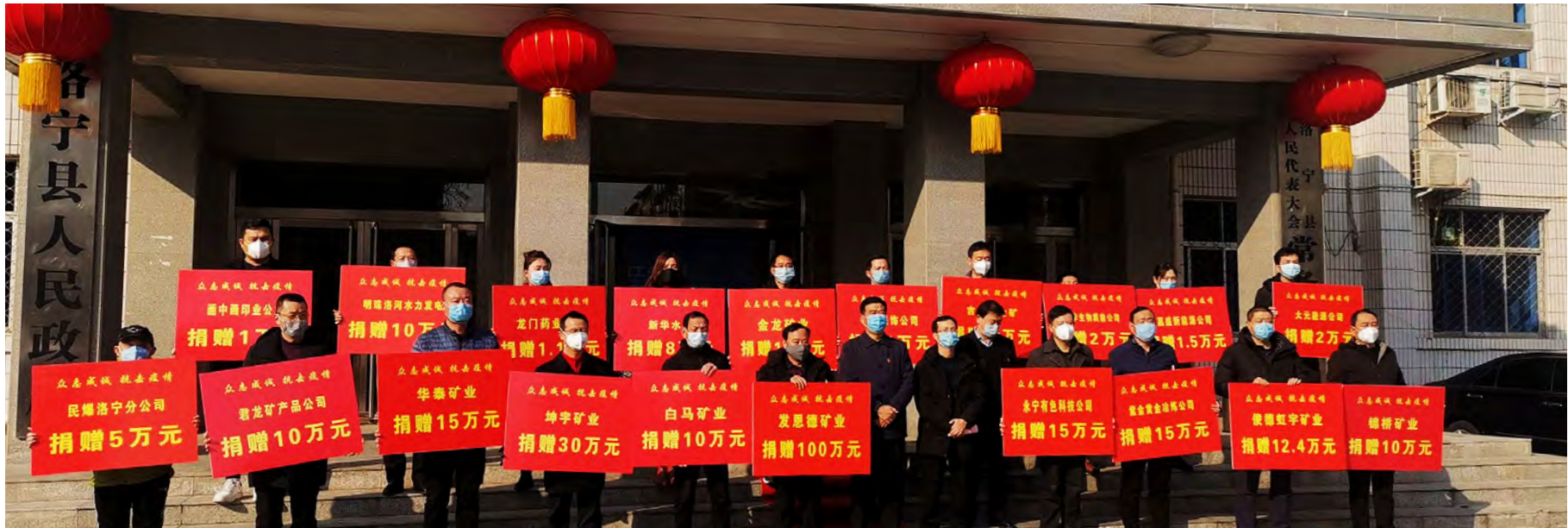
During the past year, Silvercorp and its subsidiaries have donated money and supplies to help local governments and communities fight against Covid-19.

### Henan Found

- Henan Found donated over US \$160,000 to Luoning County People's Government, Luoning County Federation of Trade Unions, and Xiayu Town Government of Luoning County to support the fight against Covid-19. We also participated in the "Internet + Epidemic Relief and Poverty Alleviation Sales" event in Luoning County, buying local agricultural products that had become excess due to Covid-19.
- In December 2020, Henan Found was awarded the "China Red Cross Medal for Giving."

### Guangdong Found

- Following the Covid-19 outbreak, Guangdong Found made an immediate donation of US \$73,757 to Yun'an Charity Federation to help with the local epidemic control.
- In December 2020, Guangdong Found was named, "Outstanding Unit for Epidemic Response of Yunfu City."



Henan Found makes a donation to the Luoning County Federation of Trade Unions



# Corporate Governance

Board Organization and Corporate Structure

Business Ethics

Risk Management

Digitization of Mining

Innovation and R&D

The mining industry operates across complex jurisdictions and often in emerging and/or unpredictable political environments, which can be predisposed to regulatory uncertainty. This uncertainty has caused the industry and regulatory bodies to place increased pressure on mining companies to focus on governance issues such as anti-corruption, money laundering, and the Foreign Corrupt Practices Act (FCPA). Moreover, increased support for ESG values has caused the public, governments, and stakeholders to call for increased transparency and disclosure detailing the impacts operations have on the environment and communities in which they operate. In order to succeed, mining companies must commit to ethical and responsible mining in all aspects of their business, starting with their business ethics and governance.

Silvercorp understands that strong corporate governance is essential to a company's business performance and long-term development, for it not only protects the interests of all stakeholders but is essential for mitigating the risks and maximizing a company's value. In accordance with our Code of Business Conduct and Ethics, Code of Ethical Conduct for Financial Managers, Whistleblower Policy, Anti-Corruption Policy, and applicable laws, we continue to improve our governance system to align with international best practices, establish more effective governance, and create sustainable value.



# Board Organization and Corporate Structure

## Structure

Silvercorp's governance structure is comprised of the board of directors (the "Board"), the CEO, senior executives in Vancouver and Beijing offices, and general managers at each of our operating subsidiaries. Our Board has ultimate oversight over the Company and is supported by three board committees: the Corporate Governance Committee, the Audit Committee, and the Compensation Committee, with each committee following the mandate established in its charter. The Corporate Governance Committee is responsible for assisting the Board in establishing and maintaining a sound system of corporate governance through a process of continuing assessment and enhancement. Since fiscal year end 2021, the Board has approved the formation of the Sustainability Committee to strengthen Silvercorp's sustainability and ESG reporting, and overall performance. The Sustainability Committee will work in tandem with the Corporate Governance Committee and will assist the Board in overseeing the issues contained in this report.



The Company holds an annual general meeting of shareholders



## Board Composition

As of March 31, 2021, Silvercorp's Board consisted of five directors, four of whom are independent under the applicable securities laws. The Company assesses nominees against certain criteria such as experience and knowledge of the Company and its operations, ethics and integrity, competency, and diversity. The Board, with its extensive experience, oversees the Company's strategic development, key risks, and long-term development. The Board also considers and approves major decisions, supervises business operations, and evaluates the Company's performance. In exercising their powers and discharging their duties, the directors are required to act honestly and in good faith with a view to the best interests of the Company, and to exercise the care, diligence, and skill that a reasonably prudent person would exercise in comparable circumstances. Each director is appointed for a term of one year at the annual general meeting of shareholders and committee memberships are re-constituted after each annual general meeting.



Name	Gender	Age	Position	Professional background	Corporate Governance Committee	Audit Committee	Compensation Committee
Dr. Rui Feng	Male	58	Chair, Executive Director	Geology, PhD			
David Kong	Male	75	Independent Director	Accounting, CA, CPA, ICD.D	x	x	x
Yikang Liu	Male	79	Independent Director	Geology			x
Paul Simpson	Male	64	Independent Director	Law, LLB	x	x	x
Marina A. Katusa	Female	37	Independent Director	Business Administration	x	x	

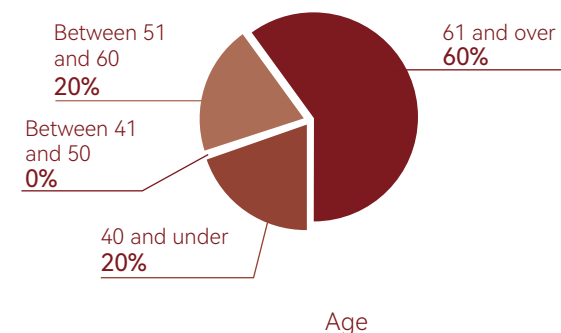
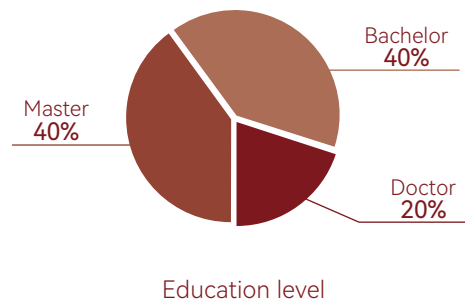
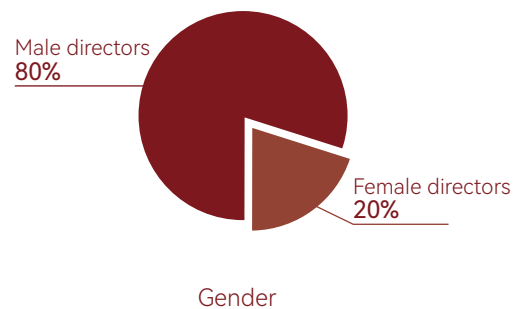
Our Board members have extensive experience in mine operations, explorations, corporate management, corporate and securities law, and financial governance of public companies. To view the Board member profiles in full, please click on the file or scan the QR Code.



Board Member Profiles

As of the end of Fiscal 2021, four out of five directors were independent, or 80% of the Board, and met the independent majority required from public companies under applicable securities laws and stock exchange rules. In case of any change that may disqualify a director with respect to the independence or conflicts, he/she shall immediately notify the Board of such change. The Board also strictly follows applicable rules and criteria of independence for appointment of members to committees to ensure the independence of each committee member. During each Board meeting, the independent directors meet without the members of management present.

### Board Diversity



## Executive Compensation

The Company's executive compensation program is overseen by the Compensation Committee of the Board. Each member of the Compensation Committee is independent and has experience in executive compensation, administering of share-based awards, and reviewing performance goals and assessments of executives. The Company's compensation policies and programs are designed to be competitive with publicly listed mining companies of similar size and to recognize and reward executive performance consistent with the success of the Company's business. ESG values and achieving targets have become an increasingly important factor in determining executive compensation.

The Board has also adopted a Clawback Policy, whereby the Company can recover compensation from employees resulting from misconduct involving gross negligence, corruption, fraud, or other unethical behaviours.

## Committees

Our three committees are chaired by independent directors, who bring over 50 years of combined experience in diverse practice areas from accounting to law.

Type	Main Duties
Corporate Governance Committee	<ul style="list-style-type: none"> <li>To examine the effectiveness of the Company's corporate governance practices annually and propose procedures and policies that the Committee believes are appropriate to ensure that the Board functions independently of management</li> <li>To develop and review, together with the Chairman, CEO and others, annual Board goals or improvements</li> <li>To make recommendations to the Board regarding conflicts of interest of individual directors</li> <li>To identify, review, and recommend to the Board, for Board selection, all nominees for appointment, election or reelection as directors</li> </ul>
Audit Committee	<ul style="list-style-type: none"> <li>To act as a liaison between the Board and the Company's independent auditors and assist the Board in fulfilling its responsibilities with respect to the financial statements and other financial information provided by the Company to its shareholders, the public and others</li> <li>To review the Company's risk management and internal financial accounting controls and manage the information system</li> <li>To confirm the qualification, independence, and performance of the Auditors</li> <li>To review the Company's risk management and internal financial accounting controls and manage the information system</li> </ul>
Compensation Committee	<ul style="list-style-type: none"> <li>To recommend to the Board for determination the compensation of the Chief Executive Officer</li> <li>To recommend to the Board for determination the compensation of senior management and executive officers of the Company</li> <li>To review the compensation and benefits of the directors in their capacity as directors of the Company to ensure that such compensation reflects the responsibilities and risks involved in being a director</li> <li>To review and make recommendations to the Board as to the general compensation and benefits policies and practices of the Company, including incentive stock options for all employees, consultants, directors and officers</li> </ul>

## Stakeholder Engagement

Efficient communication with our stakeholders is the key to maintaining long-term relationships. We communicate with our stakeholders through; investor conferences, roadshows, one-on-one investor meetings, conference calls by video or telephone, the investor hotline and email, the Company's website, social media, regulatory filings on EDGAR and SEDAR, annual general meetings of shareholders ("AGMs"), sustainability report, and news releases. The Company also hosts investor/analyst site tours, however due to the pandemic, all site tours have been canceled/postponed.

Our ESG disclosure, including relevant policies, practices, and overall performance, is available on both the Company website and in our Annual Sustainability Report, which can also be found on the corporate website. Updates regarding our ESG management are given via news releases and shared through the necessary channels as governed by our Corporate Disclosure Policy.

In compliance with the stock exchange rules and applicable securities laws, Silvercorp ensures all shareholders have appropriate representation and can exercise their voting rights. The Company convenes AGMs annually, which provides shareholders opportunities to vote on issues impacting the Company and selection of the Board.

Our Corporate Disclosure Policy helps govern our communication efforts and requires us to disclose any material information of the Company in a timely, factual and accurate manner in accordance with all applicable legal and regulatory requirements.

To view the Corporate Disclosure Policy in full, please click on the file or scan the QR code.



Corporate Disclosure Policy



Investor communication

## Conflicts of Interest

In our Code of Business Conduct and Ethics, we clearly define what constitutes a conflict of interest and the circumstances under which it may occur and require all employees to take the initiative to report to their supervisors or the Company's Legal Counsel incidents and behaviours involving potential conflicts of interest. The Company regularly checks for conflicts of interest, makes additional documentation in cases of misreporting, omission, or concealment, and deals with involved parties in accordance with relevant laws.



## Whistleblower Protection

We encourage all employees to report any illegal and inappropriate behavior, including accounting irregularities, internal control loopholes, audit trails and other financial management-related behaviour, and matters related to production safety, and environmental protection. Whistleblowers can report the above conduct directly to management or make an anonymous report in the following ways.

<b>Reporting channels</b>	<p><b>Reporting by letter or email</b></p> <p>The recipient of the letter may be the Company's management (including the General Manager) or Board (including the Chairman). Emails can be addressed to:</p> <ul style="list-style-type: none"> <li>• faende@163.com (Chinese), or</li> <li>• silvercorp@whistleblowersecurity.com (English)</li> </ul> <p><b>Reporting by phone</b></p> <p>Whistleblowers may call the Company's General Manager or Chairman directly (their phone numbers are listed in the Company's directory), or the following lines:</p> <ul style="list-style-type: none"> <li>• 1-844-669-9397 in North America</li> <li>• 10-800-140-0867 in China</li> </ul>
<b>Handling of grievances</b>	<p>The Company investigates, collects evidence, and assesses the reported matters in a timely manner, promptly rectifies confirmed non-conformance with the Board's direction, and where appropriate, communicates the response to the whistleblower.</p>
<b>Whistleblower protection</b>	<p>The Company expressly states that whistleblowers do not need to seek permission from or notify the Company and that no whistleblower will be considered in violation of the whistleblower's agreement with the Company. The Company protects anyone who reports and exposes the above-mentioned conduct from threats, suspension, transfer, or dismissal, or other disciplinary measures.</p>

To view the Whistleblower Policy in full, please click on the file or scan the QR Code.



Whistleblower Policy

To view the full list of our Policies and Charters, please click on the file or scan the QR Code.



Corporate Governance

# Business Ethics

## Our Approach

As a responsible Canadian mining company listed on both the TSX and NYSE American, it is important that we comply with all exchange regulations and rules in addition to all legislation in the jurisdictions in which we work and operate. Strict compliance with all applicable rules is mandatory and something we take very seriously. We continue to strengthen our compliance management systems and integrate anti-corruption and anti-bribery measures into our business and adhere to the highest standards of corporate governance. Our Code of Business Conduct and Ethics (the "Code") coupled with our values, guide our efforts and help us conduct our business in the most ethical and responsible way.

All employees are required to sign the Silvercorp Code and uphold high standards of professional and ethical conduct. The Company strictly prohibits any employee from violating laws or regulations or obtaining any gain from unethical dealings and ensures that its business practices are aligned with the economic and social priorities where our projects are located.

### Key Topics under the Code of Business Conduct and Ethics

- Compliance with laws and regulations
- Insider information and securities trading
- Conflicts of interest
- Confidentiality
- Protection and proper use of company assets
- Fair dealing
- Discrimination and harassment
- Safety and health
- Financial statements and record keeping
- Use of e-mail and Internet services
- Political activities and contributions
- Gifts and entertainment
- Use of agents, consultants, and other third parties
- Reporting of any illegal or unethical conduct, violation of this Code, or questionable accounting or auditing matters

To view the Code of Business Conduct and Ethics in full, please click on the file or scan the QR Code.



Code of Business Conduct and Ethics

## Compliance

Our Company and all of our subsidiaries strictly comply with the laws and regulations of the countries and or regions where we operate. We have a compliance management system consisting of the Board, committees, managers, and legal department who collectively coordinate, implement, and oversee all compliance related activities. In Fiscal 2021, there was no major litigation or legal proceedings against the Company.



Legal training at Beijing Office

### Supervision and Disciplinary Action

Depending on the severity, any employee in violation of regulations or business ethics will be subject to disciplinary action including up to dismissal. If an employee violates any laws, regulations, or the Code, the Company will promptly notify the relevant government authorities and publicly disclose such information to the extent permitted by law.

### Compliance Training

The Company carries out training on legal practice, with in-depth explanation on the latest laws and regulations and key areas of compliance risks, to enhance employees' awareness of compliance and improve compliance operations management.

- Providing a series of training on Contract Review and Dispute Handling.
- Providing training on the Impact of PRC Civil Code on Mining Enterprises.
- Providing training on PRC Civil Code Contract Preparation and Prevention of Contract Legal Risks.

## Anti-Corruption and Bribery

To view the Anti-Corruption Policy in full, please click on the file or scan the QR Code.



Anti-Corruption Policy

We are committed to conducting our business in a sustainable and ethical manner as outlined in our Anti-Corruption Policy. Our General Counsel is responsible for implementing, monitoring, and enforcing this Policy and regularly reports on its implementation to the Board. The Board reviews and evaluates the Anti-Corruption Policy annually to ensure that the Company's relevant policies comply with the applicable anti-corruption laws in the countries in which we work and operate.

## What Constitutes a Violation?

### Key Topics under the Anti-Corruption Policy

- Bribes
- Kickbacks
- Extortion
- Excessive Gifts, Hospitality, and Other Entertainment
- Political Contributions
- Charitable Contributions
- Willful Blindness

### Reporting Obligations

#### Solicitation of Improper Payments

Any demand, request, suggestion, expectation, or invitation by a public official or any other person for any improper payment of money or anything of value shall be promptly reported by personnel to the General Counsel.

#### Knowledge or Suspicion of Bribery

All personnel are required to report any information that comes to their attention in relation to any actual or suspected improper payments made, offered, or promised by anyone on behalf of the Corporation to General Counsel.

Personnel who raise genuine concerns will not be subject to any retribution or disciplinary action.

### Consequences of Non-compliance

Failure to comply with this Anti-Corruption Policy may result in internal disciplinary action or termination of any employment. In addition, a violation of this Anti-Corruption Policy may constitute a criminal offence and be referred to the relevant government authorities for further action.

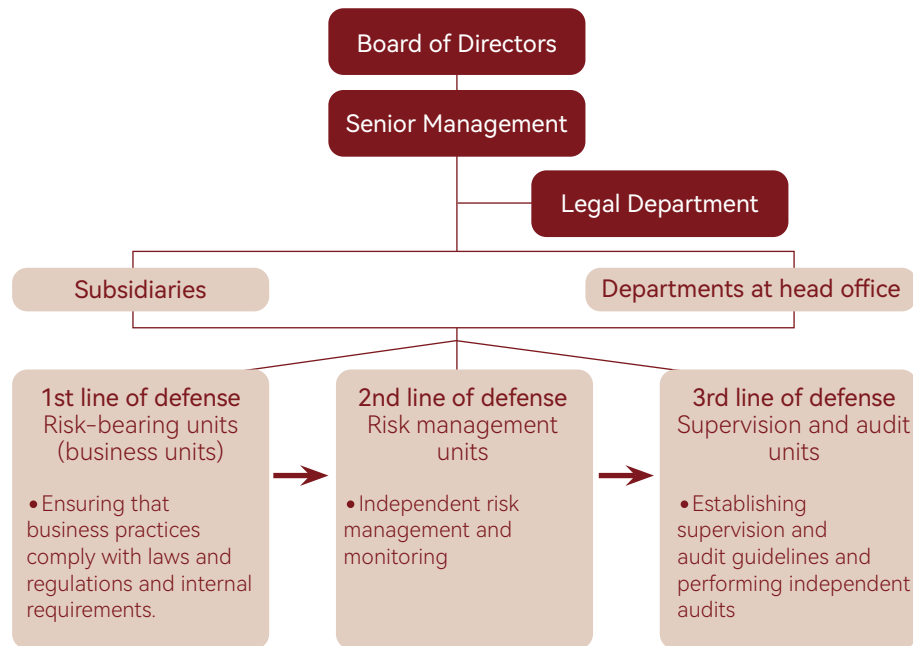


# Risk Management

## Our Approach

We have established comprehensive risk management and mitigation procedures and conduct annual and quarterly risk assessments to identify the risks associated with our business and operations. We perform day-to-day risk monitoring with special inspections and internal audits, and routinely evaluate our performance to ensure the effectiveness of the risk management mechanisms, optimize the decision-making process, and to improve our overall risk management.

Silvercorp ensures effective risk management by using the Three Lines of Defense model.



<b>1st line of defense</b>	Providing risk training to improve the professionalism of frontline workers and enhance their ability to identify risks and manage them; pushing for more thorough investigations, enhanced compliance operations; strengthening all employees’ awareness of risk management and responsibility.
<b>2nd line of defense</b>	Discovering and reviewing first-hand information through daily supervision and inspections and issuing timely alerts; setting up a risk analysis and reporting system to strengthen risk management.
<b>3rd line of defense</b>	Conducting audits for key risk areas and reassessing the Company’s risk status; fully disclosing major risks and seeking accountability through all means.

## Risk Identification

In our Annual Information Form, we disclose the major risk factors we face that could have a material adverse impact on our business, operations, and financial status in the future. These risk factors are outlined in section “4.4 Risk Factors” (pages 22 to 34) in the Company’s Annual Information Form dated June 21, 2021.

To view the Silvercorp Annual Information Form in full, please click on the file or scan the QR Code.



Annual Information Form

## Emerging Risk Management

The public health crisis triggered by the outbreak of COVID-19 has brought both environmental and social risks into focus, and the need to develop processes to identify and manage them. The pandemic has brought to light the need for updated and efficient emergency response plans for all aspects of our business. The Company has designed risk evaluation forms based on reports published by domestic and international institutions to proactively identify and analyze the various emerging risks, with corresponding mitigation strategies.

