

Ganfeng Lithium Group Co., Ltd. 2022 Sustainability Report

Utilize limited lithium resources to create a green,
clean, and healthy life for human development and progress



About This Report

This report is the sustainability report (or social responsibility report) for the seventh consecutive year issued by Ganfeng Lithium Group Co., Ltd., which aims to communicate with stakeholders on corporate social responsibility, operational initiatives and performance, and to respond to stakeholders' needs.

Reporting Period

The reporting period is from January 1 to December 31, 2022. Some of the statements and data are beyond the reporting period in an appropriate manner.

Reporting Scope

The report covers the headquarters, branches and subsidiaries of Ganfeng Lithium Group Co., Ltd. Unless otherwise specified, the environmental data disclosed in this report was generated by Ganfeng's operations in mainland China.

Data Source

The data and information in the report was extracted from Ganfeng Lithium Group Co., Ltd.'s relevant documents, reports and system.

Reporting Reference

The report was prepared in accordance with Appendix 27 Environmental, Social and Governance Reporting Guide of the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (HKEx ESG Reporting Guide).

Response to the Four Principles of the HKEx ESG Reporting Guide

Materiality: To prepare this report, the Company conducted a materiality analysis to determine the completeness and accuracy of its contents. The process and results of materiality analysis are presented in Section "Sustainability Development" of this report.

Quantitative: The report disclosed quantitative data on both environmental and social aspects to demonstrate the performance of indicators.

Balance: The Company strives to achieve objective and unbiased information disclosure. The contents of the report came from the Company's internal management documents, statistics and public disclosure, as well as public media reports, with no improper revisions.

Consistency: Unless otherwise stated, the data disclosed in this report was from the unified information collection process and working mechanism established by the Company to ensure the comparability of data year after year.

Reporting Specification

For convenience, Ganfeng Lithium Group Co., Ltd. is referred to as "Ganfeng Lithium", "Ganfeng", "Group", "the Company" or "we" in the report.

Access to This Report

You can download the Chinese version of this report on the website of the Shenzhen Stock Exchange (<http://www.cninfo.com.cn/new/index>), or the Chinese and English versions on the website of the Hong Kong Stock Exchange (https://www.hkexnews.hk/index_c.htm).

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A Message from the Chairman

Dear readers:

In 2022, the development of the lithium industry was ups and downs. We adhered to the business philosophy of "creating unlimited value by utilizing limited resources", and on the basis of the global layout of resources, continue to promote project construction, upgrade our management level, and enhance our innovation capability, continuing to help with energy transformation.

The year 2022 was a remarkable year, and the three-year epidemic came to an end in the winter of this year. The closure and deregulation affected the logistics of the company's products, project construction, and other work to a certain extent. To carry out a large number of new projects is a comprehensive test of the group's stock of manpower, management, and coordination capabilities. Facing the epidemic, Ganfeng's people shouldered heavy responsibilities, stuck to their posts, took the initiative, devoted themselves quietly, and always maintained normal production and operation.

2022 was also a year of rapid development for Ganfeng. More than 20 projects at home and abroad were in the planning or construction stage at the same time, covering resource development, lithium compound and metal processing and smelting, lithium battery manufacturing, and recycling in many production fields. In this year, the fourth-phase project of the Mahong Plant was completed and put into trial production. The production capacity continued to expand, and successfully completed various production tasks. At the same time, through technological innovation, the de-mixed slag and lithium pyroxene slag in production were turned into treasure, thus further improving energy utilization efficiency. The special lithium plant continued to carry out R&D and improvements, and made the expected breakthroughs. The preparation of battery-grade lithium fluoride implemented the goal of energy saving and consumption reduction, and new processes were used in all new projects. The successful implementation of the "Zero" Discharge of Wastewater Project at Ningdu Plant effectively reduced the consumption of water resources and lowered wastewater discharge. Ganfeng Recycling continued to optimize their processes and carry out automation upgrades while actively expanding production and the scope of recycling. The metal lithium plants placed emphasis on new technology research and development, and developed two pre-lithium technologies – evaporation lithium plating and calendaring lithium replenishment, which filled the gap of the Company's anode pre-lithium technology, and developed several lithium alloy series such as a lithium-magnesium alloy and lithium-indium alloy, which not only laid the foundation of Ganfeng Lithium's research and development of lithium series alloys, but also demonstrated Ganfeng Lithium's ability to research and develop lithium alloy series in the direction of lithium batteries, providing a strong guarantee for future market demand. The organolithium plant researched and improved the process of butyllithium and developed n-butyllithium products of higher quality to meet the requirements of new industries for butyllithium products, thus expanding the application fields of butyllithium. The battery sector also developed rapidly. In addition to the introduction of external investment, in order to integrate strength and form sector synergy, Ganfeng LiEnergy was divided into two major sectors: the Consumer Electronics business unit and the Power Storage business unit.

We are now facing a golden opportunity for the lithium industry, so we must try our best to seize the opportunity. We should speed up development, and development is the last word. During its growth in the past, Ganfeng had two big development stages – development around products and development around resources. And for the next 10 years, our development theme is "Technological Ganfeng". With Technological Ganfeng as the core, we will increase the introduction and training of talents, strengthen the process management, take advantage of the synergy of the sectors to continuously improve the R&D and application capabilities of cutting-edge technologies, and accelerate the progress of project construction. What "Technological Ganfeng" pursues is not only an industry-leading technology patent reserve, but also the ability to transform advanced technology into products and efficiency, thus surpassing the industry cycle. This is a long-term, decade-long strategic goal. However, we will break it down and refine it each year to form a specific executable plan. The road ahead is long and hard. Persist, success is in the cards!

Chairman Li Liangbin

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SZ Code: 002460
HK Code: 01772

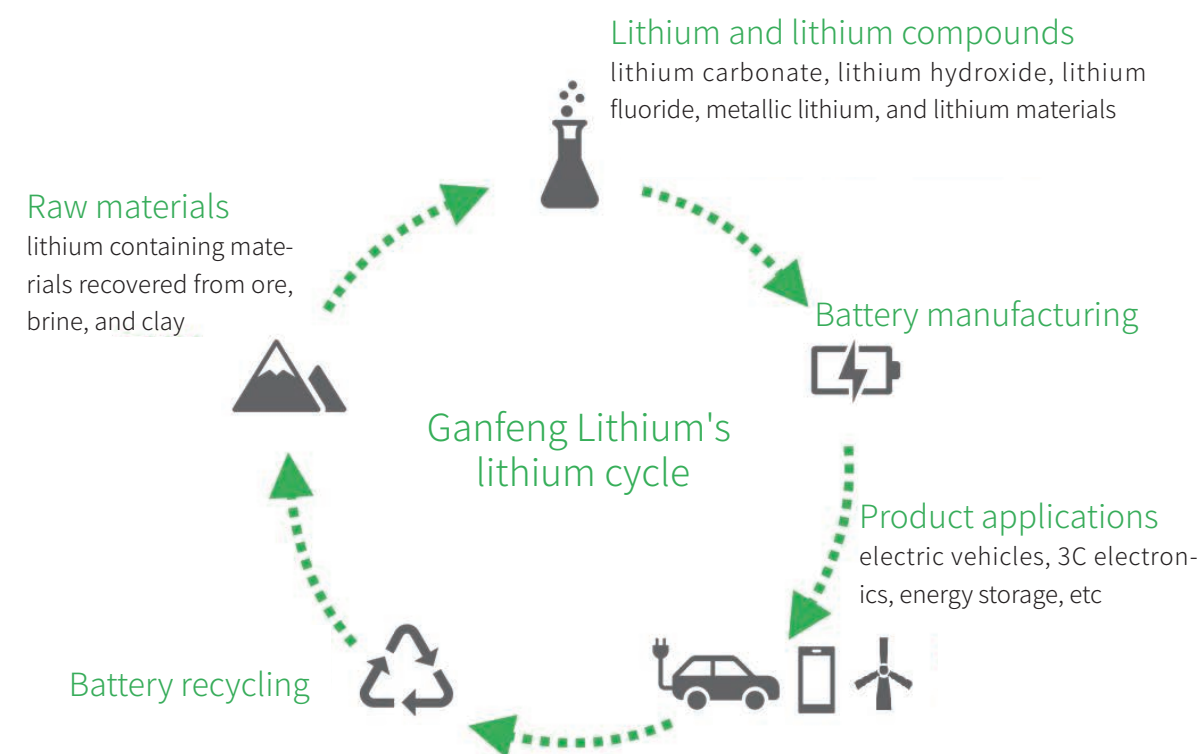
About Us

Ganfeng Lithium Group Co., Ltd., established in March 2000, is the first A+H share-listed company (A-share code: 002460; H-share code: 01772) in the domestic lithium industry, a world-leading lithium ecological enterprise. The Company is the largest producer of lithium metal and lithium hydroxide in the world.

The Company has abundant lithium ore resource reserves in Australia, Argentina, Mexico, Ireland, Mali, Jiangxi, Qinghai, Inner Mongolia, and other places, and is one of the enterprises with the largest lithium ore resource reserves in the global lithium industry.

The Company implements the development strategy of "upstream and downstream integration", and has formed five major business segments, including development of lithium resources, deep processing of lithium salt products, lithium metal smelting, lithium battery manufacturing, and lithium battery recycling. The products include five series of more than 40 categories, including lithium metal, lithium carbonate, lithium hydroxide, butyl lithium, and lithium ion batteries, known as the "global lithium supermarket".

Meanwhile, the Company takes technology as the cornerstone and is the only professional manufacturer in the world with the technologies of "lithium pyroxene lithium extraction", "lithium mica lithium extraction", "lithium salt lake lithium extraction", "lithium clay lithium extraction", and "lithium recycling lithium extraction", and is also the professional manufacturer with the most complete lithium series products, the longest product processing chain, and the most comprehensive process technology in the world.



The company insists on the sacred mission of "utilizing limited lithium resources to create a green, clean, and healthy life for human development and progress", the development strategy of "strengthening the midstream, based on the upstream, expanding the downstream, and striving to build an international first-class enterprise with upstream and downstream integration in the global lithium industry", promoting the core values of "integrity, responsibility, cooperation, efficiency, and innovation", relying on scientific and technological innovation to continue to lead the direction of technological development in the domestic lithium industry, and relying on the listed capital platform to build the first national brand in China's lithium industry.

Global layout

As an upstream company in the new energy industry, we have made great efforts to diversify our resources in order to secure supply. We have built localized lithium salt production bases near our mineral rights in Argentina and Mexico, which not only helps to shorten the supply chain and reduce CO2 emissions during transportation, but also provides more employment opportunities for local residents. The Company actively integrates into the work and life of local communities to know about their demands, and realizes harmonious coexistence between industrial production and communities by building basic living facilities.



Corporate Culture



Ten Principles, Four Qualities, and Five Aspects of Faithfulness

(I) Ten Principles

Talent is the key to the development of enterprises. On the path of building Ganfeng into an international first-class enterprise integrating upstream and downstream in the lithium industry, talent strategy has always been placed at the forefront of enterprise development. Building a like-minded team is crucial to achieving entrepreneurial success. Ganfeng Lithium has established a grand stage for people to fully display their talents by establishing a fair and just integrity system, assembling a team of high-quality management personnel who are “faithful to the profession, recognize the Company, adept at learning, and committed to continuous improvement”. The Ten Principles must be followed by all managers of Ganfeng Lithium.

1. Be loyal to Ganfeng Lithium and agree with the Company’s core values and business philosophy.
2. Stay humble and low-key with a strong will.
3. Work hard and always respond to the Company’s urgent needs.
4. Be dedicated to the position without abuse or misplacement of power.
5. Care for colleagues, be upright and remain true to promises.
6. Assume responsibilities, think outside the box, and be capable of breaking through and solving problems.
7. Work on the front line and solve practical problems.
8. Be a technical and management expert.
9. Observe the rules and never seek privileges.
10. Be clean and self-disciplined, never form cliques for private gain.

(II) Four Qualities

Young people are the future and hope of an enterprise. To a certain extent, the competition among enterprises is the same as competition among young people. We should put young people in positions that fit their personalities to train them and provide them with a platform where they can exert their initiative. Young people at Ganfeng Lithium should be aspirational, skilful, rule-abiding, and grateful.

(III) Five Aspects of Faithfulness

Ganfeng Lithium aspires to lead all employees to a comfortable life. For the integrity, health, and sustainable development of the Company, we should:

- Be faithful to the law and never use our power to infringe on any interests of the Company or accept any bribes;
- Be faithful to the discipline and never accept any gifts or hospitality from the Company’s partners;
- Be faithful to ethics and never influence or interfere with the Company’s business out of personal interests;
- Be faithful to the mission and never form cliques for private gain to affect the Company’s healthy development; and
- Be faithful to the Company and never cover up corruption or abuse of power for personal gain.

Sustainable Development Management

Sustainable Development Profile

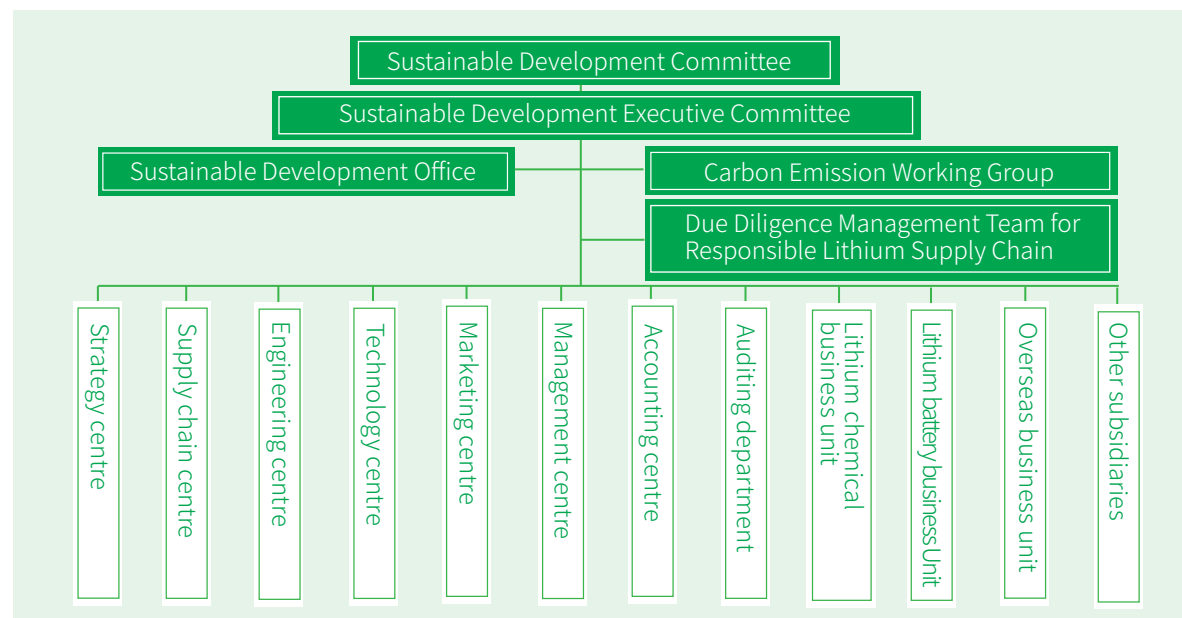


Statement by the Board of Directors

In recent years, Ganfeng Lithium has strictly followed the concept of sustainable development in its operations, guaranteed supply for the new energy industry chain in its business model, focused on energy conservation and emissions reduction in its production and operation, and actively devoted itself to supporting the sustainability improvement of the entire lithium supply chain through a robustly sustainable operating organizational structure.