Type of Risks	Potential Impacts	Responses
Public health risk	Silvercorp's business, operations, and financial status have the potential to be materially and adversely affected by the COVID-19 pandemic and/or other health crises, for such crises may lead to travel restrictions, temporary business closures, quarantine, fluctuations in global stock markets, and a general reduction in consumer activity. This can lead to delays and disruptions in business operations, supply chains, and project development, resulting in reduced personnel mobility and labor shortages before triggering business stoppages.	<ul style="list-style-type: none"> <li>• Setting up the Leading Group for Epidemic Prevention and Control; quickly launching an emergency response plan for epidemic control; following the developments of COVID-19; instituting a notification mechanism and related protective measures to mitigate the effects.</li> <li>• Formulating a business continuity plan; adjusting production schedules as needed; resuming work and production in an orderly manner.</li> <li>• Communicating closely with partners to ensure stable supplies along the upstream and downstream production chains.</li> </ul>
Environmental protection risk	Governments have intensified their environmental legislation in recent years, setting stricter standards and enforcing compliance with requirements for air pollutants, solid waste, natural resources, biodiversity, and land reclamation and restoration, as well as imposing stricter environmental assessments on proposed projects. These measures have increased the liability of companies and their officers, directors, and employees. Increased expenses in environmental protection and major changes or delays in anticipated activities will be expected.	<ul style="list-style-type: none"> <li>• Increasing investment in environmental protection; ensuring compliance with requirements of local regulators for environmental protection; improving environmental compliance management.</li> <li>• Strengthening statistical monitoring of energy consumption and emissions; improving energy efficiency and reducing greenhouse gas (GHG) emissions through energy efficiency analyses and energy-saving renovations.</li> <li>• Continuously carrying out reclamation of mines and promoting ecological restoration in mining districts by planting tree and maintaining biodiversity.</li> <li>• Responding to all flood risks during the flood season, strengthening emergency drills, and making every effort to keep the tailings ponds secure.</li> <li>• Promoting the construction of the ESG management system and deepening its integration into daily production and management.</li> </ul>

Type of Risks	Potential Impacts	Responses
<p><b>Permits and licenses for mining and exploration in China</b></p>	<p>All of our operations in China are owned through subsidiaries that are joint ventures. All mining and exploration projects require government approval and permits as they have a direct effect on the environment, society, land and water use, and community. They are also subject to an annual inspection by the government, where failure to pass the inspection may result in penalties that could lead to stoppages.</p>	<ul style="list-style-type: none"> <li>• Steadily carrying out the acquisition and exploration of mining projects to increase the Company's rights to mineral reserves and resources.</li> <li>• Application of exploration technology to fully utilize existing mining resources.</li> <li>• Working with the government on the annual review of mining and exploration permits to ensure that mining and exploration operations are in compliance with relevant laws, regulations, and rules.</li> </ul>
<p><b>Human resources risk</b></p>	<p>Our mines utilize selective underground mining methods, which can be labour intensive. With the transformation of China's economic and social structure in recent years, miners as a group have been aging and decreasing dramatically in number, putting a strain on the Company's talent pipeline.</p>	<ul style="list-style-type: none"> <li>• Regularly studying the Company's human resources strategy and assessing the supply and demand of human resources, and maintaining a solid talent reserve for key positions.</li> <li>• Actively engaging with schools through collaboration and deepening joint training programs between schools and enterprises, and open a "fast track" for outstanding students to secure employment opportunities with the Company.</li> <li>• Promoting the application of the Eblog App and using high-tech equipment to move towards more automated and intelligent mining.</li> </ul>
<p><b>Cybersecurity risk</b></p>	<p>Silvercorp has undergone a comprehensive digital transformation, and with that a significant rise in network security risks. We have not experienced any major cybersecurity incidents, but if they were to occur (such as unauthorized access to privileged information, destruction or disabling of data, and computer virus intrusion), the Company could suffer financial losses, business interruptions, or losses of geological data, thus undermining its prospecting and production capacity.</p>	<ul style="list-style-type: none"> <li>• Planning the establishment of the Information Security Management Committee and completing the information security management system.</li> <li>• Putting in place more professional tech personnel and security software and carrying out regular simulation exercises to improve information security.</li> <li>• Desensitizing critical data to reduce potential loss that may be caused by accidental data leakage.</li> </ul>



# Digitization of Mining

Digitization of mining is an important pillar of the long-term and sustainable development and utilization of mineral resources and an important way to address the various economic, safety, and environmental risks in mineral mining. Silvercorp's Enterprise Blog Refined Management System (the "Eblog App") is an innovative attempt at exploring the application of digital technology that fully considers how mining companies operate in China. The system encompasses all the key business processes such as exploration, development, supply, production, and trading. We continue to explore the integration of digitization into the Company's strategy, business, and culture, and speed up transforming from informatized to digitized operations to realize more refined, efficient, and scientific production, management, and decision-making.

## Core Business Process "Eblog App"

Over the years, Silvercorp has worked to streamline processes, cut costs and improve efficiency, and move towards lean management. We do so by constantly optimizing the core mining processes and upgrading the operating and management models. Since 2015, we have worked with an outside information technology company in developing the Eblog App, digitizing the management of production, safety, environmental protection, and other core processes. This will help us achieve the desired business results and sustainable development through the right processes and by the right means.

## Refined Management Based on Whole-process Recording

Based on the actual conditions of each production facility, Silvercorp has sorted out the hazards and nodes of management and created inspection work forms in the Eblog App. The forms are filled in by the employees, with photos uploaded as required. The system is closely integrated with the internal data platform, seamlessly connecting all the people, events, and things within the Company and enabling whole-process tracking and digitized management of core businesses.

## Features of Eblog App

<b>A truthful and reliable digital recording tool</b>	<p>The system supports flexible and custom-made electronic process record forms that allow employees to record core business processes in their entirety following certain rules and standards. This offers an advantage over traditional paper-based forms that make it difficult to verify information.</p>
<b>Instant information transfer across levels</b>	<p>Managers at all levels, no matter where they are within the organizational hierarchy, can view the status of the core businesses and access historical records anytime, so that they can make timely and condition-based plans. This ensures instant communication between different levels and efficient internal and external collaboration.</p>
<b>Automated management of production safety</b>	<p>Real-time warning is issued based on online data, thus enabling real-time tracking and automated management of the various hazards. This makes the entire production process controlled, visible, analyzeable, and traceable.</p>
<b>Quantitative performance appraisal of core businesses</b>	<p>The system tracks the history of changes so that it is clear what changes have been made and by whom. This provides reliable reference for employee performance appraisal and boosts employees' initiative at work, and is thus conducive to the Company's talent development.</p>
<b>Database for core businesses</b>	<p>The system enables mobile and online management of the equipment, facilities, and operations (workshop procedures) database, the corporate risk source database, and the corporate knowledge database.</p>
<b>Digitized double-pronged risk prevention mechanism</b>	<p>The system enables closed-loop safety management through risk classification, hazard inspection, early warning, etc., reducing the chances of safety accidents and business risks.</p>

The Eblog App has also enabled online review, approval, and control of the different management processes of mining and excavation projects such as planning, design change, blasthole check, dilution assessment, and stope cataloging. This makes possible the real-time supervision of key production processes and cuts down on problems such as illegal construction or acceptance of unapproved or unreasonable projects.

In December 2019, the Refined Safety Management System for Mine Stopes program, developed by Silvercorp based on the Eblog App, was included in the Advanced and Applicable Technology Catalog for the Conservation and Comprehensive Utilization of Mineral Resources (2019 Edition) by the Ministry of Natural Resources as an advanced and applicable technology in the nonferrous metals category.



Interface of the Eblog App

## Case Eblog App Tackling Challenges in Tailings Management Facilities (TMF) Management



Circulation record of dry stacking at tailings ponds in the Eblog App

For mining companies, tailings management facilities (TMF) are a major source of safety hazards, and the differences in the actual management of each TMF mean that the safety hazards are many and complex. With the technological means enabled by the Eblog App, Silvercorp has managed to considerably reduce the safety risks of TMFs, achieving "zero accidents" in Fiscal 2021.

### 🔍 Closed-loop hazard management

Using the Eblog App, Silvercorp has been able to sort out and carefully analyze the potential sources of hazards at the tailings ponds. A number is designated in the system to each process, such as arch plate making, inspection and entry, exit and transportation, and arch plate installation. Every step of construction is carried out under supervision and control according to the steps laid out in the hazard source form, effectively eradicating non-conformance. Steps are also taken to optimize the supervision and management measures and the traceability system, leading to greater transparency in the management of the arch plates of the tailings pond drainage shafts and enabling the transmission of information across different levels.

### 🔄 Ensuring sound management

Silvercorp has improved the tailings pond management workflow centered on "task-process-hazard" and created the "processing plant tailings pond management work list" numbers based on the control points of hazards, which encompasses all the safety check points at the TMFs. As a routine, employees fill in and publish the electronic forms with photos up loaded. The forms are reviewed by the supervisors and safety personnel in time as required, making sure that everything in the tailings ponds is monitored. Hazards found in the forms are sent as warnings to department heads and relevant persons in charge to prompt timely corrective measures.

### Better Decision-making Driven by Data

Thanks to the Eblog App, the Company has been able to collect and communicate accurate information. We take it a step further by building systematic data models. We use data analysis to drive business improvement and inform business insights, facilitating more rigorous and efficient decision-making and higher management efficiency.

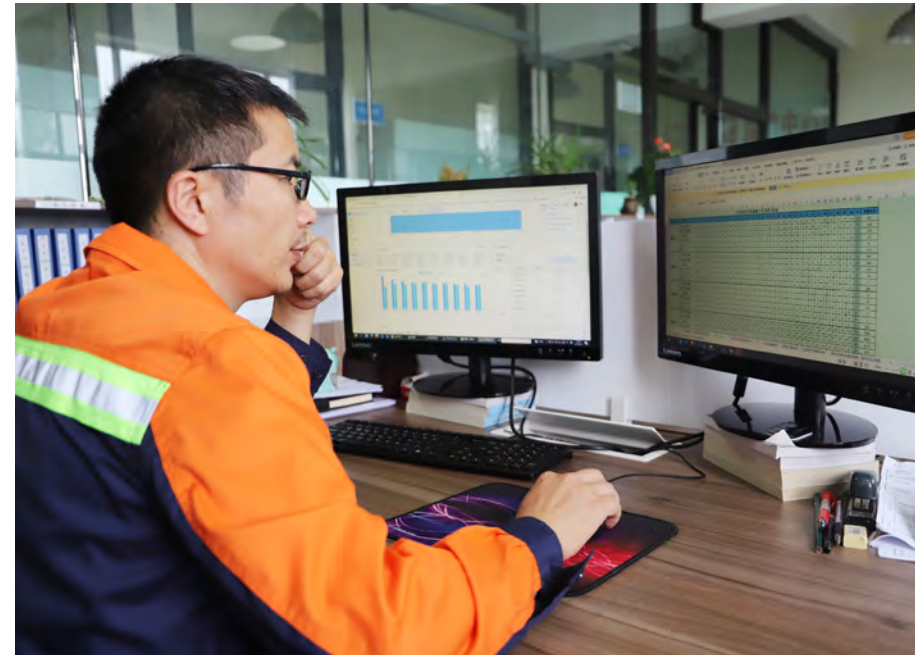
Since adopting the Eblog App to drive digital transformation in August 2015, Silvercorp has seen a remarkable improvement in the grades of its ore production. The silver ore grade at the Ying Mining District, for example, has jumped to, and remains at, over 300g/t from around 200g/t.



The traditional business management systems and processes are mainly based on information collection. The focus of digital construction therefore used to be on whether the data in the process can be found or traced. The result is that the company fails to see the business as a whole. This can only be called business informatization but not digitization.

—Rui Feng

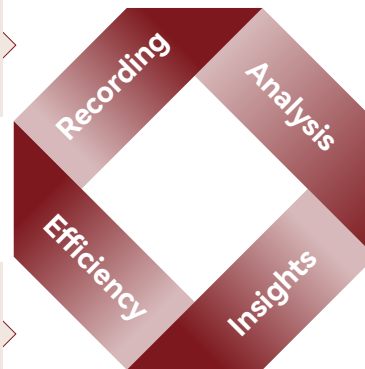
Chairman of Silvercorp Metals Inc



Silvercorp performs statistical analysis of work data in the Eblog App

The Eblog App records all the links of the core business processes in their entirety, moving all business information online and generating systematic data models.

The Company applies data to all its production, management, and decision-making processes and uses data to drive the transformation of its business models and inform the right processes and methods that help it realize greater profits and sustainable development.



The Company uses data analysis to drive business improvement and conducts attribution analysis using recorded data, thus identifying problems in the business processes in a timely and accurate manner and quickly working out targeted, effective solutions.

The Company obtains business insights and realizes refined management based on data. It finds specific ways to increase the input-output ratio through data analysis and eliminates the bottlenecks that hinder the Company's development.



## Keeping Our Talent Focused on Their Work Through Scientific Management

Talent is key to creating corporate value and to digital transformation. Along its journey of digital transformation driven by the Eblog App, the Company also strives to foster a work environment that helps employees thrive, by enabling cross-level communication and quantified performance appraisal. This plays an important role in retaining and attracting talent. It also helps us evaluate employee competence, improve organizational effectiveness, and optimize the talent pool.

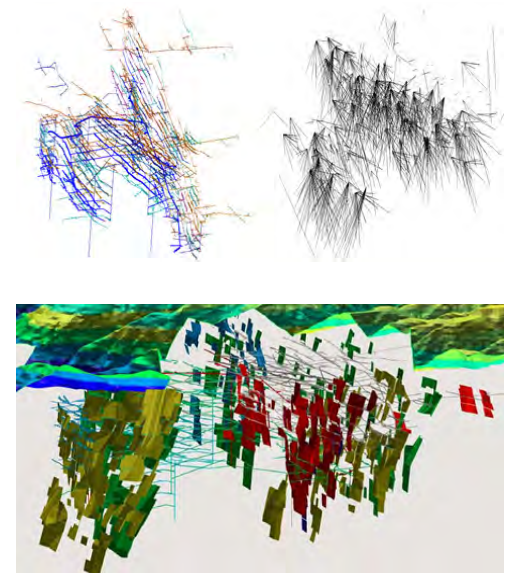
<p><b>Efficient communication</b></p>	<p>Managers at all levels, no matter where they are within the organizational hierarchy, can view the status of the core businesses and access historical records anytime, and employees can communicate and collaborate based on the specific business processes, allowing decisions to quickly reach all levels of the organization.</p>
<p><b>Equality and respect</b></p>	<p>The Eblog App authorizes frontline employees to view the work content of the managers. The authentic and transparent work processes make every employee feel respected for their work.</p>
<p><b>Fostering growth</b></p>	<p>A basic information form of job rank evaluation (self-evaluation) is set up in the Eblog App to give employees freedom of action, decision-making, and innovation at work and help them realize personal value, given that they have clear expectations, guiding principles, and reasonable work arrangements.</p>

## Efficient Exploration Using Digital Tools

The geological conditions of a mine are closely related to the complexity of its geological environment. The uneven distribution of mineral resources, which is a natural result of the laws of mineralization, has a significant role to play in site selection and the development of mineral resources. Since bringing in the 3D geological software Micromine™ in 2013, Silvercorp has been taking advantage of digital exploration technologies for greater effectiveness and efficiency and pushing for optimized development and utilization of mineral resources.

Micromine™ has numerous functions such as field data collection, data management, and data visualization. It informs a distinct understanding of the three-dimensional spatial distribution of ore bodies underground based on a three-dimensional geological modeling. By automatically generating a sampling distribution map of a prospecting project, it enables real-time geological statistics and real-time monitoring of its reserve increase. By using Micromine™ and other tools, Silvercorp has taken the leap from geological exploration and data management to resource assessment, mine design and planning, and production control. This has led to greater exploration efficiency and cut down on the costs of production from the source of project design.

In Fiscal 2021, Silvercorp continued to invest heavily in geological exploration and used Micromine™ to aid in geological prospecting, achieving its goal of increasing both resources and reserves and ensuring the necessary resources for the Company's future development.



Silvercorp uses Micromine™ for 3D geological analysis

**Case**

**Eblog App Facilitating Refined Management of Production and Prospecting**

To add to the management and monitoring of the drilling process using the Eblog App, the Company has also formulated the Underground Mine Production Safety Management Process (Drilling), the Core Cataloging Process, and the Instructions on Borehole Data Entry Templates. Exploration has become streamlined, standardized, and digitized, resulting in higher effectiveness and efficiency and promoting the steady growth of newly discovered resource and reserves.



Geologists use the Eblog App for drill core logging

Geological Prospecting	Fiscal 2021		
	Ying	GC	Total
Total diamond drilling (10,000meters)	20.90	4.60	25.50
Total exploration tunneling (10,000meters)	5.60	1.40	7.00

**Producing Digital Mining Solutions**

Leveraging its experience in developing and applying the Eblog App, Silvercorp has been continuously exploring digital mining solutions with Beijing Fengrui. It advances the R&D, application, and promotion of the Eblog App in mining and other on-site operations companies to help them go digital and manage safety and environmental risks more effectively. As of March 31, 2021, the Eblog App had been adopted by 31 large and medium-sized enterprises across China; 25 of them use the system for production management, leading to reduced risk and higher efficiency.



Rock core catalog

# Innovation and R&D

For mining companies, technological innovation plays a central part in addressing the challenges in resource development and utilization. It improves our competitiveness and will help us grow and reach sustainability targets. Silvercorp remains focused on technological innovation and works to apply advanced technologies for the safe and efficient exploration and mining of all kinds. We continue to increase our investment in science and technology and improving our technological R&D system. We also help boost industry and university research collaboration by working with academic institutions and strive to produce positive outcomes that will benefit not only the Company but also society at large.

## Improving Scientific Research and Innovation Systems

Silvercorp pursues development driven by technology and innovation. It offers the right organizational structure and management so that people can thrive as the most important drivers of innovation. The Company also has well-established incentive and appraisal systems in place to foster and stimulate innovation both in and outside the Company.

## Research Management Systems

Silvercorp has instituted a number of systems and regulations such as the R&D Project Management Regulations, the R&D Investment Management Regulations, the Innovation and Entrepreneurship Platform Management Regulations, the Regulations for Organization and Implementation and Incentive and Reward System for Commercialization of High-tech Achievements, the Talent Attraction and Training Management Measures, and the R&D Personnel Performance Appraisal and Reward System. They standardize the management, evaluation, and incentive systems for scientific and technological research at the source to ensure sufficient supplies of personnel and resources.



Henan Found is recognized as a High and New Technology Enterprise ("HNTE") at the national level

In 2016, Silvercorp set up the Corporate R&D Center at the Ying Mining District, focusing on new technologies of non-coal mine exploration, mining, and processing. The Center is equipped with experienced research professionals in geology, mining, processing, electromechanics, safety, environmental protection, and information. The Center regularly assesses the market and the Company's technological development needs, and undertakes the commercialization of R&D projects and high-tech achievements. It is also responsible for providing technical training for Silvercorp employees.

In Fiscal 2021, Silvercorp invested US \$7.4 million in R&D and owns 53 patents, including 51 utility model patents and 2 invention patents. Relevant technologies have been applied to the Company's mining and processing of high-grade lead and zinc ores to produce a technically superior quality product.



## Fostering a Culture of Innovation

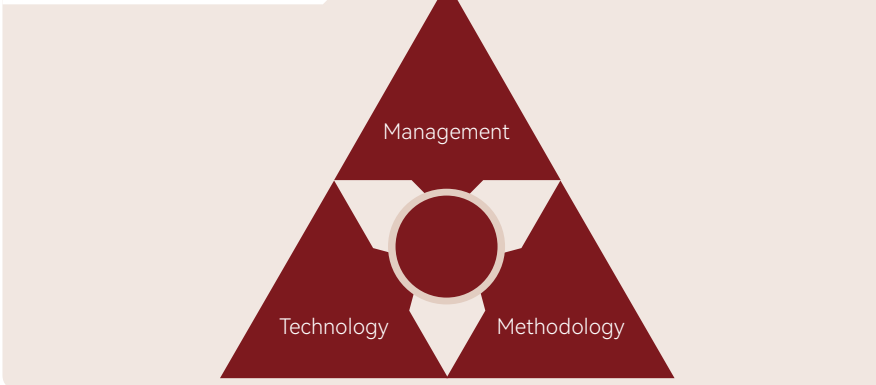
### Philosophy of Innovation



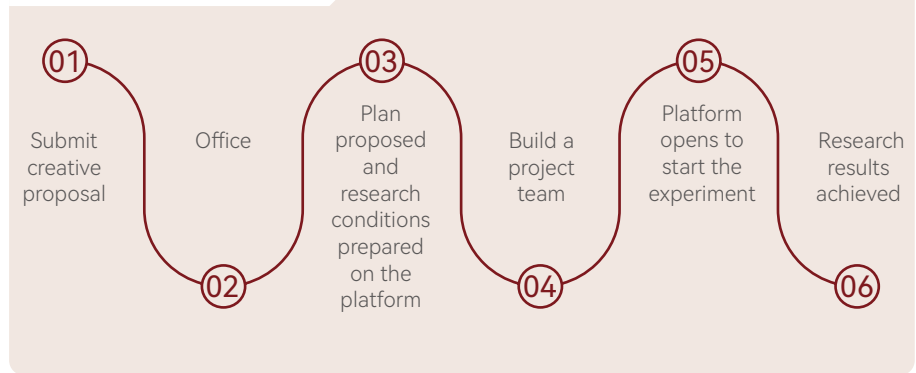
### Approach to Innovation

Encourage employees to think creatively and actively, create opportunities to find creative solutions, and be the catalyst for creating value for the Company and stakeholders.

### Directions of Innovation



## Process of Innovation



## Incentivizing Scientific Research and Innovation

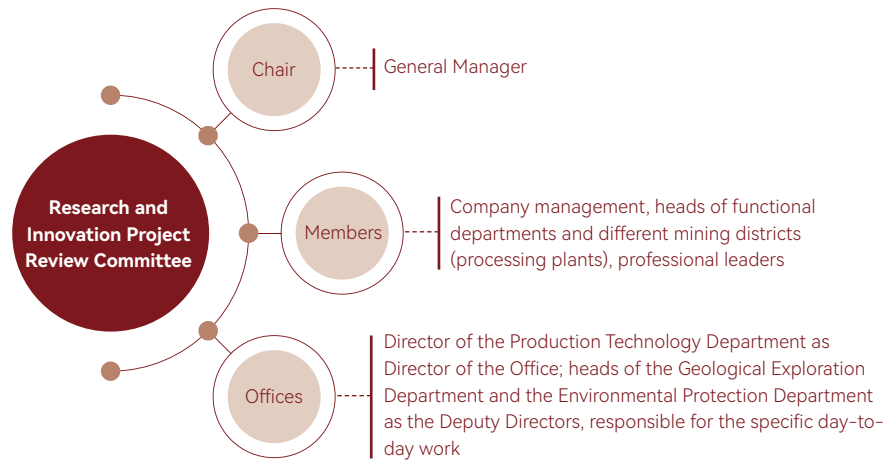
Silvercorp has implemented an incentive-based innovation management program. It is designed to stimulate professionals' initiative, enthusiasm, and potential for scientific research and promote the commercialization of high-tech achievements, helping us achieve advances in technology and management to stay competitive in the market.