The Board of Directors of Ganfeng Lithium serves as the highest governance and decision-making body for the Company's ESG matters, which oversees and administers the Company's ESG management policies and strategies. The Board of Directors has established a Sustainable Development Committee, which is led by the Company's vice chairperson. The Committee has drafted the Working Rules of the Board's Sustainable Development Committee, defining the responsibilities of each department to implement specific ESG matters. Specifically, the Sustainable Development Committee establishes the Company's sustainability goals and development plans, and oversees the operation of the Company's sustainable development system throughout all business segments. A Sustainable Development Executive Committee has been set up under the Sustainable Development Committee. There is also a Sustainable Development Office and Carbon Emission Working Group, which are responsible for coordinating the sustainability tasks of functional departments and subsidiaries, such as technological energy-conservation transformation, waste gas, wastewater and solid waste emission management, water consumption management, energy transformation, and community maintenance. The Board of Directors evaluates the progress of these causes on a regular basis.

In the context of the global transition to a green and low-carbon economy, Ganfeng Lithium values stakeholders' demands. The Sustainable Development Executive Committee conducts stakeholder surveys on a regular basis. To address stakeholders' needs in a targeted manner, the Board of Directors reviews major ESG topics and determines the Company's ESG risks and opportunities, as well as annual ESG priorities based on the survey results.










Sustainable development management structure of Ganfeng Lithium

In 2022, Ganfeng Lithium actively participated in CSR sustainability certification in response to stakeholders' requests, continued to improve its risk management process, and dedicated itself to building a responsible supply chain. At the same time, we continued to promote the installation of distributed photovoltaic projects on all rooftops, completed the first transaction of green electricity in Jiangxi Province, and took multiple initiatives to improve the proportion of green electricity. In addition, we urged our upstream suppliers and ourselves to strengthen the ESG level to reduce ESG risks in our operations.

This report fully discloses the progress and achievements of Ganfeng Lithium's ESG work in 2022, and was reviewed and approved by the Sustainable Development Committee and the Board of Directors on March 29, 2023.

Stakeholder Communication

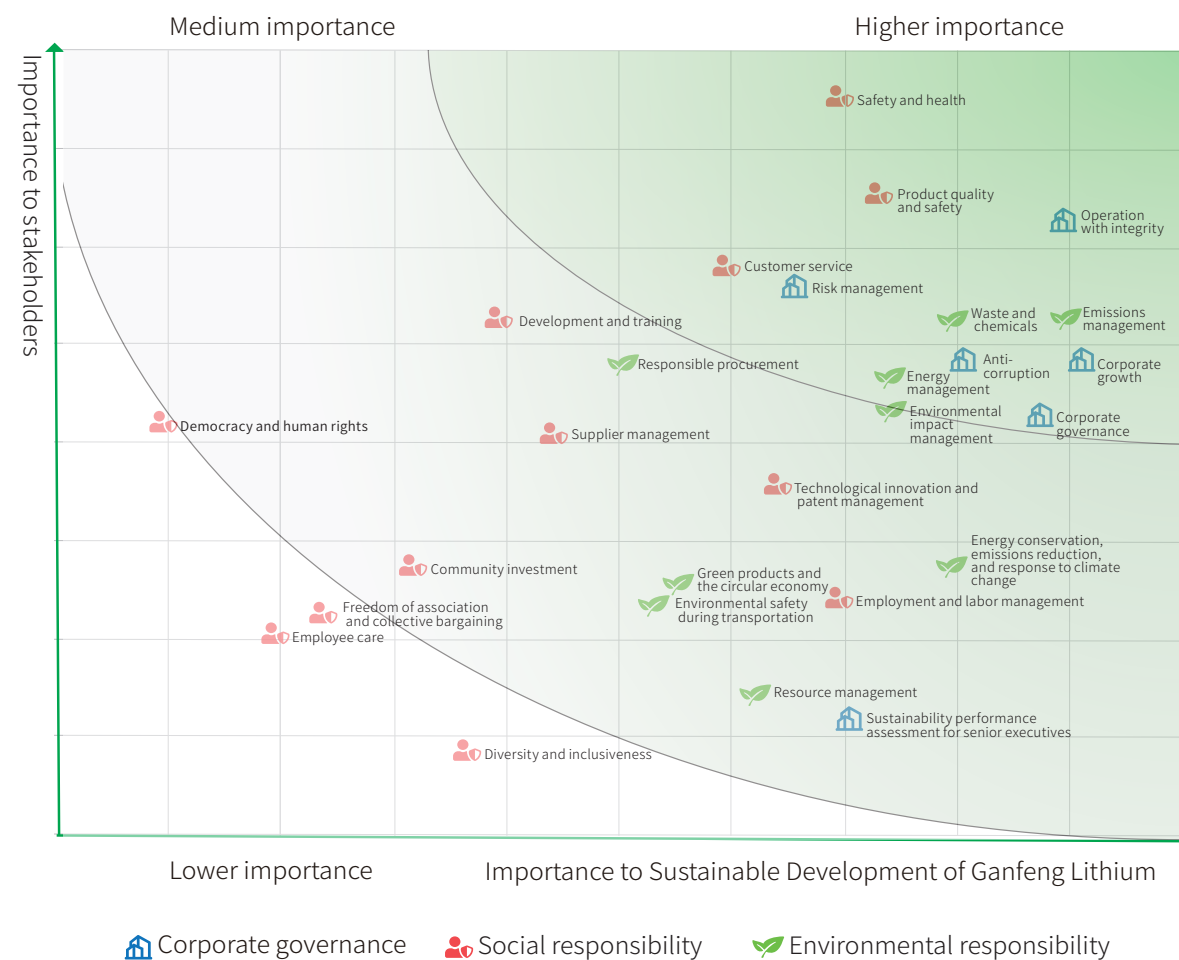
The Company highly values the communication with stakeholders. Under the coordination of the Sustainable Development Executive Committee, business departments communicate directly with stakeholders such as company employees, shareholders, government, suppliers, customers, media, society and the public, partners, regularly listen to internal and external stakeholders' demands and expectations, and make timely response.

Stakeholders	Demand and Expectations	Means of Communication and Response
 Government	Complying with laws and regulations Paying taxes according to law Supporting economic development	Operating according to relevant regulations Paying taxes according to law
 Shareholders	Return on investment Business and profit growth Risk management Information disclosure	Timely disclosure of business information Shareholders' meeting Investment Summit Roadshow
 Customers	Stable supply of goods High-quality products and services Meeting diverse needs of customers Creating value for customers	Signing a long-term agreement Guaranteeing service quality Customer information protection Customer satisfaction survey
 Employees	Safeguarding employees' rights and interests Improving paths to development Protecting occupational health Balancing work and life	Providing good compensation and benefits Improving paths to career development Implementing employee training
 Partners	Open, fair and just procurement Fulfilling contracts	Performing contracts according to law Open tender Carrying out project cooperation
 Environment	Environmental protection Energy savings and emissions reduction Ecological conservation	Managing emissions Improving resource and energy efficiency Managing hazardous chemicals
 Society and the Public	Participating in community development Supporting philanthropy	Participating in community development Supporting philanthropy

Materiality Analysis

Every two years, the Company conducts thorough research and identification of material topics. In 2022, the Company engaged with stakeholders in a variety of ways, conducted benchmarking analysis of the topics in peer companies' sustainability disclosure, and consulted industry topics in mainstream ESG-related ratings and indices in the capital market. We compiled sustainability issues relating to the industry and the Company using the HKEx ESG Reporting Guide's Appendix 27: Environmental, Social, and Governance Reporting Guide. After discussing and screening, the Sustainable Development Office identified 27 sustainability topics for the year.

To ensure more accurate and complete disclosure of information relating to operation and management, the Company used questionnaires to identify the scope and limitation of disclosure of these topics. We recovered a total of 10 copies of the executive questionnaire and 174 copies of the stakeholder questionnaire in 2022, and collected opinions and suggestions on the Company's sustainable development management from all stakeholders, which will serve as an important foundation and direction for the Company's future. The Company's 2022 materiality matrix on sustainable development was finalized and reported to the Company's Board of Directors for approval based on stakeholder and executive evaluations of all social responsibility subjects.



Materiality matrix of sustainable development issues of Ganfeng Lithium in 2022

Response to UN SDGs

	The company continuously helps the families of poor employees to get out of poverty. Over the years, we have actively participated in poverty alleviation, helped improve the lives of poor residents and sent gifts to poor households on festive occasions.
	For more than 10 years, the company has assisted needy students in various forms such as funding for study and music classroom building. The company cooperates with universities and research institutes to carry out projects that train professionals in the lithium industry.
	In opposition to gender discrimination, the company implements equal pay for equal work for men and women, protects the legal rights and benefits of female employees and increases the proportion of female executives gradually.
	The production wastewater and domestic sewage generated by the company's operations are properly treated to reach standards and then discharged to municipal sewage pipe networks without polluting local rivers and lakes.
	The company has replaced coal with steam and natural gas step by step and leveraged rooftop photovoltaic power generation and self-produced energy storage batteries to increase the use of clean energy.
	The company supports the development of strategic emerging industries that facilitate sustainable economic growth, bans compulsory labour and child labour and provides employees with a competitive salary and welfare system while creating an aspiring corporate culture and working atmosphere so that employees take pride in working for Ganfeng Lithium.
	The company continuously increases investment in technology development, research and innovation, attaches importance to the introduction and training of scientific research personnel and maintains innovation vitality and ability to drive industrial upgrading.
	The company respects and protects the human rights of every employee regardless of age, gender, disability, race, ethnicity, origin, religion or economic status and eliminates inequality.
	We provide a diverse product portfolio that complies with sustainable development trends. Our products are widely used in new energy storage, urban clean transportation and other fields.
	The company improves resource utilisation in all aspects of production and operation, strictly manages the use of hazardous chemicals, reduces waste emissions and rationally develops and utilises lithium ore resources and metal recycling to minimise its impact on the environment. The company regards safe production as the most important responsibility and strives to create a safe and healthy working environment for its employees.
	The company actively takes actions for energy saving and consumption reduction to address climate change. A few initiatives are energysaving targets for factories and linking them to the performance of executives, building a climate change risk management system and hiring third-party professional institutions to conduct greenhouse gas accounting in order to raise its speciality in responding to climate change.
	The company optimises the construction process during mining operations and actively carries out reclamation and greening afterwards to maintain the stability of local ecosystem and protect biodiversity.
	The company continuously improves corporate governance, strengthens anticorruption construction and strives to establish an efficient and transparent governance system.
	The company has established a symbiotic and win-win relationship with partners, working with upstream and downstream partners in the industry chain to push forward sustainable management.

I. Prioritizing Compliance to Consolidate the Cornerstone of Governance

Operational compliance is the cornerstone of a Company's sustainable development. Ganfeng Lithium, as an A+H-share listed company, manages compliance in accordance with the governance requirements for listed businesses in both the Chinese mainland and Hong Kong. To ensure the integrity and effectiveness of the Company's operations and work towards the Company's sustainable development goals, we continuously improve our governance structure, create a standardized and scientific operation mechanism, and continuously improve the management level, effectively preventing and controlling risks.

Material issues addressed in this chapter

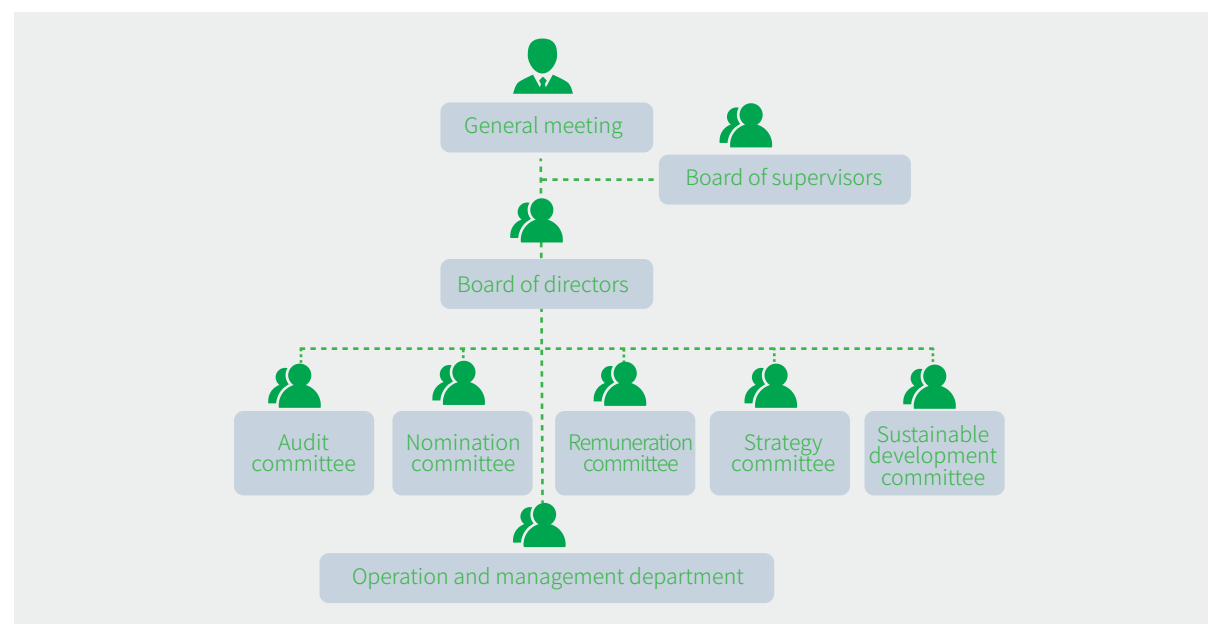
1. Corporate governance
2. Company growth
3. Anti-corruption
4. Operation with integrity

Issues related to SDGs addressed in this chapter



Improving Corporate Governance

Ganfeng Lithium strictly abides by the Company Law of the People's Republic of China, Securities Law of the People's Republic of China, Guidelines for Governance of Listed Companies, and other relevant laws and regulations. The Company has formulated and improved a number of systems and regulations including the Articles of Association, Management Measures for Fundraising, Rules of Procedures for Shareholders' Meetings, Rules of Procedures for Board of Directors Meetings, Rules of Procedures for Board of Supervisors Meetings, Rules of Work for Independent Directors, Outbound Investment Management System, External Guarantee System, Information Disclosure Management System, etc. We have continuously improved the construction of shareholders' meetings, Board of Directors meetings, and Board of Supervisors meetings to lay a solid foundation for the standardized operation and long-term sustainable development of Ganfeng Lithium. In 2022, the Company updated the Rules of Procedures for Board of Directors Meetings, Rules of Procedures for Board of Supervisors Meetings, Rules of Procedures for Shareholders' Meetings, and Rules of Work for the Remuneration Committee of the Board of Directors according to the regulatory authorities' latest instructions and the Company's actual situation. We continuously improve our effective corporate governance structure and enhance corporate governance to protect shareholders' and investors' interests to the greatest extent.