<p><b>Incentives for R&amp;D personnel</b></p>	<p>We have a point-based promotion system that encourages employees to take extra actions to earn points. The system sets the standards and requirements for promotion based on the Key Performance Indicators (KPIs) of each post. The R&amp;D personnel regularly fill in the monthly and annual List of Value-creating Projects, which comprehensively evaluates the progress and achievements of their scientific research and innovation. They also get extra points for "proposing innovative improvement or incentive suggestions", etc.</p>
<p><b>Commercialization of high-tech achievements</b></p>	<p>We encourage the commercialization of high-tech achievements by those who have made them, and reasonably distribute the benefits obtained. Those who make the achievements or undertake their commercialization are rewarded accordingly. For example, if a person transfers his or her position-related high-tech achievements or licenses such achievements to others for use, such person may receive a portion of the net income from the transfer or licensing between 70% and 95%.</p>

**Case**

**Ying Mining District's Research and Innovation Project Review Committee**

The Ying Mining District set up the Research and Innovation Project Review Committee in July 2020, responsible for the initiation and design of the company's research and innovation projects and for reviewing the achievements. Projects will be rewarded and recognized in accordance with relevant policies after successful initiation or after they have been approved.



Researchers perform tests

**Expanding Research and Innovation Platforms**

With a focus on shared technologies and key challenges in the industry, Silvercorp actively reaches out to universities and research institutes to build industry-university-research collaboration platforms and explore new models and ways of working together. The complementary strengths of each party can thus be further leveraged to exploit technological resources and promote the commercialization of high-tech achievements.

**Promoting Industry-university-research Collaboration**

At Silvercorp, we believe that collaboration is the key to solving some of the key challenges in the mining industry. Our subsidiary, Henan Found (Ying Mining District), and the China University of Geosciences (Beijing) formed an industry-university research partnership in 2017, under which they have strengthened practice-based teaching, conducted joint R&D, and built bases together. Those collaborative efforts have promoted the commercialization of high-tech achievements, boosted industrial development, and created favorable conditions for equipping the students with needed knowledge and skills. Henan Found also donated US \$737,572 to the university, earmarked for setting up the Silvercorp Mining Scholarship.

In 2018, our subsidiary Guangdong Found (GC Mine) partnered with the Changsha Mine Research Institute on the Research on Gaocheng Lead-zinc Mine Total-tailings Filling and Mining Method project. A cemented total-tailings filling system was completed and successfully tested in July 2020. In December 2020, the GC Mine signed an agreement with Yunnan Land and Resources Vocational College and became an internship center for the school's geology, safety, and electromechanics majors.

<b>Partnered teaching</b>	Leveraging high-quality teaching resources of the school and the Company, setting up a practice-based teaching system, and providing opportunities to apply theories to real-world practice.
<b>Industry-research integration</b>	Jointly carrying out key science and technology development projects to boost scientific research and innovation of both the school and the Company and promote the commercialization of high-tech achievements.
<b>Employment</b>	Facilitating students' seamless transition from college to the workplace and opening a "fast track" for outstanding students to secure employment opportunities with the Company.

## Case

## Exploring the Law of Polymetallic Mineralization Through School-Enterprise Collaboration

The Xiong'er Mountain area of western Henan, the region hosting the Ying Mining District, is known for its concentrated nonferrous metal deposits. To make breakthroughs in both the theory and methodology of deep prospecting, the Company put together some of its best technical people and joined hands with Academician Jingwen Mao's team from China University of Geosciences in undertaking the Research on Laws of Silver-gold Polymetallic Mineralization and Prospecting and Exploration in YLG-TLP Mine of Xiong'er Mountain in Western Henan. This research subject is based on the cutting-edge prospecting theories and methods in the field of geology. The project aims to draw on classic domestic and international research on prospecting and come up with a set of advanced and proven theories on mineralization and prediction methods of ore prospecting. They will shed light on the Company's future prospecting efforts and facilitate the implementation of prospecting prediction technologies using the large-scale metallogenetic prediction theory of ore concentration areas.



Academician Jingwen Mao, a mineral deposit and exploration geologist, conducts geological observation and research at the Ying Mining District in October 2020

## Introducing Advanced Technologies

Silvercorp is a long-standing partner of research institutes including the Beijing General Research Institute of Mining and Metallurgy (BGRIMM Technology Group), the Hunan Research Institute for Nonferrous Metals, the Changsha Research Institute of Mining and Metallurgy, and the Changchun Gold Research Institute. The Company keeps a close eye on the technological developments in the mining sector and related fields and integrates state-of-the-art technologies and products to encourage innovation in its mining and processing techniques and efficiency in its utilization of resources.



Processing plants in the Ying Mining District

## Case

## Addressing Fluctuations in Ore Grades Using an Advanced Collector

The continued and ongoing extraction of mine resources leads to a decrease in ore grades, a common problem facing old mines that also poses new challenges to processing technologies. In June 2020, GC Mine brought in the BK903G collector from the BGRIMM Technology Group. This collector has a stronger selective collecting ability for lead and silver and more readily separates them from each other. In Fiscal 2021, GC Mine increased recovery of lead, zinc, and silver by 0.26%, 2.18%, and 2.62%, respectively due to the use of BK903G and optimized processes.



## Fostering Key Technological Advances

One of our guiding principles is innovation. We strive to be innovative in our approach to project management, operations, safety, electromechanics, geology, and most importantly in our approach to sustainable development. Our commitment to innovation has allowed us to become more efficient in all aspects of our business and for us to become a leader in our field on account of our technological enhancements at our operations.

### Key research project

- In March 2021, the GC Mine completed the initiation application for the Research on Laws of Mineralization and Directions of Prospecting in GC Mine project (expected research funding: US \$73,757; expected time of completion: 2023) to further investigate the genesis and mineralization of local deposits and direct future prospecting and production work.

### Scientific and academic research

- In February 2021, Rui Feng, Chairman of Silvercorp, published a paper titled Geological Characteristics and Prospecting Evaluation of Newly Proven Super-Large Silver Deposits in Silver Sand, Bolivia in the core Chinese journal Mineral Deposits (2021-01).
- In May 2020, Guoxiong Xu from the Department of Geology of the GC Mine published a paper titled Application of Structural Ore-controlling Theory in Geological Prospecting in the national journal World Nonferrous Metals.
- In Fiscal 2021, Successful Application of Eblog in Safe Mining Operations of Henan Found Mining Co., Ltd. and Geological Environment Protection and Land Reclamation at Yuelianggou Lead-zinc-silver Mine of Henan Found Mining Co., Ltd. in Luoning County, won first prize for scientific and technological progress presented by the Henan Province Non-ferrous Metals Geological Mineral Resources Bureau.

### Academic conferences

- In Fiscal 2021, Silvercorp participated in a number of academic conferences including the Annual Academic Conference of the Nonferrous Metals Society of China, the Annual Meeting of Chinese Prospectors, and the "Belt and Road" Symposium on International Mining Cooperation Mechanism. The Company shared its achievements under topics like digital transformation, green and high-quality development of mines, and mineral exploration management in the era of big data.



Researchers take a sample test

## Case Independent R&D of an Automatic Underground Dewatering System

For many years, the underground dewatering system of the TLP Mine had been controlled by relays, which relied on manual pump control and required workers to be on duty 24 hours a day. In June 2020, the Electromechanics Department of the TLP Mine designed an automatic control for the water supply system and piloted it for six months, finding it to be quite successful.

Since January 2021, this new control system has been installed in the main dewatering pump stations of many underground tunnels in the TLP Mine. Besides automatic control of the water switch and valve, this upgrade also has enabled real-time monitoring of the underground water level and the working status of the pump and valve, and access to fault records at any time. Thus, manual control is no longer needed, and operating the system has also become much safer. It is estimated that once all the main pumps in the TLP&LME Mine are renovated, it will help save US \$100,310, US \$54,580, and US \$11,801 in material costs, annual labor costs, and annual electricity costs, respectively.



Electromechanics Department of the TLP Mine upgrades the main pumping station with the automatic control system

## Intellectual Property Protection

Silvercorp fully complies with the international rules related to intellectual property and the laws and regulations of the countries in which it operates. The Company protects its own IP rights in business operations and strictly prohibits its employees from engaging in activities that infringe on other's IP rights. Both the Ying Mining District and GC Mine have instituted measures for IP management. They have each set up a leading group for IP rights, with the companies' heads as the group leaders and the R&D directors as the deputy group leaders. They work with the R&D centers in carrying out the day-to-day management of IP rights, including but not limited to managing IP files, handling IP-related disputes, and protecting the companies' patents, trademarks, technical know-how, and commercial secrets according to law.





# Environmental Protection

Environmental Management

Land Use and Biodiversity

Emissions, Effluents, and Waste

Climate Change

Water Pollution Prevention and Control

Energy Management

At Silvercorp, we understand that our operations have an impact on the environment and that it is our duty to mitigate, minimize, and prevent the risks and impacts associated with our operations, and invest in sustainable development initiatives that will last beyond the life of our mines. Our approach to our environmental goals is rooted in strong management and standards that guide our efforts at all levels of our company. In Fiscal 2021, the Company's total investment in environmental protection stood at US\$750,701; US\$498,451 and US\$252,250 for the Ying Mining District and GC Mine respectively.

- 0 Tailings safety incidents
- 0 Spills
- US **\$750,701** invested in environmental protection initiatives
- Sustainability Committee formation approved





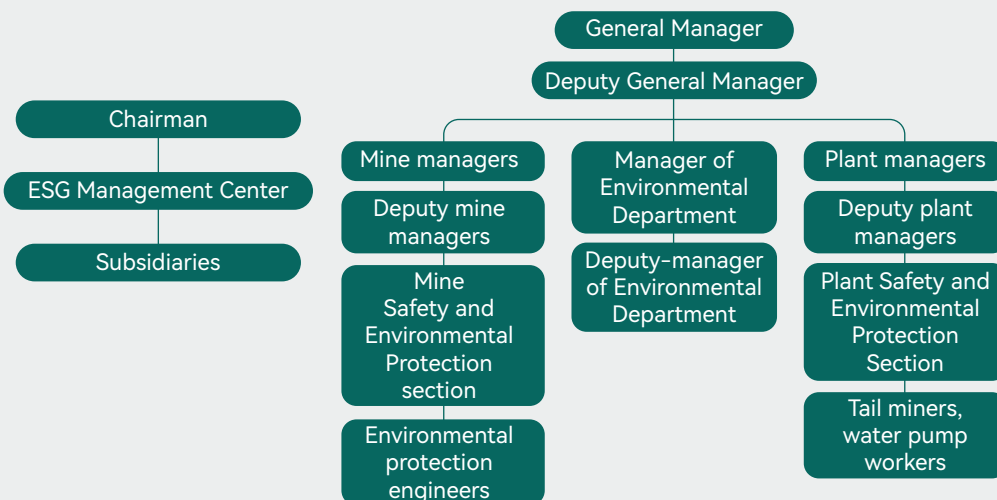
# Environmental Management

At Silvercorp, we believe that strong management is the key to lasting success. This past year, in an effort to further illustrate our commitment to strengthening our management team and improving upon our disclosure, both our Ying Mining District and GC Mine submitted applications for the environmental management system ISO 14001 certification and were approved in August and September 2021, respectively.

Additionally, we also established the ESG Management Center and issued the Silvercorp ESG Work Management Measures in Fiscal 2021, putting senior management directly in charge of decision-making. The ESG Management Center supervises, identifies, and mitigates the environmental risks of our mining districts and works with our subsidiaries to implement environmental management systems across the organization.

To strengthen our environmental accountability, we regularly conduct environmental protection training and have instituted environmental emergency response plans at all mining operations. During these sessions, we carry out emergency drills to improve the environmental awareness of all employees and their ability to deal with accidents effectively and efficiently.

## Management structure



## Environmental Protection Training

	Fiscal 2021		
	Ying	GC	Total
Participants in environmental protection training(h)	819	315	1,134
Investment in environmental protection training(\$)	5,753	2,950	8,703
Total hours of environmental protection training provided(h)	45	13	58

## Environmental Compliance

Silvercorp and its subsidiaries abide by all municipal, provincial, and national environmental laws and regulations at all operations. In China, further efforts have been made with regards to environmental compliance within the mining sector in the form of the "Green Mine" certification program. In 2010, the Ministry of Land and Resources issued the Guiding Opinions of the Ministry of Land and Resources on Implementing the National Mineral Resources Planning, Developing Green Mining, and Building Green Mines, setting forth a call to action to the industry and outlining the necessary steps for mining companies to take with the hopes of inspiring more innovative, efficient, collaborative, and sustainable mining operations country wide. In 2015, Silvercorp's SGX mine was recognized as a "National Green Mine", one of the first mines in China to achieve such recognition, and in fiscal 2021, three Silvercorp mines, namely the HPG Silver-Lead Mine, the TLP-LM Silver-Lead Mine, and the GC Lead-Zinc Mine, received the Chinese "National Green Mine" certification.

Mines	Progress of Green Mine Construction
Ying Mining District, Henan Province, China – SGX-HZG Silver-Lead-Zinc Mine	Named Chinese “National Green Mine” in November, 2015
Ying Mining District, Henan Province, China – TLP-LM Silver-Lead Mine	Selected into the National Green Mine List in September, 2020
Ying Mining District, Henan Province, China – HPG Silver-Lead Mine	Selected into the National Green Mine List in December, 2020
GC Lead-Zinc Mine, Guangdong Province, China	Selected into the National Green Mine List in December, 2020
Ying Mining District, Henan Province, China – DCG Gold-Silver Mine	Expected to complete the construction and approval as a provincial-level green mine by the end of 2021

In conjunction with the Chinese government's Environmental Protection Responsibility System, the Environmental Protection Management System, and the Occupation-based Operation Regulations, among others, we have developed a comprehensive Environmental plan detailing our approach to managing potential environmental hazards and risks and the associated emergency response measures. Our plan incorporates an accident reporting and handling system in accordance with the Environmental Protection Law of the People's Republic of China, in which we classify and grade potential environmental accidents that could potentially harm the surrounding biodiversity and ecology. Should any accidents occur, our plan stipulates that the appropriate stakeholders, such as the appropriate management teams and local environmental protection administrative departments, be notified through the government monitoring platform. Our plan allows for us to operate respectfully, transparently, and in harmony with our environment and stakeholders while managing the risks associated with our business. This supports our mission to achieve sustainable development.

## Risk Matrix

Identifying the environmental risks associated with our business is crucial for our management teams and operations, and for developing emergency response plans. Our risk identification system is based on four key principles: identification, management, prevention, education. The following categories have been identified as potential environmental risks.

Types of Environmental Risks	Description	Coping Measures
<b>Environmental compliance risk</b>	The Chinese government continues to advance the Pollution Prevention and Control. In April 2020, it updated the Law of the People's Republic of China on the Prevention and Control of Solid Waste Pollution. Given other laws and regulations already in effect, such as the Environmental Protection Law of People's Republic of China and the Law of the People's Republic of China on the Prevention and Control of Water Pollution, more stringent and binding environmental requirements and standards may be expected in the future, in terms of solid waste discharge and utilization, wastewater and waste gas discharge, environmental management of construction projects, pollution permits, etc.	<ul style="list-style-type: none"> <li>• Being mindful of whether a project meets the requirements for local planning, ecological protection red line tests, etc. during exploration and development.</li> <li>• Regularly checking for environmental safety hazards in the mining area every month and rectifying them as soon as possible.</li> <li>• Formulating the Environmental Protection Management System and Penalty Standards, incorporating environmental compliance into the performance appraisal of management and linking it to their compensation; reflecting major environmental violations depending on the severity.</li> </ul>

Types of Environmental Risks	Description	Coping Measures
Environmental emergencies	Tailings management facilities ("TMF") are a major environmental and safety hazard. Insufficient day-to-day management may sow the seeds for emergencies. For instance, a dam collapse could pose a serious threat to downstream residents, infrastructure, and ecological environment, in addition to potentially causing injury or property damage.	<ul style="list-style-type: none"> <li>• Tailings discharge and dam construction are carried out in strict accordance with design requirements, operations planning, and relevant specifications to ensure the safe and stable operations of the TMFs.</li> <li>• Instituting the emergency shift system, increasing patrol inspections, and promptly checking for and eliminating hazards such as piping and dam landslides during the flood season.</li> <li>• Improving planning for environmental emergencies at the TMFs; organizing emergency drills and ensuring quick arrival of needed personnel, real-time monitoring, and a scientific approach when an emergency occurs.</li> </ul>
Secondary risks of accidents and disasters	Flammables, explosives, and hazardous chemicals such as cyanide (not currently used in our operations) are sometimes used during mining or ore processing. In the event of a major production safety accident or extreme weather event such as a typhoon or flood, the resulting fires, explosions, or leaks can easily cause secondary environmental pollution.	<ul style="list-style-type: none"> <li>• Standardizing the storage and use of hazardous chemicals and creating a management ledger to prevent leakage resulting from improper management or irregular operations.</li> <li>• Innovating technical processes such as exploration and ore processing and reducing the use of hazardous chemicals in an organized way.</li> </ul>
Fresh water withdrawal and underground water	The Chinese government limits total water use and water use intensity in regional river basins, expands the scope of water resource tax reform pilots, and strictly controls the intensity of water resource development and utilization, which may affect the Company's water withdrawal quota or cause water costs to go up. Once the water table is breached in the mining process, the circulation of groundwater may be changed, which could easily cause it to be mixed with elements contained in the host rock, thus changing the water quality.	<ul style="list-style-type: none"> <li>• Communicating the Company's water demand and water usage with the local government and community and preventing disputes over water resources.</li> <li>• Improving the water supply metering system and online water monitoring system; performing monthly analysis of water balance data to increase the recycle rate of processing backwater and mine water inflow; reducing the withdrawal of fresh water.</li> <li>• Using selective mining methods and other mining techniques that reduce the impact of mines on underground water resources.</li> <li>• Reinforcing TMFs with anti-seepage treatment and preventing the seepage and leachate from polluting the groundwater.</li> </ul>
Biodiversity risk	The Company's mining and prospecting licenses may overlap with ecologically sensitive areas. If development is carried out within those areas, it may adversely impact the local ecosystem and cause biodiversity loss.	<ul style="list-style-type: none"> <li>• Strictly implementing relevant national ecological protection requirements and formulating and enforcing ecological protection plans in accordance with the requirements for project construction, operation, and decommissioning (relocation).</li> <li>• Laying down specific requirements for biodiversity protection in the project feasibility study and environmental impact assessment and carrying out biodiversity assessment before entering a new production area.</li> <li>• Avoiding the use of large-scale operation equipment when it is not necessary to do so, to reduce impacts on the surrounding forestland and biodiversity.</li> <li>• Undertaking restoration of the ecological environment and improving the habitat conditions around the mining areas.</li> </ul>
Environmental risk in supply chain	Due to the differences in the environmental management performance of different companies, there are risks of environmental pollution and violations, which will affect the stability of the Company's supply chain and potentially bring reputational risks.	<ul style="list-style-type: none"> <li>• Incorporating suppliers' environmental compliance performance into procurement standards and precluding suppliers with major environmental risks.</li> <li>• Regularly carrying out supplier environmental risk assessments to foster suppliers' environmental awareness and encourage them to fulfill their responsibilities in environmental protection.</li> </ul>



# Land Use and Biodiversity

The effective management of land use and the protection of biodiversity by a mining company is integral to its success, for doing so can reduce and or mitigate regulatory costs and risks and protect relationships with local communities and governments. Our approach to land use and biodiversity is centred around generating economic, ecological, and social benefits, while operating safely, efficiently, and sustainably with our communities and environment.

## Closure and Reclamation

At Silvercorp, we believe that environmental responsibility should start at the exploration phase and last beyond mine closure. We incorporate environmental protection planning and land reclamation initiatives, in compliance with the national ecological protection requirements, into our mine planning at early stages to reduce our impact on the environment, preserve the biodiversity, and establish strong plans and practices for mine closure and reclamation activities. Our Mine Geological Environment Restoration and Mitigation Plan and Land Reclamation Plan governs our reclamation and closure actions and activities, and our Geological Environment Restoration and Mitigation Management Institution oversees their implementation and related restoration and mitigation work in the mining area.

In Fiscal 2021, the Ying Mining District completed the Mine Environment Restoration and Land Reclamation Scheme and the Land Reclamation Scheme of our #2 TMF for the four mining areas of SGX & HZG, HPG, TLP-LM, and DCG. In June 2020, they passed the expert review and documentation organized by Henan Provincial Department of Natural Resources and signed the Land Reclamation Tripartite Supervision Agreement. The GC Mine has also completed the commissioned preparation and documentation of the Plan Table for Land Reclamation adjacent to New Core Storage Facilities, signed the fund supervision agreement, and made a deposit of reclamation funds.

Land Reclamation	Fiscal 2021		
	Ying	GC	Total
Reclaimed land (hectares)	5.15	0.88	6.03
Investment in land reclamation and environmental mitigation (\$)	498,495	67,886	566,381



Re-greening in Ying Mining District

## Biodiversity Impacts

We recognize that mining operations have the potential to disrupt the natural landscape and biodiversity in both direct and indirect ways, as the development of mining infrastructure such as processing plants and tailings, can have a large effect on surrounding ecosystems. We recognize the importance of our diverse biodiversity and are committed to managing our impact on our environment with conservation and sustainability in mind. Through strong conservation efforts and mitigation plans, we aim to build long-term sustainable practices and systems that enable us to operate sustainably whilst aiding in the reclamation of the surrounding biodiversity through various strategic initiatives and adhering to all relevant legislation.

We comply with the Environmental Protection Law of People's Republic of China and the Convention on Biological Diversity and continue to improve our biodiversity protection system and management rules, as well as our ecological protection management system. Our system identifies all ecological protection requirements for each stage of construction, all environmentally sensitive targets, and all development-prohibited ecological areas. We understand that our commitment to biodiversity begins in the early stages of the mine lifecycle and lasts beyond reclamation and closure, it is an evolving process and one that requires diligent planning and systems to impact change. In fiscal 2021, there were no major impacts to biodiversity at Silvercorp.



### Planning stage

We collaborate with professional institutions to carry out environmental impact assessments and strictly avoid ecological protection red lines and ecologically sensitive areas; we include an ecological protection measure and feasibility analysis in the project feasibility report to fully assess the environmental background value around the mining areas and take targeted protection measures.



### Construction stage

We fully consider and evaluate the risk of biodiversity damage during the actual construction and mining processes; we adopt applicable technologies to reduce disturbance to farmland, vegetation, forestland, and other parts of the ecological environment; and prohibit the active disturbance of wildlife by operators.



### Mine closure stage

We re-evaluate the biodiversity in and around the mining areas to inform biodiversity compensation plans to compensate for the residual adverse impact of the projects and improve biodiversity.

The Company ensures that development, construction, and environmental mitigation, including slope restoration, vegetation, and geological monitoring, are conducted simultaneously to restore the ecological environment surrounding our mining areas while continuing to operate our business. The greening process is designed to match the characteristics of surrounding habitats, and utilizes/incorporates local, adaptable, biomass-rich, and fast-growing tree species and plants and avoids invasive plant species.