Corporate Governance Structure

Ganfeng Lithium attaches great importance to the diversified structure of the Board of Directors by electing board members based on multiple factors including age, educational background, professional experience, industry experience, etc. Among the members of the Company's Board of Directors, there are 4 internal directors and 6 external directors. Four directors are women, which helps exert women's advantages in management.

Ganfeng Lithium attaches great importance to the protection of shareholders' rights and interests, and actively maintains close communication with shareholders. We convene a general meeting of shareholders as required every year, treat all shareholders equally, use online voting, and separately count the votes of small and medium shareholders to maximize their participation in the Company's decision-making and protect the interests of investors. In the face of shareholders' inquiries, we give explanations in a timely manner, carefully listen to their opinions and suggestions, and ensure the right to know and the right to speak for small and medium shareholders.

In 2022, the Company held a total of 5 shareholders' meetings, 16 meetings of the Board of Directors, 11 meetings of the Board of Supervisors, 9 meetings of the Strategy Committee, 4 meetings of the Audit Committee, 4 meetings of the Remuneration Committee, 1 meeting of the Nomination Committee, and 1 meeting of the Sustainable Development Committee. The members of the Board of Directors and the Board of Supervisors carefully review each proposal and perform their duties diligently.

Information Disclosure

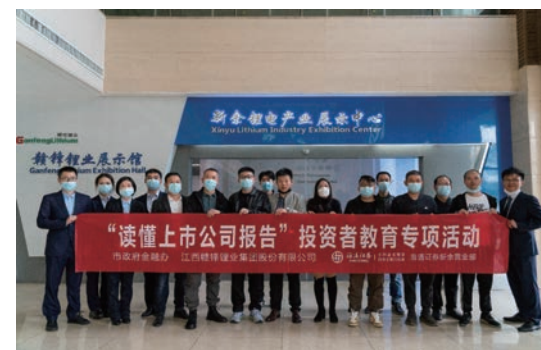
In 2022, the Company published 195 announcements on the Shenzhen Stock Exchange and 80 overseas regulatory announcements on HKEx, some of which were in both Chinese and English. In our daily work in 2022, we paid great attention to transactional compliance and disclosed all matters regarding connected transactions within the Company according to the applicable laws and regulations.

Investor Communication

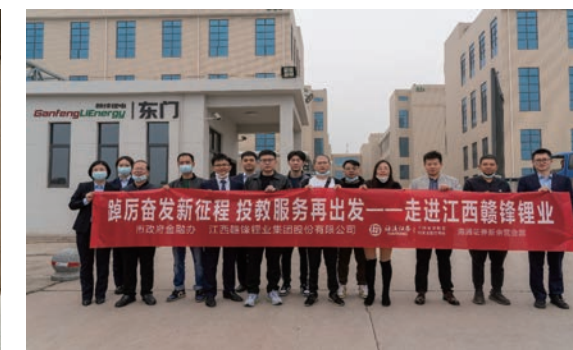
Throughout 2022, in the face of the impact of the COVID-19 epidemic, the Company actively maintained close communication with various investors in the capital market and made special communications on the Company's strategic development, financial indicators, capital market performance, and other concerns, covering investor groups such as institutional investors, and small and medium investors in a more complete manner. Throughout the year, the Company took the initiative to maintain effective communication with securities companies, public funds, private equity institutions, foreign institutions, insurance companies, etc. In 2022, the Company convened 3 online performance briefings and 1 institutional investor conference call with over 1,000 attendees. In addition to actively maintaining good communication with institutional investors, in order to better serve small and medium investors and protect investors' rights and interests, the Company communicated with small and medium investors through various channels, including but not limited to SZSE's e interactive platform, the company's website, email and a hotline for investor relations, as well as inviting the Company's investors to visit the Company offline to understand the Company in compliance with the epidemic prevention requirements, the Company replied to more than 500 interactive emails and answered investors' calls thousands of times in 2022.

Case: Organizing investor education activities

In order to further strengthen investor education, help small and medium investors improve their ability to read reports of listed companies, and actively advocate long-term investment, value investment and rational investment, the company, together with the Haitong Securities Jiangxi Investment Education Base and Xinyu Municipal Government Finance Office, organized the "Activities of Approaching the Listed Companies" and the "Special Activities of Investor Education on Reading the Reports of Listed Companies" in November 2022. At the site, investors visited the corporate exhibition hall led by the securities department of the Company, and gained an in-depth understanding of the development history of Xinyu's lithium battery industry, the distribution of the lithium battery industry's bases, lithium battery industry chain, as well as the development history and product structure of the Company. During the visit, investors also exchanged questions about their concerns regarding investment in the lithium industry. Afterwards, the investors went deep into the plant area and followed the engineers to visit the lithium battery production project on the spot, and had a more intuitive understanding of the Company's production, operation, and development direction.



"Special Activities for Investor Education on Reading the Reports of Listed Companies"



Activities of "Approaching Ganfeng Lithium"

Case: Training for directors, supervisors, senior executives, and non-managerial employees

The Company encouraged directors, supervisors, senior executives, and non-managerial employees from relevant departments to attend the Jiangxi 2022 training for listed company directors, supervisors, and senior executives in November 2022. Moreover, we actively reminded directors, supervisors, and senior executives of compliant trading through emails, letters, and text messages in our daily work to prevent violations involving insider trading or short-term trading. In 2022, the Company uploaded a large number of learning videos to the Zhiniao learning section of the Ping An Bank app for employees in various roles to learn as needed, including more than 10 lessons on labor contract management, protection of employees' human rights, production safety, anti-corruption, and network security.



Reinforcing Risk Management and Control

In order to prepare for the rapidly changing lithium industry in 2022, the Company focused on risk management and conducted comprehensive risk assessments using the IATF 16949 management system and the Company's risk management system, and formulated mitigation measures for unavoidable and high-impact risks. In the face of many unexpected epidemics in 2022, the Company had always maintained normal production and operation under the orderly response plan of the safety and environmental personnel, the material support of the logistics department, and the persistence and hard work of all of Ganfeng's staff.

Risk Identification and Assessment

In order to comprehensively identify and respond to risks and opportunities in production and management activities in each department, the manager's representative organized each department to establish methods for identifying and responding to them and to confirm the existence of risks. In the process of identifying and responding to risks and opportunities, the responsible department screens and identifies the risks that may exist in the workshop, production process, and personnel one by one, including but not limited to risks of internal and external factors, risks of related parties, risks of system planning, risks of operational process, risks of product safety, risks of change of management, risks of non-conformity/non-compliance, etc. After identifying the risks, each department formulated and implemented risk response measures, and then reported to the risk review team for review to ensure the rationality and effectiveness of risk and opportunity assessment, so that the risks could be effectively controlled.

Information Security Construction

Information security is the basis of information management work and an important guarantee for the orderly development of enterprise information construction. In the era of a knowledge economy, information is becoming an important asset of enterprises. In 2022, the company introduced an information security management system, increased information security training, standardized the confidentiality of internal information by the Company's employees, and enhanced employees' awareness of information security. The ISO27000 and TISAX certification was launched to establish a set of scientific and effective management systems for the Company's information security management as a guarantee to enhance the trust of the Company and its partners, the confidence of investors, and to expand the Company's businesses. Meanwhile, based on the overall policy and target of "evidence-based measures", the IT department of the Company upgraded the Company's system and achieved good results in NCC implementation optimization, overseas SAP project implementation, and the safety production monitoring platform. In addition, the Company participated in the Jiangxi Industrial Control Information Security Emergency Drill in May 2022. From June to September, it accepted the joint network attack drills and several information security inspections by multiple departments, including the provincial and municipal network information offices and the Ministry of Industry and Information Technology. The Company also actively cooperated with and safely resisted the attack drills, and actively implemented the landing and rectification in place for the problems found.