Re-greening in GC Mine

Mining Districts	Regreening	Main Tree Species
Ying Mining District	Planting 37 kinds of saplings, totaling 57,752	Chinese rose, large leaf privet, large leaf boxwood, bamboo, photinia, juniper, willow, cattail, reed, etc.
	Sowing 12 kinds of grass seeds, totaling 2,336 kg	Lawn seed, Ophiopogon seed, Cosmos, sweet chrysanthemum, locust seed, rose seed, clover, lavender seed, etc.
GC Mine	Planting 6 kinds of saplings, totaling 9,380	Ivy, dragon boat flower, rose, gold leaf, big red flower, big leaf crape myrtle, etc.
	Sowing 12 kinds of grass seeds, totaling 36 kg	Grass seed (ryegrass), grass seed (bluegrass), Gesang flower seed, Chrysanthemum flower seed, purple leaf pulp seed, etc.



## Case Helping Luoning Become "Home to Green Bamboo"

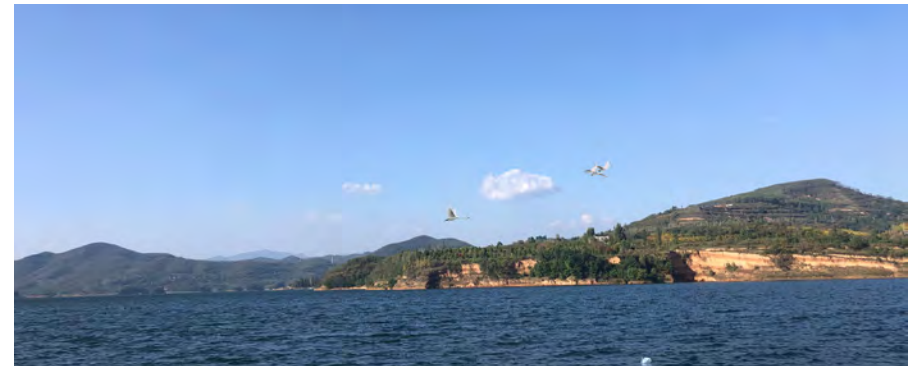
In April 2020, the Luoning County government launched the "Home to Green Bamboo" project to reforest the surrounding areas. Bamboo saplings were planted in Jingyang Town, Luoning County, Henan Province, in an area of 3,350 square meters, and contribute to building a green Luoning. Our subsidiary, Henan Found, donated US \$33,191 towards the project.



Bamboo grove in Luoning County

## Case Water Reservoir Biodiversity Protection Initiative

The Ying Ming District in Henan Province is adjacent to the Guxian Reservoir in Luoyang City and has been used by Silvercorp for many years for transportation. With a volume of 1.2 billion cubic meters, the reservoir not only caters to the drinking water demand of nearly 2 million people in Luoyang City, but is also one of the places where rare fish species from the Aquatic Germplasm Bank of Henan Province are stocked. In November 2020, we stopped utilizing the reservoir for transportation to protect the ecological environment of the reservoir, and set up observation stations nearby to monitor the rare fish, waterfowl, and other birds of the Yellow River basin.



Biodiversity of the Guxian Reservoir



# Emissions, Effluents, and Waste

The responsible management of mineral and non-mineral waste is essential in protecting our environment, communities, and people. We are committed to ensuring our waste management practices are inline with global and national tailings and safety standards.

## Tailings

Tailings are the non-economic materials generated during mineral processing. There are many ways to store tailings once they have been generated, but the most important element is that the tailings are stored correctly and safely. At the end of Fiscal 2021, the Ying Mining District and GC Mine operated three Tailings Management Facilities (TMFs); two wet TMFs located at the Ying Mining District in Henan Province and one dry stack TMF at the GC Mine in Guangdong Province. In Fiscal 2021, we had zero safety accidents at our TMFs.

## Risks and Challenges

The collapse or breach of a TMF can be catastrophic for nearby populations, infrastructure, and the environment. To ensure top-tier safety management, we place a heightened focus on the safety and environmental risks of our TMFs, prioritize the safety of our people, and work closely with the government and regulators to monitor/check for hazards at our TMFs.

<b>Flooding</b>	During the flood season, heavy rains pour into the TMFs, which, when coupled with inadequate drainage facilities, could cause flooding and then the collapse of the TMFs.
<b>Landslides</b>	A landslide begins with a small crack in the TMFs, which slowly grows before finally causing a landslide and dam failure.
<b>Seepage failures</b>	Ongoing seepage can accelerate the formation of TMFs dry beaches and the solidification of tailings, making the dam more stable and safer. However, in the case of a poorly designed and constructed dam body or an aging drainage system, the infiltration line of the dam body can become high enough to cause a dam collapse.
<b>Piping</b>	As the water level rises, the gushing water also carries with it more sand and soil. If the sand layer under the dam is hollowed out, it will cause the dam to suddenly fall and even collapse.
<b>Cracking in dam body</b>	Partial collapse or cracking in the dam body resulting from insufficient bearing capacity, improper design of the dam slope, or undesirable cross-sectional size can all cause cracks to develop in the dam body and become a channel for concentrated leakage.

## Coping Strategies

Silvercorp follows the Global Industry Standard on Tailings Management. The Company is careful that the tailings disposal and dam construction are compliant with relevant design requirements, operations planning, and technical specifications and that there is proper control over water level, flooding, and seepage. A monitoring system is in place to track the main technical data of the TMFs in real time, combined with regular inspections for safety hazards. We also have a sound emergency management system to maintain safe and stable operations at our TMFs.

## Systems and regulations

Silvercorp has developed a number of systems and regulations on TMFs, including:

- Flood Control Measures and Flood Drainage Facility Safety Regulations
- Environmental Monitoring Regulations
- Regulations on Seepage Control and Drainage Facility Safety
- Water Level Control Safety Regulations
- Regulations on Seismic Resistance and Safety of TMFs
- TMF Production Safety Accident Investigation and Management Regulations
- Safety Regulations on Tailings Transportation, Dam Construction, and Discharge
- Dry Stack TMF Safety Regulations
- Dry Stack TMF Safety Inspection Regulations
- 24-hour Monitoring and Shift System for Dry Stack TMF

<p><b>Emergency planning</b></p>	<p>Silvercorp develops emergency plans to enhance the response and preparedness for emergencies and disasters at the TMFs, including the Comprehensive Emergency Plan for Production Safety Accidents in Dry Stack TMF, the Special Emergency Plan for Production Safety Accidents in Dry Stack TMF, the On-site Rescue Plan for Dry Stack TMF, and the Emergency Rescue Plan for Production Safety Accidents.</p>
<p><b>Online monitoring</b></p>	<p>An online monitoring system is set up in the two major mining areas, informing scientific decision-making by supporting real-time monitoring of the safety status at the TMFs and enabling predictions and early warning.</p> <ul style="list-style-type: none"> <li>● GC Mine: Obtains critical real-time data from the online monitoring system in the dry stack tailings area, such as the infiltration line, the internal displacement, the surface displacement, and the precipitation. The data are synchronized to the Sky Eye and Earth Eye safety risk early warning and prediction system for non-coal mine TMF of the Department of Emergency Management of Guangdong Province, subject to government supervision.</li> <li>● Ying Mining District: The online TMF monitoring system and the key operational data are integrated into the Emergency Management System of Luoyang City, Henan Province and will be connected to the national monitoring platform as required in the future.</li> </ul>
<p><b>Periodic evaluations</b></p>	<p>We have designated personnel for production safety, with each subsidiary appointing a safety engineer responsible for identifying, preventing, and managing TMF risks. There is also a multi-level TMF safety evaluation mechanism for ensuring the stability of the TMF dams.</p> <ul style="list-style-type: none"> <li>● Conducting a TMF safety status evaluation every three years and a dam stability analysis when the tailings dam reaches a specified height (which is 1/2 to 2/3 of the final design height for Grade III TMF (or lower) and 1/3 to 1/2 of the final design height for Grade I and Grade II TMFs).</li> <li>● Reviewing our emergency response plans every three years.</li> <li>● Performing flood routing and a dam stability assessment every year before the arrival of extreme weather events such as heavy rains during the flood season.</li> </ul>
<p><b>Accident reporting</b></p>	<p>We utilize a system that provides an open and transparent channel for reporting production safety accidents while keeping the information of the reporters strictly confidential.</p>
<p><b>Public disclosure</b></p>	<p>Silvercorp is committed to transparency through disclosure of TMFs management in its annual sustainability reports, on its website, and via the media.</p>



Carry out training on TMF management



Experts inspect the online monitoring system of TMFs



Inspection of tailings dam





TMF anti-seepage reinforcement and dam regreening



Conduct emergency drill against flood and dam collapse at the TMF

## Waste Management

China's most recently implemented 5-year plan is a call to action for a country wide transition to a low-carbon industrial society. The plan calls for the reduction of emissions, pollutants, and waste through the implementation of sustainable initiatives, development, and technology in order to cap carbon emissions and eventually reach carbon neutrality. For mining companies, this transition will bring with it the establishment of sustainable waste management practices and economic systems, as well as the necessary maximization of their resources.

A billion tonnes of tailings and waste rock are generated each year in China and produce a series of environmental issues, such as land usage, vegetation destruction, and air pollution. The mining activities at the Ying Mining District have historically produced volumes of waste rock that require a substantial amount of land for storage. Through the use of a treatment plant, waste rock can be converted to sand and gravel aggregate thereby reducing the consumption of primary resources, land, environmental risks, and overall costs.

In April 2020, Silvercorp, in conjunction with Luoning City Investment Company, commenced construction of a one million tonne per year aggregate waste rock treatment plant. The plant was designed to reduce the Ying Mining District's surface waste rock impoundments on-site and maximize the recovery and recycling processes. Silvercorp provided approximately USD\$4.4 million to construct the plant and will recoup its capital costs prior to the plant's profits being distributed to the partners, providing an additional economic benefit to the local community through the commercialization of the sand and gravel for the construction industry of Luoning County and neighbouring areas. The aggregate production line was officially commissioned in April 2021.

The development of a low-carbon system that reduces waste, land use, and costs was a key consideration in improving the waste rock management practices at the Ying Mining District. Adherence to high national and provincial standards for emissions guided the construction and design of the plant. As a result, the Company is pleased to report that the plant will be classified as an "ultra-low emission" facility. In building the plant, the main goal was to maximize the recovery and recycling processes through efficient development. Key processes of the plant include: a vertical shaft impact crusher, an automated PLC production control system, and a fully enclosed production line.

At Silvercorp's GC Mine in Guangdong Province, waste rock recycling processes have been in place since the mine's construction. The GC mine has not accumulated any waste rock in surface stockpiles, as over 90% of the waste rock produced is donated to the local community for processing at their aggregate production facilities, with the balance being used as backfill. Silvercorp has also purchased the end products for its construction projects periodically. In addition, in Q3 Fiscal 2021, Silvercorp completed the construction of a paste backfill plant at the GC mine at a cost of USD\$1.5 million, where approximately 40% of the mine's dewatered tailings are mixed with cement and pumped underground to fill mined out stopes, with the balance stored in a dry stack TMF. This investment enables the GC mine to return a significant portion of the tailings back underground as fill for mined out areas, which is expected to reduce the future costs and risks associated with the operation of above ground tailings facilities. In Guangdong Province, the waste rock generated by the GC Mine is transported and processed by the Gaocun Town Development Corporation and used for infrastructure construction in the mining area and local social construction. The comprehensive utilization rate of the waste rock reached 90.4% in Fiscal 2021.

Overburden, Rock, and Tailings	Fiscal 2021		
	Ying	GC	Total
Total amount of tailings (tonnes)	595,638	271,442	867,080
Total amount of waste rock (tonnes)	716,541 <sup>Note 1</sup>	239,099	955,640
Tailings used as backfill (tonnes)	-	65,625	65,625
Waste rock recycled (tonnes)	232,115	216,130	448,245
Tailings not used as backfill (tonnes)	595,638	205,817	801,455
Waste rock not recycled or used as backfill (tonnes)	484,426	22,969	507,395

Note 1: The amount of waste rock is the waste rock accumulated during the construction of the Hongfa Building Material Factory from April 2020 to December 2020. Since the factory was put into operation, the waste rock has been reused as a raw material for production.



The ore mining and milling processes produce a large volume of tailings, waste rock, and other solid wastes, which not only occupy land but also reduce the comprehensive utilization rate of mineral resources. In compliance with the Law of the People's Republic of China on the Prevention and Control of Solid Waste Pollution (revised in 2020), the Directory of National Hazardous Wastes, the Standard for pollution control on the non-hazardous industrial solid waste storage and landfill (GB18599-2020) and the Standard for Pollution Control on Hazardous Waste Storage (GB18597-2001), we have formulated the Stationary Waste Management Regulations. We classify wastes generated during production and operations and explore the comprehensive utilization of solid wastes based the principle of "unified collection, classified disposal, and elimination of hazards" to achieve the goal of waste reduction, recycling, and safe disposal.



Domestic waste classification

## Waste Discharge and Disposal

	Fiscal 2021		
	Ying	GC	Total
Hazardous waste (tonnes)	21.08	1.80	22.88
Including: Waste oil (tonnes)	1.16	1.80	2.96
Waste batteries (tonnes)	19.92	0	19.92
Non-hazardous waste (tonnes) <sup>Note 1</sup>	1,080,358	228,919	1,309,277
Including: Tailings not used as backfill (tonnes)	595,638	205,817	801,455
Waste rock not recycled or used as backfill (tonnes)	484,426	22,969	507,395
Other non-hazardous waste(tonnes) <sup>Note 2</sup>	294	133	427
Domestic waste to landfill (tonnes)	740	51	791

Note 1: According to Identification Standards for Solid Wastes General Rules (GB34330-2017), tailings and mining waste rock are non-hazardous wastes. In fiscal 2021 sustainability report, we included tailings and mining waste rock as non-hazardous waste indicators. The relevant data is subject to the fiscal 2021 sustainability report.

Note 2: Including waste tires, steel and other production materials. This indicator is in line with the indicator Non-hazardous Waste disclosed in the fiscal 2020 sustainability report.

## Noise Management

The main sources of noise from our mining processes include: mine blasting, ventilation equipment, processing plant crushing, screening equipment operations, and motor vehicle engines. Our overall approach to managing noise pollution is governed by the Law of the People's Republic of China on the Prevention and Control of Ambient Noise Pollution; we implement the three standards set in the Emission Standard for Industrial Enterprises Noise at Boundary (GB12348-2008) and carry out quarterly noise monitoring in the production plants. To mitigate the noise created by our operations, we purchase low-noise equipment whenever possible and incorporate shock absorption and isolation into production equipment such as crushers, ball mills, and flotation machines to reduce noise at the source, and minimize nighttime operations and transportation so that neighboring residents are not disturbed at night. We also provide workers with PPE such as ear plugs, ear protectors, and other protective equipment, in addition to providing annual occupational health examinations and institute a rotation system for posts exposed to serious noise to keep our frontline workers safe.



# Climate Change

In 2020, the Chinese government pledged to peak carbon emissions by 2030 and to become fully carbon neutral by 2060. As a responsible miner with operations in China, we acknowledge the importance of transitioning to a low carbon economy and the government's pledge to implement efficient sustainable practices to address global warming. The mining industry is necessary in the transition to carbon neutrality for metals and minerals will play a substantial role in the construction of the infrastructure and technology needed to reduce emissions. At our operations, we aim to be highly efficient, produce low emissions, and implement innovative technology to find sustainable strategies to help reduce our carbon footprint.

In an effort to further our commitment to reducing our emissions, we have identified the main transitional and physical risks and opportunities climate change could pose on our business, based on recommendations by the Task Force on Climate-related Financial Disclosures (TCFD). We are committed to developing an ESG-related action plan/framework to address the outlined climate risks, and where possible, to establish mitigation strategies, in line with the TCFD's recommendations.

Types	Description
Physical risk	<p><b>Short-term risk</b></p> <p>The increased frequency of 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. It could cause the Company's production capacity to decline, cause injury to employees/contractors, or bring environmental problems.</p>
	<p><b>Long-term risk</b></p> <p>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.</p>
Transitional risk	<p><b>Policy and law</b></p> <p>China will introduce a quota system for carbon emissions, which could increase compliance costs if companies are included in the national carbon trading market as key emitters.</p>
	<p><b>Reputation</b></p> <p>Stakeholders are paying more attention to the Company's response to climate change, natural resource consumption, etc., and if the efforts do not meet expectations, it may have a negative impact on the Company's reputation.</p>
	<p><b>Market</b></p> <p>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.</p>

## Formulating Energy Conservation and Emission Reduction Strategies

We have adjusted and improved our carbon emission management system to incorporate recent developments in worldwide climate change policies. Our management system outlines our reduction goals and the key tasks that will help us operate as a low-carbon, energy efficient, and low-emission business.

- Continuing to improve the energy management system, setting targets for total energy consumption and intensity, and including them in the assessment of departments and management.
- Creating a digital, automated, and intelligent mining process and energy management system, and achieving energy saving and consumption reduction through refined management.

Improved energy management

Improved energy structure

- Carrying out demonstration and pilot programs for new energy use; effectively improving the energy structure by setting up distributed PV power generation facilities in mining areas and using renewable and clean energy, such as wind, solar, and hydropower.
- Enabling electrical automation of mining, tunneling, transportation, and other equipment and eliminating the use of coal.
- Gradually replacing fuel-burning transportation vehicles and commuter buses with new energy vehicles.

- Realizing large-scale optimal utilization of solid waste resources in a regulated way through underground backfilling, comprehensive utilization of waste rock and tailings, etc., improving the efficiency and benefits of resources.

Comprehensive utilization of resources

Strategic industrial investment

- Further expanding strategic minerals related to new energy and new materials and investing in clean energy projects such as wind power and PV, relying on existing mining advantages to achieve new growth under the peak carbon emissions and carbon neutrality strategy.

- Developing and applying low energy intensity production and mineral processing techniques and phasing out outdated processes and equipment to realize clean production and reduce the intensity of pollutants and carbon emissions.
- Promoting green mining and reducing the amount of mining and development to minimize the associated consumption of explosives and their impact on the ecological environment.

Technological optimization and upgrades

Carbon reduction

- Creating carbon sinks and contributing to carbon neutrality by increasing land reclamation and greening projects at production sites.

## GHG Emissions and Air Pollution

Silvercorp follows all relevant policies, regulations, and standards for preventing and mitigating air pollution. We continue to improve our performance in this regard and fully evaluate our air pollutant emissions to ensure they meet applicable standards. Our approach is based on a circular economic model that promotes high utilization, low emissions, and efficient resource recycling. We constantly optimize our energy consumption structure and encourage the use of new energy and technology to limit our use of fossil fuels and in hopes of eventually establishing a system in which they are non-essential.

GHG Emissions <sup>Note1</sup>	Fiscal 2021	Fiscal 2020	Fiscal 2019
Direct (Scope 1) GHG emissions	1,803	1,535	2,032
Including: Diesel (tonnes CO <sub>2</sub> -eq)	1,559	1,335	1,824
Gasoline (tonnes CO <sub>2</sub> -eq)	244	200	208
Coal (tonnes CO <sub>2</sub> -eq) <sup>Note2</sup>	0	0	0
Liquified petroleum gas (LGP) (tonnes CO <sub>2</sub> -eq) <sup>Note3</sup>	0	0	0
Indirect (Scope 2) GHG emissions	63,120	57,962	56,240
Including: Electricity (tonnes CO <sub>2</sub> -eq)	63,120	57,962	56,240
Total (Scope 1 and Scope 2) GHG emissions (tonnes CO <sub>2</sub> -eq)	64,922	59,498	58,272

Note 1: According to China Energy Statistical Yearbook 2020 edition and Guide to Accounting Methods and Reporting of GREENHOUSE Gas Emissions of Mining Enterprises, we have adjusted the conversion factors of greenhouse gas emissions. See page 106 for more details about calculation.

Note 2: Silvercorp replaced coal-fired boilers with electric boilers at all its mines in 2018, so coal is no longer used.

Note 3: Silvercorp replaced all liquified gas stoves with electric stoves in all its mines in 2018, so LGP is no longer used.

## Dust Pollution Reduction

The Company formulates a targeted plan for dust prevention and treatment, and keeps dust-producing parts and equipment enclosed to control dust at the source. We strengthen dust prevention measures during production and transportation and promote the modernization of dust control systems and capabilities.

Sources of Dust	Dust Control Methods
Waste rock	Reducing dust with dust nets and water-spraying.
Transportation roads	Regularly cleaning the transportation roads, covering up the transportation vehicles, and automatically cleaning vehicles entering and exiting our plants.
Ore stockpiles	Paving the ore storage facilities and spraying water to reduce dust
Industrial sites	Using wet dust removal equipment and bag filters in the processing plant; installing dust collection facilities and water spraying at the dust production points.



Ying Mining District

- Formulating the Company Dust Prevention and Control Implementation Plan to fully standardize the dust control measures for each operating process.
- Invested over US \$696,268 paving roads and ore storage facilities in the mining area; invested US \$54,580 on new sprinklers and spraying water on mine transportation roads and the processing plant twice a day to reduce dust, benefitting more than 160 nearby households.

GC Mine

- Using sprinklers to reduce dust; invested about US \$8,851 installing water spray devices along mine roads and spraying water twice a day to reduce dust.
- Signed a commissioned inspection agreement with a third party, which undertakes inspections of the dust collector exhaust outlets at the processing plants quarterly in accordance with the Grade II Standard of the second period of the Guangdong Province Air Pollutant Emission Limits (DB44/27-2001).



Fog cannon dust suppression system

Flue Gas Treatment

Beginning in 2018, the Company has replaced all coal-fired boilers with electric boilers, thus eliminating the emission of sulphur oxides. Certain nitrogen oxides and ammonia nitrogen compounds however, are still being emitted as a result of blasting and ore transportation.

Air Pollutant Emissions	Fiscal 2021	Fiscal 2020	Fiscal 2019
Sulphur oxides (SOx) (tonnes) <sup>Note1</sup>	0	0	0
Nitrous oxides (NOx) (tonnes) <sup>Note2</sup>	464.06	458.31	407.94
Ammonia nitrogen (NH) (tonnes)	0.53	0.5	0.23

Note 1: Our mines have replaced all coal-fired boilers with electric boilers, no sulfide emissions are produced.

Note 2: Includes nitrous oxides from mine blasting and diesel, gasoline combustion.



Truck flushing to reduce dust carry

# Water Pollution Prevention and Control

Water management is an important aspect of our overall environmental management, and we have created operation specific water management systems that outline specific processes that will aid in reducing our consumption of water, and in the recycling and repurposing of our treated wastewater. The Company recycles and integrates treated water from its mines for use in its processing plants, dust suppression, landscaping, agriculture, and irrigation, to meet its goal of reducing freshwater consumption. We also implement innovative technology to improve efficiency and improve the monitoring of discharged pollutants.

**Ying Mining District**

Formulating the Environmental Protection Management System and Penalty Standards to regulate and supervise water resource management in terms of sewage discharge, utilization of wastewater from processing plants, reuse of mine water inflow, supervision of mine water inflow treatment facilities, and the protection of household drinking water sources.

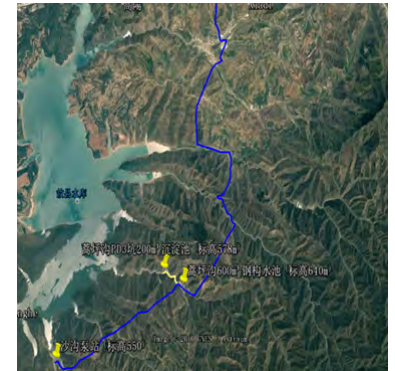
**GC Mine**

Establishing a comprehensive water pollution identification mechanism that has identified 18 environmental factors corresponding to the five operating areas of underground water pump drainage, household sewage treatment, mine water inflow treatment, tailings dewatering process, and tailings dry stacking process; classifying those factors according to their scale, severity, and frequency of environmental impacts, formulating mitigation measures, and regularly assessing the effectiveness of those measures.

Silvercorp's water sources are mainly the reuse of mine water inflow and withdrawal of fresh surface water. In Fiscal 2021, the Company's fresh water withdrawal stood at 823,127 cubic metres. We strive to replace our freshwater usage with mine water inflow and recycled wastewater from ore processing, making every effort to optimize the water use structure and improve water efficiency.

## Case Ying Mining District: Maximizing Utilization of Mine Water Inflow

The Ying Mining District invested nearly US\$737,572 in a comprehensive mine water inflow utilization project. Mine water inflow treatment facilities have been installed and put to use at the TLP PD820 and LMW PD924 mining systems. After treatment, the water inflow meets the Standard III of the Environmental quality standards for surface water (GB2002-3838). In September 2020, we further applied the facilities in the SGX Mine. As of the end of Fiscal 2021, the project in the Ying Mining District, Henan Province had reduced the discharge of mine water inflow, COD (Chemical Oxygen Demand) emissions, and nitrogen ammonia emissions by 250,000 tonnes, 1.2 tonnes, and 0.04 tonnes respectively.

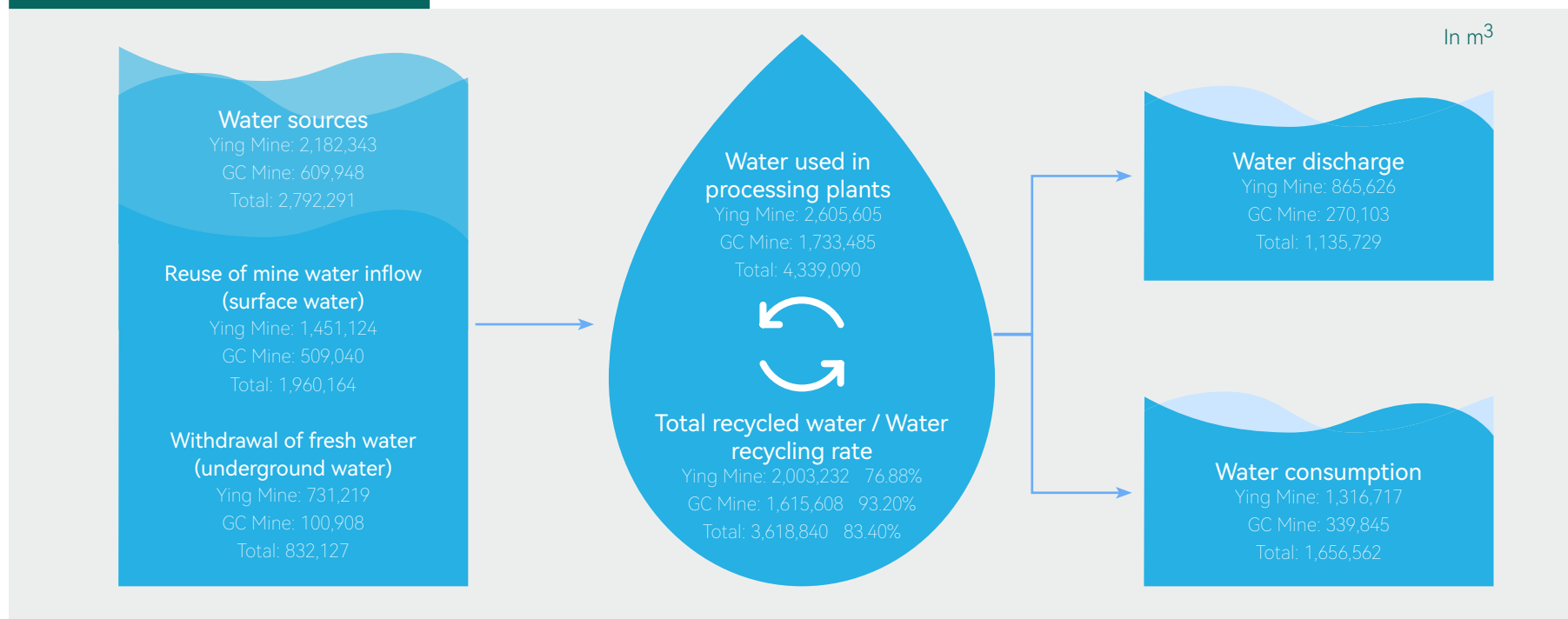


Satellite image of mine gushing water reuse pipeline



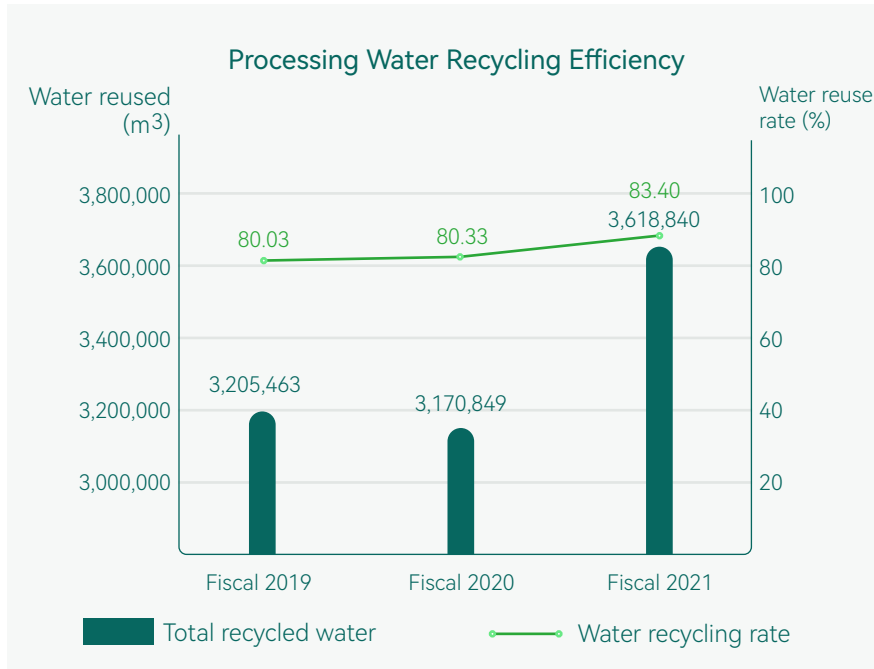
Farmland irrigation planning

## Water Usage in Fiscal 2021



Types of Sewage	Main Sources	Measures
Mining wastewater	Mine water inflow from underground mining	We reuse or discharge the mine water inflow after treating it in the mine water treatment plant so that it meets the Class III of the Environmental quality standards for surface water (GB3838-2002). It is mainly reused in underground mining or for ore processing.
Ore processing wastewater	Concentrate dewatering and tailings backwater	Water from concentrate dewatering is transported to the high-level backwater tank through the return pump pipeline in the plant area and tailings backwater is transported to the high-level backwater tank through the pumping station pipeline in the plant area, achieving zero tailings water discharge into the environment and 100% water recycling rate.
Household sewage	Daily life of employees	After centralized treatment in the biochemical sewage treatment system, the sewage meets required standards and the water is used for dust reduction in the mining area and in greening initiatives in the surrounding forestland.





Rainwater and process water diversion system at the GC mine

#### Rainwater and process water diversion

We have implemented rainwater and process water diversion systems in both mining districts to collect and transport rainwater and process water separately, which allows for the rainwater to be directly discharged, thus improving the efficiency of the treatment plant.



Inflow water pump room

Sedimentation basin

#### Anti-seepage solutions at TMFs

Our TMF dam, anti-seepage systems, and planning are supported by scientific technology and are built in compliance with relevant technical standards. We conduct regular quality inspections on the TMF dam, the anti-seepage membranes, etc., strengthen the daily inspection and observation of the TMFs, and take immediate measures if any safety hazards are identified, and report them.

# Energy Management

We continue to find new and innovative ways to increase the efficiency of our energy management systems. Based on comprehensive calculations of energy consumption, such as electricity and oil, we carry out a comparative analysis of our energy efficiency, which influences our energy management targets and improvement plans. We aim to implement innovative energy-saving technologies to drive continuous improvement in our energy performance.

## Electricity analysis

We carry out a monthly analysis, calculating monthly electricity consumption and evaluating the implementation of a smoothed electricity use approach, and report problems to the plants and mines for timely rectification.

## Direct electricity purchases

We participate in direct electricity transactions and achieve the optimal allocation of power resources by signing long-term cooperation agreements. In Fiscal 2021, the Ying Mining District purchased in 94.6 million kWh directly, saving US \$444,018 in electricity charges; for the GC Mine, those figures were 30.1 million kWh and US \$168,166 respectively.



Electricity consumption analysis meeting

Electricity Consumption	Fiscal 2021	
	Ying	GC
Year-on-year change in peak electricity consumption (%)	-0.03	+0.28
Year-on-year change in electricity consumption during flat period (%)	-0.34	-0.10
Year-on-year change in electricity consumption during valley period (%)	+0.47	-0.18
Direct electricity supply transactions (10,000 kWh)	9,456.98	3,006.49
Electric charge savings from direct supply (\$)	444,018	168,166

Energy Consumption	Fiscal 2021	Fiscal 2020	Fiscal 2019
Diesel (m <sup>3</sup> )	592	507	693
Gasoline (m <sup>3</sup> )	107	88	91
Coal (tonnes)	0	0	0
Liquefied Petroleum Gas (LPG) (m <sup>3</sup> )	0	0	0
Electricity (MWh)	119,988	110,185	106,913
Total energy consumption (tonnes of standard coal equivalent)	15,603	14,271	14,103
Total energy consumption (GJ)	457,119	418,011	413,074

We continue to optimize our energy structure in step with the global energy transition trend. We no longer use any coal, have been exploring the use of new energy sources, and have been gradually introducing new energy equipment in lighting, transportation, heating, cooling, and other areas. We have phased out outdated processes and equipment over time based on energy efficiency monitoring and assessment to improve our energy efficiency. A few of the ways we have done this include eliminating the use mining vehicles below the National IV Standard and switching to LED lights for underground lighting.

### Case Replacing High Energy-consuming Equipment and "Going Green"

In Fiscal 2021, Ying Mining District phased out nine second-level energy-consuming air compressors and replaced them with new first-level energy-consuming frequency conversion screw air compressors. Given the same air supply and pressure, the power is reduced from 132KW to 95KW, saving over 28% of energy. GC Mine replaced one air compressor, effectively reducing the use of power and improving efficiency.



# Social Responsibility

Health and Safety  
Our People

Strengthening Supply Chain Management  
Our Community

At Silvercorp, we seek to build lasting relationships with all stakeholders, and are driven by our Company values: respect, equality, and responsibility. We recognize that building an inclusive workplace means providing equal opportunities and safe working environments, as well as cultivating and maintaining a company culture based on fairness and respect. We are committed to implementing such values and opportunities Company wide and within our communities, for doing so will not only make us a better company but will also help us retain and attract the best workforce possible and create lasting sustainable value where we work and live.

- **157,247** hours of safety training for employees and contractors
- Diversity and Inclusion statement adopted
- Human Rights statement adopted
- US **\$1,194,867** donated to social/ community initiatives
- **0** grievances received



# Health and Safety

At Silvercorp, safety is a top priority. Through extensive training, strong management, and innovative technology, we have created a company culture centered around health and safety set on minimizing the potential risks associated with our business.

## Our Approach

Our approach to health and safety is prevention-focused; we establish comprehensive rules and regulations, define responsibilities, and implement strict operating procedures to eliminate hazards in our facilities to mitigate potential accidents. Our Eblog App also plays an important role in our prevention-focused approach as it assists in the identification, detection, and elimination of hazards, the on-site management of production safety, and the supervision and evaluation of safety personnel.



### Production safety strategies

- Safety-first
- Prevention-focused
- Integrated management
- Company-wide involvement



### Production Safety Management System

- Government safety requirements
- Dual prevention mechanism
- Tripartite safety confirmation system

## Risk Management

### Dual Prevention Mechanism

The dual prevention mechanism serves as a firewall against safety accidents by assisting in the classification of potential risks and hazards and the simplification of risk management. Risk classification is the foundation for the investigation and management of hazards. By identifying risks early, it allows us to eliminate, reduce, and or control risks at the source and even decrease the probability of them occurring, and the severity of their consequences. Hazard investigation and management takes our risk assessment even further by detecting the failures, defects, or deficiencies in our control measures, and allows for timely corrective measures. The mechanism sets up a working group to plan and coordinate its operation and enables automatic early warning by linking the facility operations database, the work activities database, and the corporate risk database with the results of routine hazard inspections using the Eblog App. The processes of risk classification and hazard investigation and management are thus recorded in their entirety.

We are, and have always been, committed to standardizing production safety management in our operations. As a result, our subsidiary, Henan Found, which operates the Ying Mining District has been named a Model Enterprise for its Dual Prevention Mechanism in Henan Province

#### Risk classification

We systematically identify and classify risks at the source to keep all risks within an acceptable range and prevent and reduce safety hazards.

#### Hazard investigation and management

Through investigation and management, we detect the deficiencies, defects, and failures in the process of risk control to eliminate hazards before they occur.

## Tripartite Safety Confirmation System

The tripartite safety confirmation system is a comprehensive safety supervision and inspection system created by Henan Found. Prior to any mine work commencing, the safety of the operation is confirmed by three individuals, (1) a Henan Found representative such as a mining engineer, (2) the Contractor Manager, and (3) a mining crew team leader. Once all three parties have conducted their inspection, the safety of the facilities is then confirmed in the presence of all three parties whereafter work can commence. If any safety risks or deficiencies are identified, they are dealt with immediately and the safety of the operations must be confirmed by the three parties once again. By implementing this system, the safety of our operations can be guaranteed, and we can reduce the risks associated with mining activities.

## Health and Safety Management

As a responsible miner, we believe that it is our duty to provide a safe environment for all workers, contractors, and stakeholders. One of the best ways to create a safe working environment for our people is by implementing extensive health and safety training across all levels of our company. To do this, we developed the Production Safety Training System to improve overall safety knowledge and provide education surrounding hazard identification and general best practices. We also incorporate regular safety drills into our operations to better prepare our workers for potential emergencies and accidents. To strengthen overall site safety knowledge and practices, the Company also includes all contractors in its occupational health and safety management system, where all parties are subject to the same management, requirements, and improvements as Silvercorp employees.

Our safety system includes training on:

- Relevant laws, regulations, and standards: the Law of the People's Republic of China on the Prevention and Control of Occupational Diseases, the Production Safety Law of the People's Republic of China, the Interim Measures for the Safety Management of Non-coal Mine Outsourced Projects, Production Safety Guidebook, the Production Safety Regulations, and the Safety Procedures for Metal and Non-metal Mines;
- Occupational hazards and preventive measures: Emergency Plan for Smoke Poisoning, Situation and Countermeasures of Occupational Health, First-aid Training, CPR Training; and
- Management experience and case study of production safety of the industry: Special Training on Mining Safety, Study of the Investigation Report of the "1.10" Major Explosion at Hushan Gold Mine.

Safety Training	Fiscal 2021	Fiscal 2020	Fiscal 2019
Number of safety training sessions	2,033	1,977	1,642
Average safety training hours per worker (h)	34.90	40.29	36.13
Average safety training hours per employee(h)	20.49	22.44	23.30
Average safety training hours per contractor(h)	41.50	43.06	41.21
Safety training coverage for employees(%)	100	100	100
Safety training coverage for contractor(%)	100	100	100

### Protective equipment



We equip all the workers (employees, contractors, etc.) with overalls, safety helmets, dust masks, rain boots, safety jackets, locators, oxygen self-rescuers, and detectors, and provide training on the importance and correct use of all protective wear.

### Safety education



Workers take a safety pledge every day before the mining operations begin and receive safety training twice a month to maintain awareness.

### Regulatory requirements



Operators participate in the tripartite safety inspection and confirmation on-site. We formulate the Provisions for Safety Violation, which applies to both employees and contractors, and conduct regular on-site inspections.



Ying Mining District

Conducting 15 emergency drills and 23 on-site rescue drills; increasing the number of rescuers to 129; supplementing and upgrading the emergency supplies for newly-formed rescue teams and construction units.



Emergency rescue competition

GC Mine

Conducting 7 emergency drills and a joint full-scale emergency drill with the Yun'an District Government, comprehensively improving the company's emergency response capacity.



A professional mine rescue team is invited to provide training on rescue breathing and CPR

Safety Performance

In Fiscal 2021, Silvercorp initiated an enhancement process at the Ying Mining District and GC Mine following the ISO 9001:2015 - Quality management systems, the ISO 45001:2018 - Occupational health and safety management systems, and the ISO 14001:2015 - Environmental management systems, and invited a professional third party to conduct the QEO (Quality, Environmental Management, Occupational Health and Safety) system certification.

Production Safety Investment	Fiscal 2021		
	Ying	GC	Total <sup>Note1</sup>
Total investment in production safety (US \$)	2,605,462	881,818	3,487,280
Investment in protective equipment (US \$)	179,528	9,099	188,626
Inspection fee for protective equipment (US \$)	75,258	20,013	95,270
Hazard rectification cost (US \$)	7,157	45,077	52,234
Investment in production safety training (US \$)	118,449	9,136	127,585

Note 1: Besides the Henan Ying Mining District and the Guangdong GC Mining District, the "total" data also includes data of the administration in Beijing and Vancouver, which is not shown separately for it accounts for a very small percentage.



Tripartite Safety confirmation before work

Safety Performance	Fiscal 2021	Fiscal 2020	Fiscal 2019
Number of lost time injuries (LTI) <sup>Note1</sup> <sup>Note2</sup>	6	7	7
Lost work time (h) <sup>Note1</sup> <sup>Note3</sup>	3,008	7,820	3,052
Number of work-related injuries <sup>Note1</sup> <sup>Note4</sup>	6	7	7
Lost time incident rate (LTIR) <sup>Note1</sup> <sup>Note5</sup>	0.65	0.84	0.87
Number of work-related fatalities <sup>Note1</sup>	0	0	0

Note 1: Includes contractors.

Note 2: Number of lost time injuries are the number of incidents of employees leaving their jobs due to occupational health and safety accidents during work hours.

Note 3: Lost work time (h) refers to the number of lost work hours corresponding to each lost time injury.

Note 4: Number of work-related injuries refers to the number of lost work hours and casualties defined as work injuries by the Work Injury Insurance Regulations.

Note 5: Calculation of lost time incident rate (LTIR): (Number of lost time injuries/Work hours)\*1 million hours.



Safety training for contractors at the Ying Mining District

## Management of Hazardous Materials

### Management of civil explosives

In compliance with applicable laws and regulations, such as the Regulations on Civil Explosives Safety Management and the Ten Provisions for Strictly Controlling Civil Explosives, the Company requires all the mining areas to strengthen management of flammables and explosives.

- Supervising the use of civil explosives: We allocate explosives according to the volume of operations; we examine the civil explosives storage facilities in the mining areas at irregular intervals every week while undertaking a comprehensive annual risk assessment and a monthly inspection to ensure their safety.
- Qualification management of blast personnel: The blasters must be trained by the Public Security Department and obtain a blast certificate.
- Imposing safety accountability: Unlicensed personnel are forbidden to operate; offenders will be faced with the appropriate consequences.



Explosives storage warehouse in the Haopinggou Mines



## Management of hazardous chemicals

The hazardous chemicals involved in the Company's mining operations mainly include nitric acid, hydrochloric acid, sulfuric acid, sodium peroxide, and potassium nitrate.

- Protective treatment: We protect the nitric acid storage tank area against the sun, seepage, and corrosion with special treatments and set up a cofferdam so that in case of a tank leakage, it will be confined within the cofferdam and accident pool.
- Special storage: Laboratory chemicals are specially stored, with double-lock doors, alarms, protective nets, and protective equipment such as fire extinguishers and acid-proof clothing.
- Strict management and control: The storage and use of hazardous chemicals are accurately recorded, and a surveillance camera system is installed in hazardous materials storage facilities.



Nitric acid storage area

## Fire Safety

The Company adopts a prevention centred approach, bolstered by firefighting. We continue to increase the intensity and frequency of fire drills, increase investment in firefighting, and improve the firefighting infrastructure to bring fire incidents to a minimum and better protect our people.

### Case Conducting Fire Drills to Enhance Emergency Response

On December 29, 2020, the GC Mine and Yun'an District Government of Yunfu City had a joint evacuation drill for fire accidents in underground mines. We simulated a fire in an underground mine, trapping three workers. The rescue personnel handled all the scenarios, including accident reporting, evacuation, rescue, and medical aid, in accordance with the emergency plan. We learned how the emergency plan could be simplified and ways the rescue team could improve their response and coordination in the event of a fire accident.



### Emergency Prevention and Response

At each of our operations, comprehensive emergency planning systems, focused on prevention, rapid response times, and general safety, have been implemented in an effort to further our commitment to risk identification and mitigation. In fiscal 2021, our Ying Mining district held 15 emergency drills, conducted 23 on-site rescue drills, grew our rescue team to 129 members, and upgraded/enhanced the emergency supplies for the newly-formed rescue teams and construction units. In fiscal 2021, our GC mine conducted 7 emergency drills and a joint full-scale emergency drill with the Yun'an District Government.



## Occupational Health, Safety, and Well-being

In addition to our comprehensive safety plans, we also integrate occupational health and wellness examinations, reviews, and services into our approach. We have developed a Work Plan and Implementation Scheme for Occupational Disease Prevention and Control in order to build a sound occupational disease prevention system. In strict accordance with the Workers' Occupational Health Monitoring and File Management System, we also provide regular physical/health examinations for employees and focus on maintaining sanitary and clean work conditions for employees and contractors, in hopes of minimizing the occurrence of occupational hazards and diseases. Our system focuses on three steps; screening, record management, and communication.



### Screening for and eliminating occupational hazards

- Entrust a qualified third party to conduct tests for occupational hazards in office and mining areas every year and publicly display the results
- Set up protective facilities at every mining site, with regular inspections and maintenance.
- Provide employees with personal protective equipment that meets national or industry standards and provide regular training on proper use.
- Report and file all of the Company's current information in the Occupational Disease and Hazard Report System.