Case: Overseas SAP project implementation

In August 2022, in order to meet the optimization of business processes and strengthen control, the IT Department assisted the Overseas Business Unit to start the implementation of the LMA SAP project, which lasted for 6 months. The LMA SAP project is a strategic project and a multi-party collaborative project. By implementing the project, the existing business processes and business pain points of LMA can be sorted out and a total solution can be provided. For the Overseas Business Unit, we realize the budget control of overseas projects. For the Group, all processes were implemented in line with the Group's system and documents, while forming an executable template for future promotion of projects in Mexico and Australia.

Case: Safety production monitoring platform

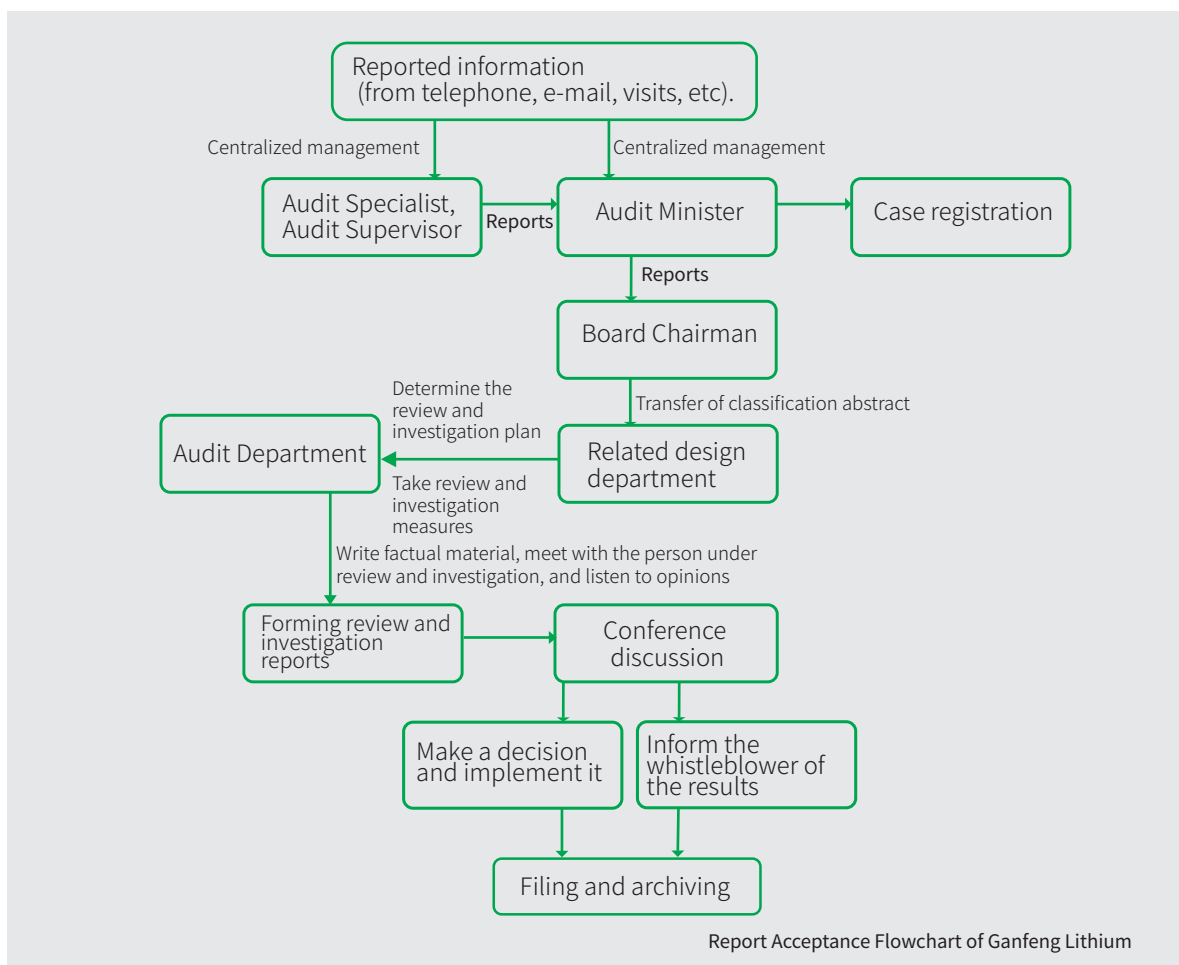
In the safety production of the 10,000-tonne lithium salt plant, the Company, together with the suppliers, jointly built a safety production monitoring platform to realize remote roaming in the plant cloud, real-time display of plant's production data, and the technological push of the plant's safety production information, especially abnormal information.



In an era when the country is vigorously developing intelligent manufacturing, the Company also deeply understands the significance of digitization and intelligence. We took the lead in opening the construction of intelligent plants in the industry, which is a digital innovation in the lithium salt industry. We built a brand-new intelligent plant, drawing on the theory of Industry 4.0, fully integrated industrialization and informatization; combining digital production lines and intelligent 3D warehouse, moving from traditional process-driven to data-driven development, creating a full-closed-loop management with automatic data collection, intelligent analysis, intelligent decision-making, and business self-adaptation, fundamentally improving production efficiency, reducing costs, and achieving higher economic benefits.

Setting up an Anti-corruption circle

2022 was the year of Ganfeng's anti-corruption innovation and refinement management promotion. As a world-leading lithium ecological enterprise, the Company strictly follows many systems and regulations such as "Administrative regulations on anti-bribery, anti-corruption, and anti-fraud", "Administrative regulations on bidding and negotiating contract evaluation", "Administrative regulations on anti-money laundering and anti-terrorist financing", "Regulations on the management of employee integrity and self-discipline", "Regulations on the management of non-discrimination, non-harassment, and non-abuse", "Regulations for the management of anti-trade discrimination", and "Internal audit management regulations", and actively practices the anti-corruption slogan of "zero tolerance" and "no tolerance" of the 20th National Congress of the Communist Party of China, and firmly resolved "No bad practice and no unjust money". We adhere to the will of "justice, fairness, and openness", the professional ethics of "integrity and self-discipline based on honesty", and always adhere to the basic principles of "anti-corruption and integrity promotion". In 2022, General Secretary Xi Jinping pointed out in the report of the 20th Party Congress that "anti-corruption is the most thorough self-revolution" and the implementation of the "three non-corruptions" and "dare not to be corrupt, not to be corrupt, and not to want to be corrupt", which shows the importance of anti-corruption to an enterprise. In 2022, we maintained the original anti-corruption strategy without wavering, from the oath of integrity and self-discipline to the three-step self-correction, from in-depth internal grassroots training to the joint construction of external partners in the anti-corruption linkage, zero tolerance, strict punishment, catching the wolves, and sending the bureau, the anti-corruption norm has been established.



There are various ways to report: employees of the Company and all social parties that have direct or indirect economic relations with the Company can report fraudulent behaviors to the audit department of the Company through reporting phone calls, emails, letters, interviews, etc. The reporting information system is specifically:

- (1) Reporting telephone: 0790-6411129
- (2) Reporting email: shenji@ganfenglithium.com
- (3) Address: Audit Department, R&D Building, Ganfeng Lithium Group Co., Ltd., No. 608 Nanyuan Road, High-tech Industrial Park, Xinyu City, Jiangxi Province

Multi-channel integrity promotion

In order to vigorously publicize the knowledge of anti-corruption and integrity, enhance the ability of employees to prevent and resist corruption, Ganfeng conducts training related to building a clean government at least once a quarter, covering multiple sectors, and focusing on the parts with a high incidence of violations of discipline and regulations. In 2022, Ganfeng actively advocated anti-corruption knowledge and implemented training activities with the theme of "zero tolerance and heavy blows". By the end of 2022, the Company carried out 39 anti-corruption training sessions, achieving 100% coverage of anti-corruption-related training matters.