### Record management

- Arrange for a pre-job physical examinations for new employees and inform them of occupational hazards during the on-boarding process.
- Employ an occupational health service institution to conduct pre-job, on-job, and post-job occupational health examinations for employees who are exposed to occupational hazards.
- Set up an occupational health monitoring files and conducting an annual occupational health examinations for all employees.
- The occupational health monitoring file contains employees' occupational history, results and handling of occupational health examinations, occupational disease diagnoses and treatments, etc.



### Regular communication

- Set up training and increase awareness of relevant laws and regulations, including the Law on Prevention and Control of Occupational Diseases, through activities such as the Publicity Week for Law on Prevention and Control of Occupational Diseases and the Occupational Disease Quiz.
- Set up bulletin boards in high visibility positions within mining areas to display occupational hazard-related rules and regulations, operating procedures, and test results.
- Display warning signs and Chinese warnings and instructions in high visibility locations for jobs that can cause serious occupational diseases or hazards.



Labor protection for workers



Carry out regular physical examinations for employees



Occupational health posters

# Our People

At Silvercorp, we believe our people are our greatest asset. We strive to create a safe, diverse, and inclusive space for our entire workforce and aim to be an employer that attracts and retains the best talent possible. To do this, we are committed to investing in our people and respecting human rights across our operations. We believe having a large variety of cultures, backgrounds, and knowledge can lead to innovation and stronger relationships with the communities we operate in and increase success across all areas of our business.

## Human Rights, Diversity, and Inclusion

Silvercorp's hiring practices are compliant with all applicable laws and regulations in the countries in which we live and operate. We are an equal opportunity employer and strive to eliminate the use of personal characteristics or circumstances, such as but not limited to, gender, age, nationality, ethnicity, or religious belief in our hiring practices and business as they impede equal employment opportunities. Our employment decisions are based on suitability and skillset, and do not take into account any personal characteristics or circumstances as we believe they are unrelated to the performance of one's duties within our company.

In 2021, our board of directors adopted the Human Rights and Diversity and Inclusion statements to further affirm our commitment to creating a safe, inclusive, and equal workplace free of discrimination.



Our geologist

## Human Rights Statement

Silvercorp is committed to supporting the human rights of our employees, local community members and all other stakeholders affected by our operations. We do not tolerate human rights abuses throughout any of our business activities, including child labour or forced labour of any kind. We strive to comply with all applicable regulations and laws and endeavor to act in accordance with the International Bill of Human Rights, the Universal Declaration on Human Rights, and the UN Voluntary Principles on Security and Human Rights. All Silvercorp employees are expected to uphold and respect the human rights of others, including but not limited to complying with the Company's Code of Business Conduct & Ethics, Anti-Corruption Policy and other Company policies and procedures.

## Diversity & Inclusion Statement

At Silvercorp, we strive to integrate diversity and inclusion into all aspects of the Company and are committed to building a safe and inclusive space for all. Our core values of, Respect, Equality, and Responsibility, guide our efforts and are at the forefront of our decision making across all levels. We value diversity and are dedicated to the equitable treatment of all persons regardless of gender, race, ethnicity, nationality, religion, disability, age, culture, or sexual orientation. We recognize that building an inclusive workplace means providing equal opportunities and safe working environments, as well as cultivating and maintaining a Company culture based on fairness and respect. We are committed to implementing such values and opportunities Company wide and aspire to eliminate the barriers that interfere with such opportunities. Ultimately, we believe our people are our greatest asset, and our commitment to integrating diversity and inclusion will not only make us a better Company but will also help us retain and attract the best workforce possible.

## Employment and Labour

The Company complies with all applicable labor laws and regulations. The Silvercorp Employee Manual stipulates provisions regarding human rights protection to eliminate discrimination and the use of child labor and forced labor. We respect our employees' freedom and collective bargaining rights to safeguard their legitimate rights and interests.

 | **100%**  
Labor contract signing rate

 | **100%**  
Social security coverage

## Training and Development

In Fiscal 2021, there were zero incidents of forced labor or child labor (under the age of 17) at Silvercorp. Silvercorp follows relevant requirements in the Law of the People's Republic of China on the Protection of Disabled Persons and the Regulation on the Employment of the Disabled, and currently employs 16 disabled employees in total.



Young geologists in Henan Found

### Compliance with labor laws and regulations

We abide by applicable laws and regulations in order to improve employees' work environment, including the Labor Law of the People's Republic of China, the Labor Contract Law of the People's Republic of China, the Social Insurance Law of the People's Republic of China, the Law of the People's Republic of China on the Protection of Rights and Interests of Women, the Law of the People's Republic of China on the Protection of Minors, and the Trade Union Law of the People's Republic of China.

### Optimizing employee management systems

We formulate a number of management systems and regulations to protect employees' legitimate rights and interests while enhancing the Company's management performance, including the Personnel Management System, the Employee Attendance and Leave System, the Management Measures for Seniority Bonuses, the Management Measures for Internal Candidate Referrals, and the Management Measures for Employee Recreational Activities.



Workforce Structure and Diversity		Fiscal 2021	Fiscal 2020	Fiscal 2019	
Total workforce (number of workers)		4,428	4,089	4,427	
Employment type	Number of employees	1,262	1,189	1,187	
	Number of contractors	3,166	2,900	3,240	
Gender	Number of male employees	1,035	971	974	
	Percentage of male employees (%)	82	82	82	
	Number of female employees	227	218	217	
	Percentage of female employees (%)	18	18	18	
Age	≤30	Number of male employees	159	141	134
		Percentage of male employees (%)	13	12	11
		Number of female employees	41	36	30
		Percentage of female employees (%)	3	3	3
	31-35	Number of male employees	660	635	640
		Percentage of male employees (%)	52	53	54
		Number of female employees	163	152	150
		Percentage of female employees (%)	13	13	13
	≥51	Number of male employees	216	195	204
		Percentage of male employees (%)	17	16	17
		Number of female employees	23	30	33
		Percentage of female employees (%)	2	3	3

## Protecting Female Employees' Rights and Interests

Silvercorp protects female employees' rights and interests in strict accordance with applicable national and international laws and regulations such as the Special Provisions for Labor Protection of Female Employees. The Company's employee representative meetings develop and enforce the Collective Contract for the Protection of Special Rights and Interests of Female Employees and sets up the Labor Union Female Workers Committee to partake in the formulation and revision of regulations involving the rights and interests of female employees, such as employment and compensation policies. The Company protects female employees' rights and interests, and ensures equality of pay, opportunities, and rights for all employees.



Carry out out-door activities for female workers

Parental Leave	Fiscal 2021			
	Ying	GC	Administration	Total
Number of female employees taking maternity leave	3	1	1	5
Number of male employees taking paternity leave	20	7	2	29



## Compensation and Benefits

Silvercorp offers an equitable and motivating compensation packages and ensures "equal pay for equal work." The company uses this as a grounding principle in employee performance appraisal. We also provide a wide range of benefits for our employees and see that they and their families are properly cared for throughout their lives

Salary policies	<ul style="list-style-type: none"> <li>• We offer regionally competitive compensation packages and apply the same standards to all employees.</li> <li>• We evaluate employees only for their responsibilities, work experience, professional competencies, etc. . in the determination of salaries.</li> <li>• We evaluate employees only for their performance, job responsibilities, in the adjustment of salaries, prohibiting discriminatory practices of any kind.</li> </ul>
Compensation structure	<ul style="list-style-type: none"> <li>• Employee compensation consists of base salary, job subsidies, monthly performance bonus, annual performance bonus, fixed bonus, and other benefits.</li> </ul>
Employee benefits	<ul style="list-style-type: none"> <li>• We pay into the "5 insurances and 1 fund" for all our employees, namely pension insurance, medical insurance, unemployment insurance, industrial injury insurance, maternity insurance, and the housing fund.</li> <li>• We provide all employees with the group accident insurance protection and purchase work safety liability insurance for applicable employees.</li> <li>• We offer an annual bonus to all employees according to the Company's financial performance.</li> <li>• We provide free accommodation and meals for employees working in the mining area; we reimburse the expenses of four round-trips home every year for migrant employees and provide subsidies for their telephone bills, etc.</li> </ul>
Employee leave and vacation	<ul style="list-style-type: none"> <li>• We implement the seniority-based paid annual leave pursuant to the Company's Attendance and Leave System and national leave regulations.</li> <li>• We implement the eight-hour workday and the congregated vacation system, giving employees six days (statutory holidays not included) of congregated vacation time per month that they can use at their discretion.</li> <li>• The miners have half extra days off on-site per week.</li> </ul>

## Training and Development

A skilled and engaged workforce is critical to Silvercorp's continued success. The Company is committed to attracting and retaining the best talent available and investing in development and training to remain abreast of the latest trends and technological advancements, in order to meet the ever-changing demands of our business. We offer a competitive compensation and benefits plan while providing an inclusive and diverse environment that harnesses the rich backgrounds of our employees and fosters equal and free communication.

Top-performing talent is the cornerstone of a company's development. Taking into full account the challenges associated with recruiting suitable human resources, Silvercorp formulates and continues to update human resource strategies suited to its own development. It attracts, retains, employs, and fosters talent through diversified recruitment channels and a systematic cultivation mechanism. Silvercorp is building a team of qualified people, where they continue to learn and grow.

## Talent Pipeline

Silvercorp has a sound recruitment management system. The Company stays future-oriented by continuously bringing in talent, optimizing the talent structure, and building a solid and systematic pipeline of talent.



## Recruitment management

- The Company implements staffing and job assignments in accordance with the needs of each department and prioritizes intradepartmental or company-wide internal adjustments. When desirable adjustments cannot be achieved, the employment department devises a plan and works with the Human Resources Department to execute it.
- The Company maintains a very simple hiring process, where a candidate is hired on demand and on merit.



## Talent attraction

- The Company plans before recruiting and executes the annual human resources plan.
- All recruitment activities must follow established procedures, including job announcement, resume review and screening, interviews or written exams, callbacks, background checks, and entry approvals.
- The Company relies mainly on open recruitment, supplemented by internal referrals. Positions are posted in effective media with a view to attracting enough applicants so that the best candidates can be spotted.
- The Company forms partnerships with schools and fosters industry-university-research collaboration and seeks to attract students with internship opportunities and subsidies.
- The Company carries out online recruitment, on-site recruitment, campus recruitment, etc. to bring in more talent.





## Facilitating Career Development

Silvercorp implements the Sequence and Rank Evaluation Program to define the core duties and authority of each department and position which ultimately helps in creating career development paths. Supported by dual channels, the Professional Channel and the Management Channel, employees can fully fulfill their abilities and talents at Silvercorp.

### Henan Found

Adopting the competition-based employment approach and optimizing the selection of internal top performers for higher-level positions. In Fiscal 2021, 15 employees were promoted.

### Guangdong Found

In Fiscal 2021, three engineers were promoted to middle-level managers and 12 general workers became technicians.

## Performance Appraisal

Silvercorp has developed a performance appraisal system. The Company's Performance Appraisal Management Manual highlights a focus on the outcome of employees' work and attention to their work processes. The Eblog App tracks the entire business process so that it is clear what each employee accomplished. It also automatically generates a summary and an analysis of the staffing, work intensity, and work quality to enable more fair and just performance appraisals backed up by data.

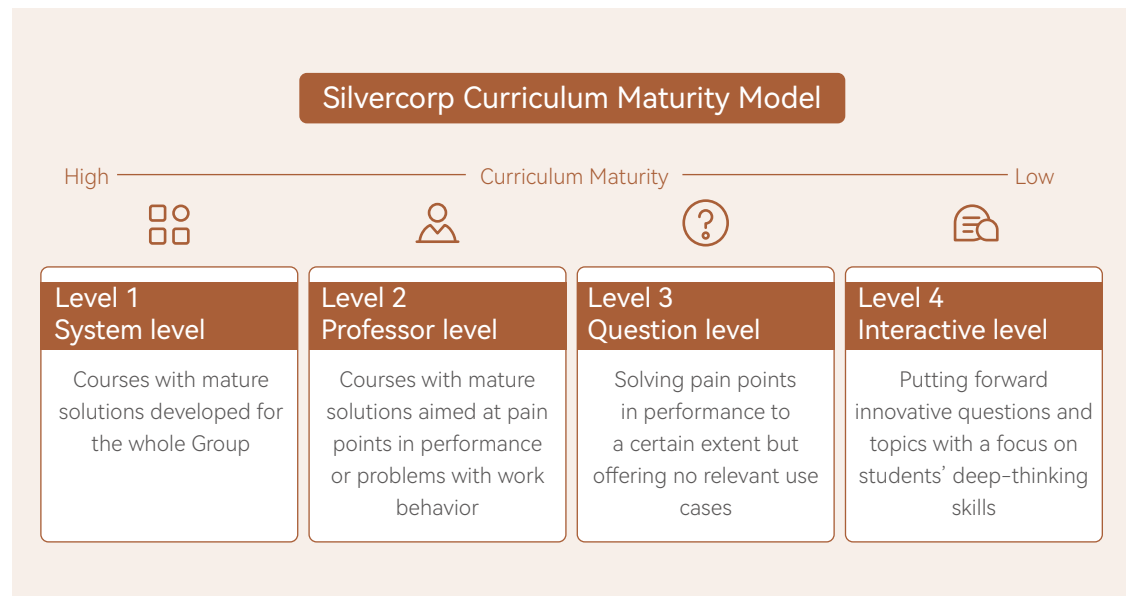
## Improving Employee Training

In its Talent Training System, Silvercorp stipulates the Company's basic principles, responsibilities, and internal training systems for carrying out employee training. Revisions and updates were made to the Training Management System, the Mentoring Management System, and related documents in Fiscal 2021 to make employee training more professional, standardized, and institutionalized. Employee training has thus become a more forceful driver of the Company's business development and of a better-qualified workforce.

## Developing Internal Training Courses

The Company has an internal training team. While taking care of their own jobs, they are also put in charge of optimizing the content of the training courses, collecting information, summarizing the management and hands-on experience in their own professional fields, and compiling teaching materials, and continuously improving their lecturing skills. The internal training courses are developed independently or jointly based on our Curriculum Maturity Model.

Silvercorp pays the trainers for the training materials, course development, and lecturing to keep them.



## Mentoring System

To grow talent and facilitate successful new employee orientation, we implement the Mentoring Management System, selecting outstanding and experienced employees to form the mentor team. Based on a two-way selection, new employees are matched up with their respective mentors. The mentoring is conducted in line with the KSA (Knowledge, Skills and Abilities) qualification criteria laid out in the Silvercorp Talent Development System. The mentors guide and instruct the new employees in their day-to-day work based on their own experience to help them achieve the established goals and qualify for relevant posts as soon as possible.

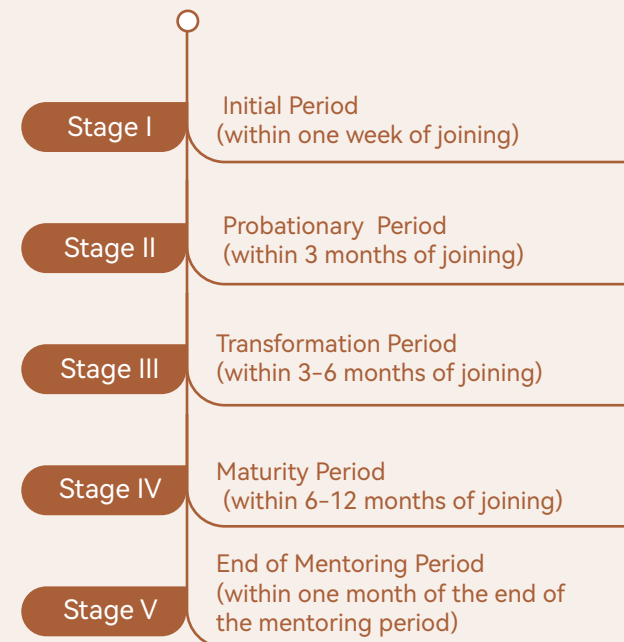


Mentoring new employees

## New Employee Orientation

We do our best to help new employees quickly adapt to their new work environment and reach their full potential. Our orientation is designed for employees who have been with the Company for less than a year and are still lacking in experience and skills and is divided into five stages.

### New Employee Orientation Cycle



## Employee Training

Silvercorp's employee training programs are provided on both a regular and ad-hoc basis and are offered in various formats, including theory-oriented training, hands-on training, and online training, and are designed to increase problem solving skills in theory and in real-world scenarios.

Occupational Training	Fiscal 2021			
	Ying	GC	Administration	Total
Investment in occupational training (\$)	64,822	12,023	1,195	78,040
Coverage of occupational training (%)	100	100	100	100
Number of training sessions	604	261	24	889
Participations in occupational training	3,883	3,832	285	8,000
Total training hours (h)	12,420.8	6,244.0	401.5	19,066.3
Average training hours per employee (h)	13.01	23.31	15.44	15.27
Average training hours per male employee (h)	13.01	23.31	15.02	15.27
Average training hours per female employee (h)	13.01	23.31	16.02	15.27
Average training hours per senior manager (h)	14.81	25.93	16.06	19.45
Average training hours per middle-level manager (h)	17.16	27.27	15.68	18.48
Average training hours per non-management employee (h)	12.7	20.44	15.25	14.41

## Labour Relations

Silvercorp believes listening to and acting on employee input to be the most direct and effective way to enhance labour relations and management. We strive to create an environment where employees are well informed, deeply engaged, and free to speak their mind. Silvercorp has a robust employee grievance mechanism that regularly investigates and reports relevant matters to ensure sound, two-way communication between employees and management to achieve further growth of the company.



## Establishing Industry Affiliations

With the protection of workers' rights and interests a top priority, the Company continues to invest in trade unions\*. The subsidiaries have all set up a trade union, with a union membership rate of 100%. The trade union has a chair, a deputy-chair, a Female Employee Committee, and a Cost Review Committee. It regularly convenes employee representative meetings with participation from corporate management. It provides for inclusive oversight and creates platforms for employee communication and engagement.

*\* The All-China Federation of Trade Unions and all of its trade union organizations are nationwide organizations formed by workers and represent the interests of the employees and safeguards their legal rights.*

### Case Establishing an Efficient Primary-level Trade Union

In accordance with the primary-level labor union construction standards, the Ying Mining District works to build an efficient primary-level labor union with clear roles and responsibilities. It is underpinned by a sound organizational structure, qualified personnel, solid institutions, and competent funds management. Through collective bargaining, the trade union protects employees' interests and rights and continues to deepen inclusive management and improve the efficiency in serving people at the primary level.

By the end of Fiscal 2021, the Ying Mining District trade union had set up six trade union groups, with a membership rate of 100%. In the past three years, it held the employee representative meetings on three occasions, where employee representatives considered and voted on the annual trade union work reports. The Collective Wage Contract, the Collective Labor Contract, the Collective Contract on Labor Safety and Health, and the Collective Contract for Female Employees, passed through collective bargaining, have been signed by both the employer and the employees and put into effect.

## Improving Management Operations

The Company continues to advocate for open communication channels to protect employees' rights to information, participation, and supervision. The Company's trade union collects proposals from employee representatives a way to help give voice to employee concerns, help the Company grow, and cultivate strong labour relations. Because of it, employees feel motivated to take initiative at work, put forward incentive suggestions, and contribute their thoughts and ideas.



### Open Communication

- The trade union works with the Company's administrative department to publish comprehensive information on factory affairs through internal publications, the WeChat Subscription Account, the office system, the publication board for factory affairs, etc.
- Management frequently convenes staff discussions in the mining area. It keeps workers in the loop about company developments while giving voice to their concerns.



### Inclusive Management

- With the "Solving Problems Openly and Promoting Development Through Input" campaign, we encourage employees to contribute opinions and suggestions to enhance their awareness and capability of participating in inclusive management.
- We collect employee proposals on an extensive scale, refer them to the management and relevant departments, and communicate the feedback to all employee representatives.

## Listening to Employee Concerns

We understand that timely feedback to employee concerns is critical for a company's continuous progress and Silvercorp values employee input. The Company conducts employee satisfaction surveys and engagement surveys on a regular basis and readily responds to employees' opinions and suggestions.



### Engagement survey

In August 2020, we conducted an individual assessment and an engagement survey for management personnel at the second level and above, and used the results to inform improvement in the organizational structure and staffing to further align it with the needs of organizational development.

### Satisfaction survey

Ying Mining District conducts a monthly online survey among the employees on the company's food, housing, and transportation and makes improvements accordingly. In Fiscal 2021, it focused on improving the quality of food and housing.

GC Mine conducted an employee satisfaction survey in December 2020; of the 62 employees who participated, 60 gave a rating of "Excellent" in corporate contributions and clean governance, and 2 gave a rating of "Good".

## Employee Grievance Mechanism

The Company has a systematic and comprehensive grievance resolution mechanism. Management measures for complaints and arbitration are laid out in the Employee Reward and Punishment Regulations and the Employee Manual, protecting employees' right to safeguard their own interests through complaints. An employee can file a complaint or report a matter through channels that they deem appropriate in the event their rights or someone else's are unduly infringed upon, or if they have different opinions about the operational and management measures of the unit (department) they work in, or that a violation of the Company's provisions has come to their attention.

### Recipients of complaints

- We recommend that employees make a report through the successive levels of managers, but they can appeal directly to the higher office or company management as they deem necessary.
- Appeals and suggestions can be made verbally, in writing, or through the online information management system, the suggestion box, or the employee representative meetings.
- In the event of a significant loss of interest or violation, employees can appeal directly to the General Manager or Chairman of the Company through letters, emails, or other methods.

### Handling of complaints

- The Supervision and Audit Department is dedicated to handling employee complaints and reports of violations, as well as appeals against non-compliance with administrative sanctions.
- Managers at all levels and the Human Resources Department can all handle employee complaints and reports. They should carry out an investigation on involved parties promptly and fairly and make decisions based on the results of the investigation.
- We work out solutions through the employee representative meetings, monthly meetings, or special meetings, and deliver feedback through the information management system and public announcements.
- The decisions are reported to the appellant either face-to-face or in writing (including emails). If the appellant is not satisfied with it, they can bring the case to a higher-level manager or department.

### Whistleblower protection

- The Company protects every complainant and whistleblower and ensures that relevant employees are protected from threats, suspensions, transfers, dismissals, or other discriminatory penalties through the Whistleblower Policy.

## Employee Wellness

At Silvercorp, we put our people first and strive to be highly responsive to our employees' needs and concerns. We continue to improve living conditions and organize a wealth of cultural and sports activities in hopes of creating a comfortable, healthy, and vibrant environment.



Hold long-distance running events

## Improving Employees' Living Conditions

Due to the remote nature of our business, many of our employees live in relatively secluded mining areas. As part of our commitment to our people, we strive to improve the living facilities in the mining areas and take care of our employees through practical and concrete actions.

### Housing

- We replaced the steel houses with standard concrete block dormitories.
- We reduced the number of occupants in single-room apartments to give employees more personal space.
- We implement frequent reviews of employee apartments and conduct regular full-scale inspections.
- We equip the living areas with facilities like a courtyard, a gymnasium, and a reading room.

### Food

- We raised the standards for employees' daily meals. In Fiscal 2021, there was a 17% and 15% increase in the staff meal budget of Ying Mining District and GC Mine respectively.
- We set up the Employee Catering Committee, responsible for checking the ingredients, renewing and customizing recipes, overseeing the food quality, etc., and hold monthly meetings to collect employee input for improving the meals.

### Transportation

- We provide commuter shuttles in the main mining areas to meet the growing commuting needs of the miners, delivering greater safety and convenience.

## Enriching Employees' Lives

Silvercorp organizes a wide variety of cultural activities to build cohesion and teamwork.



Sports in the mining district



## Ying Mining District

- Participated in the literary activity organized by the All-China Federation of Trade Unions in July 2020.
- Participated in both the autumn and spring networking events for young people organized by the Luoning County Federation of Trade Unions in Henan Province.
- Organizes a monthly birthday party, with gifts, for employees whose birthdays fall into the same month starting from September 2020.
- Held the New Year's Gala on December 26, 2020, attended by over 100 employees and contractors.

## GC Mine

- Organized the "Green Environment, Beautiful GC" Original Literature and Photography Contest from August to September 2020 in conjunction with the construction of national green mines
- Held the National Day/Mid-Autumn Festival Gala on October 1, 2020.
- Organized the New Year's Day Sports Meet, including 5 competitions, namely the 5KM trail run, tug-of-war, basketball, badminton, and table tennis, and participated by over 100 employees.
- Held six-employee group birthday parties.



Team building



Conduct external investigation and research in Anyang, Henan

## Contractor Management

The Company has signed contracts with several mining contractor companies, whereby outsourcing part of the underground operations. Pursuant to relevant requirements in the Law of the People's Republic of China on the Prevention and Control of Occupational Diseases and the Labor Law of the People's Republic of China, we treat contractors and employees equally, pushing for strengthened safety management and occupational health management on the part of the contractor companies. We require that they pay their employees in full and on time. We also provide contractors with safety training, personal protective equipment, accommodations, and meals of the same standard as Silvercorp employees. Those are some measures in place to protect the rights and interests of contractors. They also help improve the stability of the construction team.

Employment of Contractors	Fiscal 2021		
	Ying	GC	Total
Number of contractors	2,715	451	3,166
Year-on-year increase of contractors (%)	8.34	14.47	9.17

# Strengthening Supply Chain Management

We believe, sincerity, trust, mutual benefit, and growth, are the keys for long-term cooperation. We understand the importance of strong supply chain management and coordination and integrate ESG considerations throughout the sourcing process. We implement the Supplier Evaluation Management Regulations to help suppliers improve their ESG performance in compliance, environmental protection, labor rights, honest practice, etc.

## Responsible Sourcing Practices

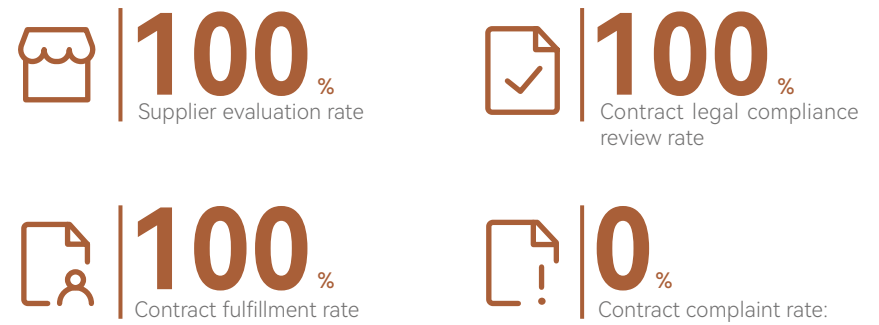
The Company continues to improve the supplier management mechanism, bolstered by systems such as the Supplier Evaluation Management Regulations, the New Supplier Approval Process, and the Qualified Supplier Directory. Its full-life-cycle management mechanism encompasses supplier admittance, certification, evaluation, and exit with unified management and classified duties. The suppliers' profiles can be accessed and shared online in real-time within the Company, and suppliers in the system are subject to an annual evaluation and documentation.

**Henan Found**

- Total number of suppliers: 258
- Location of top five suppliers: 139 in Henan; 28 in Shandong; 19 in Hebei; 11 in Jiangsu; 8 in Hunan

**Guangdong Found**

- Total number of suppliers: 152
- Location of top five suppliers: 68 in Guangdong; 15 in Shandong; 12 in Jiangsu; 9 in Hebei; 9 in Hunan



The Company is committed to creating a transparent and fair supply chain management system and continuously pushes for "transparent procurement." We advocate for personal and professional ethics, foster employee dedication, and ensure that procurement is made in a fair, open, and just manner. All bidders are required to follow the Anti-corruption Policy incorporated in the bidding documentation and procurement contract. We have mechanisms, procedures, and systems in place to ensure that commercial bribery and corruption are entirely eliminated.

## Green Procurement

Silvercorp endeavors to build a green supply chain by embedding environmental considerations into supply chain management, we reduce the environmental risks involved while mobilizing both upstream and downstream partners to demonstrate environmental stewardship and make improvement in energy efficiency and reduce GHG emissions. We have initiated Green Procurement practices and implement the Opinions on the Implementation of Government Procurement of Energy-efficient Products and the Opinions on the Implementation of Government Procurement of Products with Environmental Labeling to increase our procurement of energy efficient and environmentally labelled products.

The Company expressly stipulates that in case of equal efficiency, precedence should be given to products with the mining product safety (KA/MA) certifications, the ISO 9001 management quality system (QMS) certification, and the ISO 14001 environmental management system (EMS) certification.





# Our Community

Throughout their lifecycles, mining operations have the potential to impact local/surrounding communities in both positive and negative ways. As a responsible mining company, we believe that through the implementation of strong community relations programs with an emphasis on communication, we can limit our impact on the surrounding communities and contribute positively to the sustainable development of the places in which we live and operate. Through collaboration with local and national governments, organizations, and stakeholders, we strive to create impactful and sustainable change and persisting relationships that will last beyond the life of our mines. Our company values, respect, equality, and responsibility, guide our efforts and are engrained in our approach to community relations.

## Our Approach

In order to maintain strong relationships with our communities, we have established an ESG Management Center to oversee all ESG related initiatives and programs, and to ensure that our financial contributions are used in a sustainable, responsible, and ethical manner. Our board of directors are directly in charge of managing our ESG commitments and initiatives, and oversee all commitments, projects, progress, and funding as well as the ESG Management Centre itself.

The ESG Management Center is responsible for formulating the ESG Work Management Measures, ESG Annual Reports, ESG Substantive Discussing Topics and Management Objectives, ESG Annual Work Plan, and Mid-Term and Long-Term Work Plan, which are approved by the Board. In addition, the management centre is also in charge of developing a Community Development Action Management System, and within this system, operation specific community engagement plans. At each of our operations, a Vice President of ESG/Public Relations has been appointed and is responsible for overseeing activities involving each community engagement plan at the subsidiary level- reporting back to the Vice President of Sustainability located at the Beijing head office- and are supported by the following departments: public relations, ESG, administration and logistics, and human resources. Each team frequently engages with local government, NGOs (non-governmental organizations), and community members on matters such as land use, recruitment, infrastructure construction, and charitable activities, and ensures that each respective engagement plan is being properly integrated.

In 2018, our Ying Mining District furthered their commitment to sustainable community development by entering into an agreement with the local government of Xiayu Town, Luoning County, Henan Province, to develop a long-term community development agreement. The agreement was based on four pillars; collaboration, communication, opportunity, and innovation, and included the following commitments:

1. Collaborate effectively with local governments on collective and municipal driven initiatives;
2. Communicate efficiently and frequently with local community members regarding our impact and community initiatives;
3. Focus recruitment efforts on Xiayu township, offer employment opportunities to appropriate residents, and provide free technical training; and
4. Minimize impacts on surrounding biodiversity and protect native farmland through innovative reclamation efforts and strong communication and planning with local community members

### Community Development Action Management System

**Vice President of the Company**

Mr. Peng Lichang

Henan Found

Guangdong Found

**Vice President of ESG/  
Public Relations**

Mr. Wu Sifa / Mr. Xiao Hongxun

Public Relations Department  
ESG/Environment Department  
Administration and Logistics Department  
Human Resources Department

**Vice President of ESG/  
Public Relations**

Ms. Guo Yan / Mr. Bai Xiangming

Public Relations / Logistics Department  
Environment Department  
ESG/Administration Department  
Human Resources Department

### Stakeholder Engagement

Our community stakeholders are identified regionally at each operation to fit each specific community's independent needs. Our subsidiaries, Henan Found and Guangdong Found, engage frequently with our community stakeholders through regularly-scheduled visits, conference meetings, engagement activities, and townhall meetings, to better understand each region's priorities and concerns. The townhall meetings, which are attended by government officials, community members, and relevant parties (individuals and companies), are held to discuss questions regarding projects, operations, and compensation issues. The conference meetings are held after other engagement activities to ensure all parties involved are up to date on any and all changes/new initiatives. At each operation, the Deputy Manager, Public Relations, is responsible for overseeing all stakeholder engagement.

### Grievance Mechanisms and Management

At both operations, we have implemented feedback/grievance hotlines in order to help us better understand our impact on our communities as well as to provide a way for our community members to express their concerns and ideas. In case of any dispute that involves both parties, immediate actions are taken to facilitate prompt resolution under the supervision of the local government and villagers' autonomous organizations. At both of our operations, the Public Relations team are responsible for managing the grievance lines; in fiscal 2021, no grievances were received.

#### Hotline Numbers

Ying Mining District in Henan Province, China	0379-66061189
GC Mine in Guangdong Province, China	0766-6662636

## Local Economic Development

Silvercorp strives to provide economic opportunities for local communities and suppliers. Our subsidiaries have established long-term partnerships with multiple local suppliers, giving priority to local and regional suppliers for consumables such as construction materials and production procurements, and our recruiting efforts are firmly focused on attracting local talent when possible. In 2021, around 70% of our workforce at our GC Mine and Ying Mining District consisted of local employees and around 80% of our procurement at our Ying Mining District was from local suppliers.

Percentage of spending on procurement from local suppliers (%)	Fiscal 2021		
	Fiscal 2021	Fiscal 2020	Fiscal 2019
Ying	79	78	63
GC	22	20	21

Local Employment	Fiscal 2021			
	Ying	GC	Administration	Total
Number of employees from local province	737	130	8	875
Percentage of employees from local province (%)	77.17	51.00	16.00	69.33

## Community Investment

Part of our duty as a responsible mining company is to serve as a catalyst for positive change. We are committed to working collaboratively with our local governments, organizations, and communities to identify opportunities for sustainable development and areas of need, and strive to align our community investments with our company values.

In 2021, Silvercorp contributed US \$1,194,867 towards community development initiatives that align with our support for the United Nation's SDG's. In addition to aligning our contributions with the SDG's, we also align our approach to community investment with the Chinese government's Rural Revitalization Strategy, to alleviate poverty and promote modernization through innovation.

Social Contributions	Fiscal 2021	Fiscal 2020	Fiscal 2019
Total social contributions (US \$)	1,194,867	305,145	731,380
Contributions to education assistance program (US \$)	88,361	155,516	15,507



### SDG 4: Education

At Silvercorp, we believe that providing equal and quality education for local communities is a long-term investment. With access to a quality education, children and young adults in rural areas are able to improve upon their skillsets as well as learn new skills and training that can aid them in joining the workforce and in life. All of our initiatives in support of advancing education are a collaborative effort between our subsidiaries and their local governments and communities, and all stakeholders are involved in the implementation of projects and monitoring of donations. In fiscal 2021, the company made the following donations to further support equitable and quality education opportunities for all:

1. At the Ying Mining District, our subsidiary Henan Found, donated US \$85,853 to the education assistance program, with US \$12,096 allocated as grants to employees' children who had been admitted to colleges, and US \$73,757 used for social education aid;
  - a. Henan Found donated an additional \$5,900 towards special education schools and the Children's Welfare Institute; and
2. At the GC mine, our subsidiary, Guangdong Found, donated US \$2,508 as scholarship for employees' children and donated US \$14,751 to the Kunpeng Education Foundation of Yun'an District to support local education.





## SDG 6: Clean Water

Over the years, climate change and large-scale municipal/provincial afforestation efforts around the GC Mine have led to the reduction of the water table and the depletion of certain water sources, making it very difficult for villagers from Shangdongchong Village, Xiadongchong Village, Datangmian Village, Gangshui village, and Gaocheng Village to access clean water for drinking and farming. As a result, villagers have been forced to travel long distances to access the wells from neighbouring townships, and local farmers have not had access to reliable sources of water for agriculture. In July 2019, in collaboration with the local government and community, our GC Mine committed to help. By September 2020, the GC Mine had donated a total of USD\$51,630, and in collaboration with the local government and villagers, were able to help all those affected access safe drinking water and pipelines for farming. The improvements benefitted over 1,000 villagers from 222 households in surrounding villages and helped further the local municipal environmental improvement campaigns.



## SDG 9: Infrastructure

Over the past five years, poor infrastructure surrounding the Ying Mining district and local villages of Xiayu and Duijiyu, had become quite troublesome for local community members as it had inhibited their ability to travel to and from the villages. Beginning in 2015, the Ying Mining District sought to improve the conditions, and collaborated with the local government to make improvements to the local infrastructure in support of their local community development plans. In January of 2021, the Ying Mining District had cumulatively donated over USD\$1M towards the project and completed the road expansion project, in which a 17KM-long road section was widened and hardened, and three tunnels (namely Moon Bay, Xizi Lake, and Xiangjun Mountain) of 5.5 km in total length were cut through the mountains, connecting villagers to surrounding townships. Throughout the life of the project, community members, local government, and Ying Mining District personnel from the construction department were in constant communication and regularly engaged in discussion regarding the status of the project and the progress made. By improving the infrastructure conditions, tens of thousands of villagers were able to be connected to more urban places and move freely throughout the province.



# Performance Data

Indicators	Silvercorp			Ying Mining District			GC Mine			Administration			Others		
	FY2021	FY2020	FY2019	FY2021	FY2020	FY2019	FY2021	FY2020	FY2019	FY2021	FY2020	FY2019	FY2021	FY2020	FY2019
<b>Economic Performance GRI 202-1</b>															
Economic value generated(millions of US \$)	192.1	158.8	170.5	157.3	131.4	141.5	33.3	27.4	29.0	-	-	-	1.5	-	-
Economic value distributed:															
Contractors and services providers(millions of US \$)	(112.2)	(79.8)	(81.4)	(84.7)	(62.3)	(67.3)	(20.1)	(16.5)	(13.1)	(4.0)	(1.0)	(1.0)	(3.4)	-	-
Employees(millions of US \$)	(29.6)	(25.0)	(25.3)	(15.6)	(13.7)	(14.6)	(4.7)	(4.4)	(4.3)	(9.1)	(6.9)	(6.4)	(0.2)	-	-
Shareholders and non-controlling interest(millions of US \$)	(7.6)	(7.5)	(17.4)	(3.2)	(3.2)	(13.2)	-	-	-	(4.4)	(4.3)	(4.2)	-	-	-
Government(millions of US \$)	(21.7)	(11.5)	(29.6)	(18.2)	(7.3)	(22.9)	(2.2)	(2.4)	(1.5)	(1.4)	(1.8)	(5.2)	-	-	-
Community support(millions of US \$)	(0.3)	(0.4)	(0.7)	(0.3)	(0.3)	(0.6)	(0.02)	(0.1)	(0.1)	-	-	-	-	-	-
Economic value retained(millions of US \$)	20.7	34.6	16.1	35.3	44.6	22.9	6.28	4.0	10.0	(18.8)	(14.0)	(16.8)	(2.1)	-	-
<b>Product Quality over the Past 3 Years</b>															
Number of recalled product(tonnes)	0	0	0	0	0	0	0	0	0	-	-	-	-	-	-
Product conforming ratio(%)	100	100	100	100	100	100	100	100	100	-	-	-	-	-	-
Client complain ratio(%)	0	0	0	0	0	0	0	0	0	-	-	-	-	-	-
<b>Total Amounts of Overburden,Rock and Tailings G4 MM3</b>															
Tailings(tonnes)	867,080	796,605	812,746	595,638	533,150	550,725	271,442	263,455	262,021	-	-	-	-	-	-
Waste rock(tonnes)	955,640	820,477	817,781	716,541	644,357	664,381	239,099	176,120	153,400	-	-	-	-	-	-
Tailings used as backfill(tonnes) <sup>Note1</sup>	65,625	-	-	0	0	0	65,625	-	-	-	-	-	-	-	-
Waste rock recycled(tonnes)	448,245	326,227	184,650	232,115	164,500	172,560	216,130	161,727	12,090	-	-	-	-	-	-
Tailings not used for backfills(tonnes)	801,455	796,605	812,746	595,638	533,150	550,725	205,817	263,455	262,021	-	-	-	-	-	-
Waste rock not recycled or used as backfill(tonnes)	507,395	494,250	633,131	484,426	479,857	491,821	22,969	14,393	141,310	-	-	-	-	-	-
<b>Environmental Protection Training and Investment</b>															
Total environmental protection investment (millions of US \$)	1.46	2.70	1.20	1.21	2.13	1.16	0.25	0.57	0.04	-	-	-	-	-	-
Number of environmental protection training (person-times)	1,134	1,039	998	819	754	726	315	285	272	-	-	-	-	-	-
Training investment on environmental protection(US \$)	8,703	8,185	8,201	5,753	5,313	5,219	2,950	2,872	2,982	-	-	-	-	-	-
Average training hours on environmental protection(h)	58	36	30	45	32	26	13	4	4	-	-	-	-	-	-
<b>Waste GRI 306-2</b>															
Hazardous or dangerous waste(tonnes)	22.88	11.00	29.10	21.08	9.50	27.40	1.80	1.50	1.70	-	-	-	-	-	-
Waste oil(tonnes)	2.96	4.44	4.66	1.16	2.94	2.96	1.80	1.50	1.70	-	-	-	-	-	-
Waste batteries(tonnes)	19.92	6.56	24.44	19.92	6.56	24.44	0	0	0	-	-	-	-	-	-
Non-hazardous inert waste(tonnes) <sup>Note2</sup>	1,309,277	1,291,054	1,446,337	1,080,358	1,013,206	1,042,903	228,919	277,848	403,434	-	-	-	-	-	-

Note 1: In April 2020, the tailing cementation system was built and start to use in the GC Mines, but no similar facility runs in the YING Mines.

Note 2: According to Identification Standards for Solid Wastes General Rules (GB34330-2017), tailings and mining waste rock are non-hazardous wastes. In fiscal 2021 sustainability report, we included tailings and mining waste rock as non-hazardous waste indicators. Corresponding data is subject to the fiscal 2021 sustainability report.

Indicators	Silvercorp			Ying Mining District			GC Mine			Administration			Others		
	FY2021	FY2020	FY2019	FY2021	FY2020	FY2019	FY2021	FY2020	FY2019	FY2021	FY2020	FY2019	FY2021	FY2020	FY2019
Tailings not used as backfill(tonnes)	801,455	796,605	812,746	595,638	533,150	550,725	205,817	263,455	262,021	-	-	-	-	-	-
Waste rock not recycled or used as backfill(tonnes)	507,395	494,250	633,131	484,426	479,857	491,821	22,969	14,393	141,310	-	-	-	-	-	-
Other non-hazardous waste(tonnes) <sup>Note1</sup>	427	199	460	294	199	357	133	-	103	-	-	-	-	-	-
Domestic waste to landfill(tonnes)	791	779	686	740	694	631	51	85	55	-	-	-	-	-	-
<b>Land Reclamation GRI 304-3</b>															
Reclaimed land(hectares)	6.03	18.40	9.80	5.15	17.50	7.80	0.88	0.90	2.00	-	-	-	-	-	-
Investment in land reclamation and geological environment governance(millions of US \$)	0.57	1.00	0.83	0.50	0.82	0.51	0.07	0.17	0.32	-	-	-	-	-	-
<b>Energy Consumption within the Organization GRI 302-1</b>															
Diesel(m <sup>3</sup> )	592	507	693	429	366	536	163	141	157	-	-	-	-	-	-
Gasoline(m <sup>3</sup> ) <sup>Note2</sup>	107	88	91	95	72	67	12	16	24	-	-	-	-	-	-
Coal(tonnes) <sup>Note3</sup>	0	0	0	0	0	0	0	0	0	-	-	-	-	-	-
Liquefied Petroleum Gas, LPG(m <sup>3</sup> ) <sup>Note4</sup>	0	0	0	0	0	0	0	0	0	-	-	-	-	-	-
Electricity(MWh)	119,988	110,185	106,913	89,851	82,947	81,613	30,137	27,238	25,300	-	-	-	-	-	-
Total-Converted to Standard Coal(tonnes) <sup>Note5</sup>	15,603	14,271	14,103	11,684	10,730	10,771	3,919	3,541	3,331	-	-	-	-	-	-
<b>Energy Consumption within the Organization -Gigajoules(GJ)<sup>Note6</sup> GRI 302-1</b>															
Diesel(GJ)	21,474	18,394	25,128	15,563	13,269	19,442	5,911	5,125	5,686	-	-	-	-	-	-
Gasoline(GJ)	3,588	2,951	3,059	3,201	2,408	2,256	387	543	803	-	-	-	-	-	-
Coal(GJ)	0	0	0	0	0	0	0	0	0	-	-	-	-	-	-
Liquefied Petroleum Gas, LPG(GJ)	0	0	0	0	0	0	0	0	0	-	-	-	-	-	-
Electricity(GJ)	431,957	396,666	384,887	323,464	298,609	293,807	108,493	98,057	91,080	-	-	-	-	-	-
Total(GJ)	457,020	418,011	413,074	342,228	314,287	315,505	114,792	103,724	97,569	-	-	-	-	-	-
<b>Greenhouse Gas(GHG) Emissions<sup>Note7</sup> GRI 305-1,GRI 305-2</b>															
Direct(Scope 1) GHG Emissions(tonnes CO <sub>2</sub> -eq)	1,803	1,535	2,032	1,347	1,127	1,564	455	409	468	-	-	-	-	-	-
Diesel(tonnes CO <sub>2</sub> -eq)	1,559	1,335	1,824	1,130	963	1,411	429	372	413	-	-	-	-	-	-
Gasoline(tonnes CO <sub>2</sub> -eq)	244	200	208	217	164	153	26	37	55	-	-	-	-	-	-
Coal(tonnes CO <sub>2</sub> -eq)	0	0	0	0	0	0	0	0	0	-	-	-	-	-	-
Liquified Petroleum Gas(tonnes CO <sub>2</sub> -eq)	0	0	0	0	0	0	0	0	0	-	-	-	-	-	-

Note1: Including waste tires, steel and other production materials. This indicator is in line with the indicator Non-hazardous Waste disclosed in the fiscal 2020 sustainability report.