Online training: A series of anti-corruption courses of "Fighting anti-corruption by your side" are promoted and learned through Zhiniao.

Off-line training: Each subsidiary plant organizes on-the-spot watching of anti-corruption courses for "Fighting anti-corruption by your side".

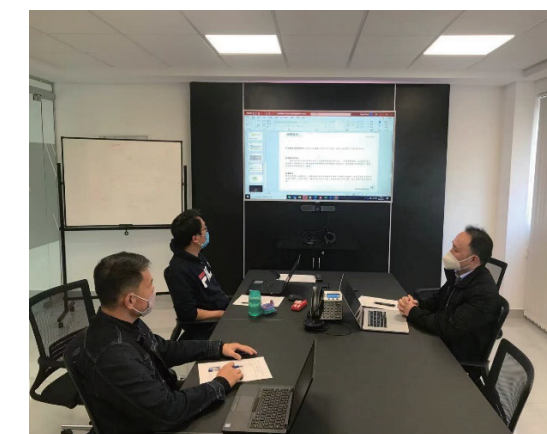
Simultaneous promotion in the WeChat official account: The topic of "Integrity and Self-discipline" was launched in the Company's WeChat official account "Hi Ganfeng", and 7 tweets were tweeted in WeChat official account throughout the year.



Training for Overseas Business Unit



Training for middle and senior leaders



Training for subsidiaries

Practicing IATF16949 system

In 2022, based on the requirements of the IATF 16949 management system, the Company's audit department updated the management system for bidding by assessing the internal control system, following up on the audit findings reported, and vigorously promoting and training on the management rules of "no forced labor, harassment, or abuse" and "no discrimination, no harassment, and no abuse", moving forward on the sunny road of orderly and refined management, always practicing the contents of the system, and constantly responding to the call.

Update: Regulations of the management of bidding, negotiation, and exclusive partner evaluation

Solid system: management regulations on "no forced labor, harassment, and abuse" and "no discrimination, no harassment, and no abuse"

Promote the revision of Ganfeng Sichuan's pile assessment system, and help improve the internal management of the Ganfeng Recycling including gate management, warehouse management, and the procedures for selling waste residue

Newly revised documents on anti-corruption, anti-money laundering, anti-fraud, and other related systems:

1. Regulations on the management of anti-corruption, anti-bribery, anti-fraud, and reporting
2. Regulations on the management of anti-money laundering and anti-terrorist financing
3. Regulations on the management of "no discrimination, no harassment, and no abuse"
4. Regulations on the management of "no forced labor, harassment, and abuse"
5. Regulations on the management of anti-trade discrimination

Integrity self-examination and self-correction activities

In order to effectively strengthen the Company's cultural construction, deepen the anti-corruption and integrity work, improve employees' awareness of integrity, and resolutely resist all bribery and corruption, the Company opened a special integrity account in 2022, which is mainly used for collecting integrity and self-discipline reporting and spending integrity rewards. The employees of the Company promise to keep in mind and prove with practical actions that they will never accept commercial bribes and gifts from other improper business practices.

Case: Eliminate waste and combat theft

In order to standardize the material management of Ganfeng Lithium, prevent the loss of the Company's property, eliminate all kinds of theft of the Company's materials, effectively protect the interests of the Company, and defend the employees' labor achievements. The Company internally carried out the "2022 Ganfeng Material Safety Maintenance Activity Program", with the theme of "Eliminate waste and make the best use of everything", and "Fight against theft and protect the Company's property". Called on all employees of the Company to actively participate in material safety maintenance activities, build a community of interests between the enterprise and employees, and finally achieve a "win-win" situation. Always put an end to wasteful behavior, even a needle and a thread are also collective property. Always firmly believe that protecting enterprise assets is to safeguard their own interests.

规范企业管理 健全赣锋制度 **物资管理** 共建企业与员工利益共同体

杜绝浪费,做到物尽其用 打击偷盗,保卫公司财产

提升物资维护意识,对伤害集体利益的行为坚决说不!
不论金额大小,私自带走公司物品均是偷盗。
杜绝浪费行为,一针一线也是集体共有财产。
保护企业资产,就是维护自身利益!

哪些行为可以举报?

盗窃行为: 以非法占有为目的,秘密窃取公司财物的行为,只要是将公司财产非法据为己有就是盗窃行为。
案例 1: 叉车司机偷盗公司电缆,偷出电缆约 300 米,涉及金额 7 万余元;
案例 2: 施工现场员工,剥边角料电线芯里面的铜并带走;
案例 3: 工厂员工在维修结束后,将纸卷芯带回家;
案例 4: 将食堂剩饭剩菜带回家,或多打米饭回家;

浪费行为: 在生产和生活中,对人力、物力和财力等资源的不合理使用。
案例 1: 过厂的废弃包装桶里,尚有 3kg 金属管材料;
案例 2: 员工用完好的元明粉包装袋吨袋用作垃圾袋;

管理漏洞: 导致盗窃行为、浪费行为可以产生的管理问题。
案例 1: 车间办公室作为电池回收暂存存放处,人员可以随意进出,与仓库交接台账时有时无,从不核对数量,易造成财物丢失;
案例 2: 电缆存放的仓库,玻璃窗不能上锁、无防护措施,库存物资对账不准确,易造成失窃,且难以追查。

偷盗、赣锋与管理漏洞会导致公司财产损失,面对上述损害全体赣锋人共同利益的行为,知情员工可以直接向公司负责人,或集团审计部进行举报。一旦核实,将对涉事人员进行严肃处理,并将对举报者进行涉案金额相应比例的奖励。

举报途径有哪些?

举报途径:

1. 集团举报方式

1) 审计总部二维码:



2) 审计总部邮箱:
shenji@ganfenglithium.com

3) 审计总部 QQ 邮箱:
30866496@qq.com

2. 子公司举报方式: 物资安全维护员

举报后有怎样的奖励?

举报奖励: 各单位鼓励员工发现异常及时举报,针对举报信息属实可以给予奖励,奖励方式包括但不限于以下:

1. 员工或者发动同事当场抓到偷盗人员并拍照取证,奖励追回金额的 30%;
2. 提供物资被盗相关照片或者视频,经调查情况属实,奖励举报追回金额的 30%;
3. 提供被盗相关的文字信息,经调查情况属实,奖励举报追回金额的 20%;
4. 提供物资不安全信息或者物资可能被盗窃的消息,经调查情况属实,奖励举报追回金额的 15%;
5. 提供公司管理漏洞,物资存在不规范使用或不安全因素等信息,经调查情况属实,按照合理化建议奖励。

为加强公司物资管控,严厉打击公司内的偷盗行为,杜绝各类偷盗公司物资的案件发生,防止公司财产损失,切实维护企业利益和员工劳动成果,现赣锋审计部号召公司全体员工参与到物资安全维护活动中,共建企业员工利益共同体,保卫我们的共同财产。

II. Leading Industrial Transformation with Comprehensive Layout

Guided by the national energy strategy, Ganfeng Lithium has been deeply involved in the lithium industry for 22 years. In order to help realize the strategic goal of "emission peak and carbon neutrality", Ganfeng Lithium has continued to ensure the supply for downstream customers in the new energy industry chain, and turned resources into products as soon as possible, becoming a booster for the new energy industry. Based on the active identification of various climate risks and opportunities, we utilize our industrial advantages to keep extending the industrial chain and building the lithium ecosystem, and continue to provide high-quality, environment-friendly and leading products. At the same time, we strengthen the ESG management of upstream suppliers and work together to build a responsible supply chain.