Note2: In the fiscal 2020 sustainability report, the gasoline data of Ying Mining District did not count the gasoline consumed by the administrative department. we adjust this data in the fiscal 2021 sustainability report. The corresponding data is subject to the fiscal 2021 sustainability report.

Note3: Since 2018, we have replaced all coal-fired boilers by electric boilers in all Mines, no longer use any coal.

Note4: Since 2018, we have replaced all liquefied gas stoves by electric stoves in all Mines, no longer use any LPG.

Note5: According to China Energy Statistical Yearbook 2020 edition, we have adjusted the conversion factors of Standard Coal. The corresponding data is subject to the fiscal 2021 sustainability report.

#gasoline(tce)=#gasoline(L)\*0.78(kg/L)\*1.4714(KJ/Kg)/1,000 #diesel(tce)=#L\*0.85(kg/L)\*1.4571(KJ/Kg)/1,000 #electricity(tce)=#electricity(kwh)\*0.1229(kce/kwh)/1,000

Note6: According to China Energy Statistical Yearbook 2020 edition, we have adjusted the conversion factors of Gigajoules(GJ).The corresponding data is subject to the fiscal 2021 sustainability report.

#gasoline(GJ)=#gasoline(L)\*0.78(kg/L)\*43,070(KJ/Kg)/1,000,000 #diesel(GJ)=#diesel(L)\*0.85(kg/L)\*42,652(KJ/Kg)/1,000,000 #electricity(GJ)=#electricity(kwh)\*3,600(KJ/kwh)/1,000,000

Note 7: According to:Guide to Accounting Methods and Reporting of GREENHOUSE Gas Emissions of Mining Enterprises, we have adjusted the conversion factors of greenhouse gas emissions. The corresponding data is subject to the fiscal 2021 sustainability report.

#gasoline(tc02-eq)=#gasoline(GJ)\*0.0189(tc02-eq/GJ)\*98%\*44/12 #diesel(tc02-eq)=#diesel(GJ)\*0.0202(tc02-eq/GJ)\*98%\*44/12

94 #electricity in Ying Mining District(tc02-eq)=#Outsourced electricity in Central China(mwh)\*0.5257(tc02-eq/mwh) #electricity in GC Mine(tc02-eq)=#Outsourced electricity in South China(mwh)\*0.5251(tc02-eq/mwh)

GRI: 102-48, 301-1, 302-1, 302-4, 305-1, 305-2, 306-2



Indicators	Silvercorp			Ying Mining District			GC Mine			Administration			Others		
	FY2021	FY2020	FY2019	FY2021	FY2020	FY2019	FY2021	FY2020	FY2019	FY2021	FY2020	FY2019	FY2021	FY2020	FY2019
Indirect(Scope 2) GHG Emissions(tonnes CO <sub>2</sub> -eq)	63,120	57,962	56,240	47,235	43,605	42,904	15,885	14,357	13,336	-	-	-	-	-	-
Electricity(tonnes CO <sub>2</sub> -eq)	63,120	57,962	56,240	47,235	43,605	42,904	15,885	14,357	13,336	-	-	-	-	-	-
Total(Scope 1 and Scope 2)(tonnes CO <sub>2</sub> -eq)	64,922	59,498	58,272	48,582	44,732	44,468	16,340	14,766	13,804	-	-	-	-	-	-
<b>Other Types of Energy Consumption GRI 302-1</b>															
Explosives (Ammonium Nitrate, ANFO)(tonnes)	2,275	2,251	1,993	1,819	1,796	1,676	456	455	317	-	-	-	-	-	-
<b>Other Emissions GRI 305-7</b>															
Chemical Oxygen Demand(COD)(tonnes)	12.68	13.3	12.9	10.18	8.9	10.9	2.5	4.4	2	-	-	-	-	-	-
Sulphur Oxide(SO)(tonnes) <sup>Note1</sup>	0	0	0	0	0	0	0	0	0	-	-	-	-	-	-
Nitrous Oxide(NO)(tonnes) <sup>Note2</sup>	464.06	458.31	407.94	370.80	365.37	342.55	93.25	92.94	65.39	-	-	-	-	-	-
Ammonia Nitrogen(NH)(tonnes)	0.53	0.5	0.23	0.33	0.3	0.03	0.2	0.2	0.2	-	-	-	-	-	-
<b>Water Cycling GRI 303-3,GRI 303-4,GRI 303-5</b>															
Water Usage:(m <sup>3</sup> ) <sup>Note3</sup>	2,792,291	2,809,881	2,743,024	2,182,343	2,065,766	2,098,563	609,948	744,115	644,461	-	-	-	-	-	-
Mine water inflow reused(ground water)(m <sup>3</sup> )	1,960,164	2,004,195	1,878,991	1,451,124	1,353,660	1,330,230	509,040	650,535	548,761	-	-	-	-	-	-
Fresh water withdrawn(m <sup>3</sup> )	832,127	805,686	864,033	731,219	712,106	768,333	100,908	93,580	95,700	-	-	-	-	-	-
Water Consumption during Mineral Processing:(m <sup>3</sup> )	4,339,090	3,947,351	4,005,405	2,605,605	2,343,116	2,415,932	1,733,485	1,604,235	1,589,473	-	-	-	-	-	-
Water recycled in mineral processing(m <sup>3</sup> )	3,618,840	3,170,849	3,205,463	2,003,232	1,751,328	1,786,030	1,615,608	1,419,521	1,419,433	-	-	-	-	-	-
Water reused rate(%)	83.40	80.33	80.03	76.88	74.74	73.93	93.20	88.49	89.30	-	-	-	-	-	-
Water Discharge:(m <sup>3</sup> )	1,135,729	1,140,941	1,095,211	865,626	807,240	834,240	270,103	333,701	260,971	-	-	-	-	-	-
Water Consumption:(m <sup>3</sup> )	1,656,562	1,668,939	1,647,813	1,316,717	1,258,526	1,264,323	339,845	410,414	383,490	-	-	-	-	-	-
Used at office and mining camp, and by community residents(m <sup>3</sup> )	328,902	300,297	286,931	227,994	206,717	191,231	100,908	93,580	95,700	-	-	-	-	-	-
Used by underground mining(m <sup>3</sup> )	548,655	531,750	507,480	457,595	432,630	416,130	91,060	99,120	91,350	-	-	-	-	-	-
Used by surface greening and dust suppression (m <sup>3</sup> )	58,755	60,390	53,460	28,755	27,390	27,060	30,000	33,000	26,400	-	-	-	-	-	-
Fresh water consumption at processing plant(m <sup>3</sup> )	720,250	776,502	799,942	602,373	591,788	629,902	117,877	184,714	170,040	-	-	-	-	-	-
<b>Diversity of Employees GRI 405-1</b>															
Total number of all employees	4,428	4,089	4,427	3,670	3,400	3,660	707	649	728	51	40	39	-	-	-
Total number of company employees	1,262	1,189	1,187	955	894	894	256	255	254	51	40	39	-	-	-
Number of contractor employees	3,166	2,900	3,240	2,715	2,506	2,766	451	394	474	0	0	0	-	-	-
Total number of male employees	1,035	971	974	797	744	748	210	203	202	28	24	24	-	-	-
Percentage of male employees(%)	82	82	82	83	83	84	82	80	80	55	60	62	-	-	-
Total number of female employees	227	218	217	158	150	146	46	52	52	23	16	19	-	-	-
Percentage of female employees(%)	18	18	18	17	17	16	18	20	20	45	40	49	-	-	-
(age<30) Number of male employees	159	141	134	133	111	111	23	26	19	3	4	4	-	-	-

Note 1: Since 2018, we have eliminated coal-fired boilers and switched to electric boilers in all mines, which no longer produce sulfur oxide emissions.

Note 2: The data contains nitrogen oxides produced by explosive explosions and diesel gasoline combustion; the statistical caliber of explosives (ammonium nitrate) has been adjusted this fiscal year, the data of nitrogen oxides generated by explosion has been adjusted correspondingly.

Note 3: Water Usage= Water Discharge + Water Consumption

		Silvercorp			Ying Mining District			GC Mine			Administration			Others		
Indicators		FY2021	FY2020	FY2019	FY2021	FY2020	FY2019	FY2021	FY2020	FY2019	FY2021	FY2020	FY2019	FY2021	FY2020	FY2019
age<30	Percentage of male employees(%)	13	12	11	14	12	12	9	10	7	6	10	10	-	-	-
	Number of female employees	41	36	30	31	30	25	5	4	4	5	2	1	-	-	-
	Percentage of female employees(%)	3	3	3	3	3	3	2	2	2	10	5	2	-	-	-
31<age<50	Number of male employees	660	635	640	487	461	463	155	156	158	18	18	19	-	-	-
	Percentage of male employees(%)	52	53	54	51	52	52	61	61	62	35	45	44	-	-	-
	Number of female employees	163	152	150	105	97	95	41	42	42	17	13	13	-	-	-
age>51	Percentage of female employees(%)	13	13	13	11	11	11	16	16	17	33	33	30	-	-	-
	Number of male employees	216	195	204	177	172	174	32	21	25	7	2	5	-	-	-
	Percentage of male employees(%)	17	16	17	19	19	19	13	8	10	14	5	12	-	-	-
age>51	Number of female employees	23	30	33	22	23	26	0	6	6	1	1	1	-	-	-
	Percentage of female employees(%)	2	3	3	2	3	3	0	2	2	2	3	2	-	-	-
<b>Employment GRI 405-1</b>																
Percentage of female employees in operation and management occupation(%)		17	-	-	11	-	-	13	-	-	25	-	-	-	-	-
Labor contract coverage(%)		100	-	-	100	-	-	1	-	-	100	-	-	-	-	-
Social Insurance coverage rate(%)		100	-	-	100	-	-	100	-	-	100	-	-	-	-	-
Percentage of labor union participation(%)		100	-	-	100	-	-	100	-	-	100	-	-	-	-	-
Number of employment of the disabled		16	-	-	14	-	-	2	-	-	0	-	-	-	-	-
<b>New Employee GRI 401-1</b>																
age<30	Number of new added male employees	83	66	-	60	43	-	21	19	-	2	4	-	-	-	-
	Percentage of new added male employees(%)	30	31	-	31	32	-	35	8	-	10	11	-	-	-	-
	Number of new added female employees	8	13	-	5	6	-	1	2	-	2	5	-	-	-	-
	Percentage of new added female employees(%)	3	6	-	3	5	-	2	1	-	10	14	-	-	-	-
31<age<50	Number of new added male employees	132	101	-	95	63	-	31	30	-	6	8	-	-	-	-
	Percentage of new added male employees(%)	48	48	-	48	47	-	52	12	-	29	23	-	-	-	-
	Number of new added female employees	34	15	-	20	11	-	4	2	-	10	2	-	-	-	-
	Percentage of new added female employees(%)	12	7	-	10	8	-	7	1	-	48	6	-	-	-	-
age>51	Number of new added male employees	17	14	-	14	8	-	3	6	-	0	0	-	-	-	-
	Percentage of new added male employees(%)	6	7	-	7	6	-	5	2	-	0	0	-	-	-	-
	Number of new added female employees	3	2	-	2	2	-	0	0	-	1	0	-	-	-	-
	Percentage of new added female employees(%)	1	1	-	1	2	-	0	0	-	5	0	-	-	-	-
Total number of new added employees		277	211	-	196	133	-	60	59	-	21	19	-	-	-	-

Indicators	Silvercorp			Ying Mining District			GC Mine			Administration			Others		
	FY2021	FY2020	FY2019	FY2021	FY2020	FY2019	FY2021	FY2020	FY2019	FY2021	FY2020	FY2019	FY2021	FY2020	FY2019
<b>Employee Turnover GRI 401-1</b>															
age<30	Number of turnover male employee	49	56	-	38	43	-	9	12	-	2	1	-	-	-
	Turnover rate of male employee(%)	4	5	-	4	5	-	3	5	-	5	3	-	-	-
	Number of turnover female employee	4	8	-	4	1	-	0	2	-	0	5	-	-	-
	Turnover rate of female employee(%)	0	1	-	0	0	-	0	1	-	0	14	-	-	-
31<age<50	Number of turnover male employee	106	92	-	69	65	-	32	22	-	5	5	-	-	-
	Turnover rate of male employee(%)	8	8	-	7	7	-	11	9	-	11	14	-	-	-
	Number of turnover female employee	20	18	-	12	9	-	2	8	-	6	1	-	-	-
	Turnover rate of female employee(%)	2	2	-	1	1	-	1	3	-	12	3	-	-	-
age>51	Number of turnover male employee	12	19	-	9	10	-	3	9	-	0	0	-	-	-
	Turnover rate of male employee(%)	1	2	-	1	1	-	1	4	-	0	0	-	-	-
	Number of turnover female employee	6	5	-	3	5	-	2	0	-	1	0	-	-	-
	Turnover rate of female employee(%)	1	0	-	0	1	-	1	0	-	2	0	-	-	-
Number of turnover employee	197	198	-	135	133	-	48	53	-	14	12	-	-	-	
Turnover rate of employee(%)	13	14	-	12	13	-	15	17	-	23	21	-	-	-	
<b>Parental Leave GRI 401-3</b>															
Number of female workers on maternity leave	5	-	-	3	-	-	1	-	-	1	-	-	-	-	-
Number of male workers on parental leave	29	-	-	20	-	-	7	-	-	2	-	-	-	-	-
<b>Employee Occupational Training GRI 404-1</b>															
Occupational training investment(US \$)	78,040	-	-	64,822	-	-	12,023	-	-	1,195	-	-	-	-	-
Number of training sessions	889	-	-	604	-	-	261	-	-	24	-	-	-	-	-
Number of training employees(person-times)	8,000	-	-	3,883	-	-	3,832	-	-	285	-	-	-	-	-
Total number of training hours(h)	19,066	-	-	12,421	-	-	6,244	-	-	401.5	-	-	-	-	-
Average training hours per employeee(h):	15.27	-	-	13.01	-	-	23.31	-	-	15.44	-	-	-	-	-
Male(h)	15.27	-	-	13.01	-	-	23.31	-	-	15.02	-	-	-	-	-
Female(h)	15.27	-	-	13.01	-	-	23.31	-	-	16.02	-	-	-	-	-
Senior management(h)	19.45	-	-	14.81	-	-	25.93	-	-	16.06	-	-	-	-	-
Middle management(h)	18.48	-	-	17.16	-	-	27.27	-	-	15.68	-	-	-	-	-
Junior staff(h)	14.41	-	-	12.7	-	-	20.44	-	-	15.25	-	-	-	-	-
Occupational training coverage(%):	100	-	-	100	-	-	100	-	-	100	-	-	-	-	-
Male(%)	100	-	-	100	-	-	100	-	-	100	-	-	-	-	-
Female(%)	100	-	-	100	-	-	100	-	-	100	-	-	-	-	-
Senior management(%)	100	-	-	100	-	-	100	-	-	100	-	-	-	-	-
Middle management(%)	100	-	-	100	-	-	100	-	-	100	-	-	-	-	-
Junior staff(%)	100	-	-	100	-	-	100	-	-	100	-	-	-	-	-



Indicators	Silvercorp			Ying Mining District			GC Mine			Administration			Others		
	FY2021	FY2020	FY2019	FY2021	FY2020	FY2019	FY2021	FY2020	FY2019	FY2021	FY2020	FY2019	FY2021	FY2020	FY2019
<b>Occupational Health and Safety Training</b> GRI 403-5															
Number of training sessions <sup>Note1</sup>	2,033	1,977	1,642	1,446	1,533	1,418	587	444	224	-	-	-	-	-	-
Average training hours per worker(h): <sup>Note1</sup>	34.90	40.29	36.13	36	40	37	29.04	41.8	34.08	-	-	-	-	-	-
Average training hours per employee(h)	20.49	22.44	23.30	18.38	16.80	16.54	28.98	42.19	34.57	-	-	-	-	-	-
Average training hours per contractor employee(h)	41.50	43.06	41.21	43.55	48.33	44.36	29.16	9.55	22.88	-	-	-	-	-	-
Employee H&S training coverage(%)	100	100	100	100	100	100	100	100	100	-	-	-	-	-	-
Contractor employee H&S training coverage(%)	100	100	100	100	100	100	100	100	100	-	-	-	-	-	-
<b>Social Contribution</b>															
Average voluntary work hours per employee(h)	-	-	-	23	21	17	4	4	-	-	-	-	-	-	-
Total number of social welfare donations(US \$)	1,194,866	305,145	731,380	1,180,115	233,346	731,380	14,751	71,799	-	-	-	-	-	-	-
Study aid fund investment(US \$)	86,015	155,516	15,507	85,853	153,219	15,507	2,508	2,298	-	-	-	-	-	-	-
<b>Safety Performance</b> GRI 403-2															
Number of reported lost time incident(LTI) <sup>Note1 Note2</sup>	6	7	7	3	4	5	3	3	2	-	-	-	-	-	-
Total worktime lost <sup>Note1 Note3</sup>	3,008	5,868	3,052	1,376	1,548	1,892	1,632	4,320	1,160	-	-	-	-	-	-
Number of reported injury incidents <sup>Note 1 Note4</sup>	6	7	7	3	4	5	3	3	2	-	-	-	-	-	-
Reported lost time incident rate(LTIR) <sup>Note1 Note5</sup>	0.65	0.84	0.87	0.39	0.57	0.76	2.03	2.21	1.32	-	-	-	-	-	-
Fatalities <sup>Note1</sup>	0	0	0	0	0	0	0	0	0	-	-	-	-	-	-
<b>Investment in Work Safety</b>															
Total Investment for work safety(US \$)	3,487,280	2,594,678	2,598,861	2,605,462	2,101,537	2,258,692	881,818	493,141	340,169	-	-	-	-	-	-
Safety protection products investment(US \$)	188,626	-	-	179,528	112,992	-	9,099	-	-	-	-	-	-	-	-
Safety equipment inspection fee(US \$)	95,270	-	-	75,258	29,578	-	20,013	-	-	-	-	-	-	-	-
Potential danger rectification and treatment costs (US \$)	52,234	-	-	7,157	99,510	-	45,077	-	-	-	-	-	-	-	-
Investment in work safety training(US \$)	127,585	-	-	118,449	68,623	-	9,136	-	-	-	-	-	-	-	-
<b>Localized Employment</b> GRI 102-8															
Number of employee from within local province	875	870	-	737	726	-	130	119	-	8	25	-	-	-	-
Percentage of employee from within local province (%)	69.33	73.17	-	77.17	81.21	-	51.00	46.67	-	16.00	62.50	-	-	-	-
Number of employee outside of local province	348	319	-	179	168	-	126	136	-	43	15	-	-	-	-
Total number of company employees	1,262	1,189	-	955	894	-	256	255	-	51	40	-	-	-	-
<b>Portion of Spending on Local Suppliers</b> GRI 204-1															
Spend on local and regional suppliers(%)	-	-	-	79	78	63	22	20	21	-	-	-	-	-	-

Note 1: Includes Silvercorp's employees and contractor employees.

Note 2: Lost time incident (LTI) refers to the number of employees leaving their jobs due to occupational health and safety accidents (death) or occupational diseases during working hours.

Note 3: Total worktime lost (h) refers to the number of hours which have been lost on the injury accident.

Note 4: Injury accident frequency refers to the number of lost working hours incidents and fatalities defined as work-related injury incidents by Regulation on Work-Related Injury Insurances.

Note 5: Lost time incident rate (LTIR) is calculated as (the number of lost time incidents divided by working time (h)) multiplied by 1 million hours.

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## Cautionary Disclaimer

Certain of the statements and information in this report constitute "forward-looking statements" within the meaning of the United States Private Securities Litigation Reform Act of 1995 and "forward-looking information" within the meaning of applicable Canadian provincial securities laws (collectively, "forward-looking statements"). Any statements or information that express or involve discussions with respect to predictions, expectations, beliefs, plans, projections, objectives, assumptions or future events or performance (often, but not always, using words or phrases such as "expects" "is expected" "anticipates" "believes" "plans" "projects" "estimates" "assumes" "intends" "strategies" "targets" "goals" "forecasts" "objectives" "budgets" "schedules" "potential" or variations thereof or stating that certain actions, events or results "may" "could" "would" "might" or "will" be taken, occur or be achieved, or the negative of any of these terms and similar expressions) are not statements of historical fact and may be forward-looking statements. Forward-looking statements relate to, among other things: the price of silver and other metals; the accuracy of mineral resource and mineral reserve estimates at the Company's material properties; the sufficiency of the Company's capital to finance the Company's operations; estimates of the Company's revenues and capital expenditures; estimated production from the Company's mines in the Ying Mining District and the GC Mine; timing of receipt of permits and regulatory approvals; availability of funds from production to finance the Company's operations; and access to and availability of funding for future construction, use of proceeds from any financing and development of the Company's properties.

Forward-looking statements are subject to a variety of known and unknown risks, uncertainties and other factors that could cause actual events or results to differ

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This list is not exhaustive of the factors that may affect any of the Company's forward-looking statements. Forward-looking statements are statements about the future and are inherently uncertain, and actual achievements of the Company or other future events or conditions may differ materially from those reflected in the forward-looking statements due to a variety of risks, uncertainties and other factors, including, without limitation, those referred to in the Company's Annual Information Form under the heading "Risk Factors". Although the Company has attempted to identify important factors that could cause actual results to differ materially, there may be

other factors that cause results not to be as anticipated, estimated, described or intended. Accordingly, readers should not place undue reliance on forward-looking statements.

The Company's forward-looking statements are based on the assumptions, beliefs, expectations and opinions of management as of the date of this news release, and other than as required by applicable securities laws, the Company does not assume any obligation to update forward-looking statements if circumstances or management's assumptions, beliefs, expectations or opinions should change, or changes in any other events affecting such statements. For the reasons set forth above, investors should not place undue reliance on forward-looking statements.

# Feedback

## Dear readers:

Thank you for reading our sustainability report. In order to improve the quality of the report, and improve our ESG management, we sincerely hope to listen to your opinions and suggestions.

## Feedback:

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## Choice

Content	Very good	Good	Fair	Poor	Very poor
1.This report provides a complete and accurate description of the significant economic, social and environmental impacts of Silvercorp.					
2.This report responds to and discloses information about the concerns of stakeholders.					
3.The information, indicators and data disclosed in this report are clear, accurate and complete.					
4.This report is easy to read, i.e. its structure, content, wording and layout are well designed.					

## Opening questions

1. What do you like the most of this report?
2. What other information do you think that should be included in this report?
3. What are your suggestions that how we can better prepare our sustainable development progress report in the future?

Scan this QR code to feedback:







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