Material issues addressed in this chapter

1. Energy conservation and emission reduction and response to climate change
2. Green products and circular economy
3. Responsible procurement

Issues related to SDGs addressed in this chapter



Responding to the National Strategy of “Emission Peak and Carbon Neutrality”

The world's attention to climate change will certainly affect the energy development strategies of various countries. Ganfeng Lithium actively responds to the national strategy of "emission peak and carbon neutrality" and is always committed to developing in a green and low-carbon way. Combining its own development status and market demand, the Company recognizes that climate change is the fundamental driving force of the global new energy strategy. We have fully integrated the climate risk indicators into the Company's existing risk management system, while the Company continues to invest in the lithium industry and expand the industry chain vertically to help the development of new energy industry, give full play to the important role of the new energy industry in optimizing the energy structure and developing in a green and low-carbon way, and help the country to establish a sound green, low-carbon, and circular economic system through its own practical actions.

New Energy Industry

Ganfeng Lithium has established five business segments based on its 22 years of deep involvement in the lithium business: upstream lithium resource development, deep processing of lithium salt products, midstream lithium metal smelting, downstream lithium battery manufacturing and lithium battery recycling. The Company is involved in all aspects of the lithium industry to ensure supplies for new energy industry and support China's shift to renewable energy. In 2022, more than 20 projects of the Company at home and abroad was in the planning or construction stage at the same time, covering resource development, lithium compound and metal processing and smelting, lithium battery manufacturing and recycling in many production fields.

Lithium resource development

Benefiting from the rising prosperity of new energy vehicles in the world, as the core element of power batteries, the importance of lithium is self-evident. In order to ensure the steady and rapid development of the new energy vehicle industry chain, the layout of lithium resources is of great strategic importance to the world. Ganfeng Lithium continues its upstream layout, investing in lithium resources covering salt lake, lithium pyroxene, clay and other types in Argentina, Mexico, Mali and China - aiming to use its years of experience to accelerate the development and construction of local projects, so that the resources can become products in a shorter period of time and become a new driving force on the road to energy transformation.

Deep processing of lithium salt

As the world's leading manufacturer of lithium compounds, Ganfeng Lithium has developed five categories and more than 40 kinds of lithium compounds based on technology, known as the "Global Lithium Supermarket". We have won the praise and trust of our customers with our leading technology advantage, reliable quality assurance and excellent service quality. The company has built the world's largest lithium salt production base in Xinyu City, Jiangxi Province, and is planning to form a lithium product supply capacity with a total annual output of 300,000 tons of lithium carbonate equivalent in 2025. It will form a lithium product supply capacity of no less than 600,000 tons of lithium carbonate equivalent in the future, as well as a more competitive reserve of lithium resources projects to match it. Sustainable product supply ensures the supply security of the new energy industry chain.

Lithium metal smelting

As the world's largest producer of lithium metal, with the world's first low-temperature vacuum distillation and purification technology for producing battery-grade lithium metal, the Company is the first enterprise to specialize and scale up the supply of butyl lithium and the only professional manufacturer to scale up the supply of ultra-thin lithium strips. The rapid development of the enterprise satisfies the rapidly growing market demand of the lithium industry, promoting the widespread use and rapid development of new energy-powered vehicles.

Lithium battery manufacturing

Our battery products include power batteries, energy storage batteries, special batteries, consumer batteries, and small polymer cells. We offer a wide range of lithium battery products to customers in a variety of market segments. At the same time, we aggressively promote the research, development and production of solid-state battery. We have obtained more than 150 patents in the field of solid-state battery and related materials, ranking first in the field of solid-state battery technology development in China.

Lithium battery recycling

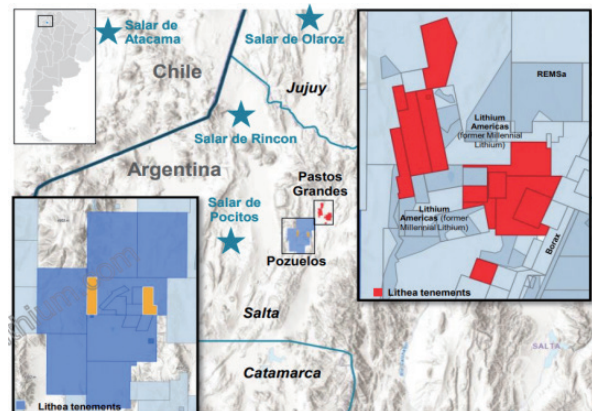
Ganfeng has been able to dismantle and recycle batteries without causing any pollution as a result of years of accumulating retired lithium battery recycling technologies. We have turned "urban waste" into "urban mines", established a closed-loop industrial chain, and developed a lithium ecosystem. We continue to improve the battery recycling capacity and are committed to providing a one-stop solution of "raw material + battery recycling" for battery plants and automobile companies.

Case: Construction of Fengcheng Ganfeng started

In May 2022, the commencement ceremony of the Fengcheng Ganfeng Lithium Industry Project with an annual output of 50,000 tons of new energy materials for lithium battery was held at the project site. Ganfeng Lithium adjusted its production capacity plan in a timely manner according to the market situation. The planned construction of the lithium hydroxide project with an annual output of 50,000 tons, with a total investment of RMB2 billion, is expected to be completed in two construction phases within three years. Since the beginning of the project, we have always adhered to the requirements of high-quality and strict standard and made every effort to promote the project construction. The main project is carried out by three units simultaneously, and we insist on holding regular weekly project scheduling meetings to solve the problems that arise during the construction of the project in a timely manner. The successful implementation of the project can effectively change the situation of "demand exceeds supply" and further increase the market share and competitiveness of the products in the global market.



Case: PPG Lithium Salt Lake Project in Salta, Argentina



In 2022, Ganfeng Lithium continued to promote the global layout of lithium resources to ensure a stable supply of raw materials. The Company acquired Lithea Inc. (BVI) for US\$962 million, thus indirectly holding the PPG project. The PPG project is a lithium lake project located in Salta, Argentina, consisting of two assets, Pozuelos and Pastos Grandes, with a total project resource of 11.09 Mt of lithium carbonate equivalent. The PPG Project was designed to have a Phase I capacity of 30,000 tons of lithium carbonate per year, which could be expanded to 50,000 tons of lithium carbonate per year depending on the natural resource conditions at the project site.

Case: Ganfeng Chongqing Lithium Industrial Park starting construction

In July 2022, the "Commencement and Completion of 2022 Key Projects" in Liangjiang New District of Chongqing was held in Ganfeng New Lithium Battery Technology Industrial Park. Ganfeng New Lithium Battery Technology Industrial Park and Advanced Battery Research Institute project officially launched, planning to form a 10GWh battery production capacity and a 10GWh Pack project. With the start of the new lithium battery technology industrial park in Chongqing, Ganfeng Lithium will further enhance its production capacity and provide more downstream enterprises with high quality and stable battery supply. In the future, Ganfeng will continue to increase the investment in the solid-state battery section, accelerate the large-scale production and commercialization of solid-state batteries, help the majority of automobile companies to complete the solid-state power iteration, to welcome the new era of high-energy, high-safety power battery!



Case: Comprehensive recycling of retired lithium iron phosphate batteries

Ganfeng Cycle is based on specialized recycling of waste batteries. By 2023, the processing capacity of LFP batteries will reach 50,000 tons, making the Company the leader of domestic LFP battery recycling technology and the largest LFP battery recycling enterprise in China. The Company is constantly increasing its technological innovation by developing the "Advanced and value-added utilization technology for waste LFP batteries", basically realizing the blueprint for the full component high-value utilization of all waste LFP batteries. Through the process of preferentially extracting lithium from LFP wastes, the efficient separation of lithium from iron and phosphorus has been achieved, and the comprehensive yield of lithium has reached more than 93%; an in-depth classification and systematic study of the iron and phosphorus slag produced by the process of preferentially extracting lithium from LFP wastes has been conducted, and the Na₃PO₄·12H₂O preparation process from alkaline boiling of high-Al iron and phosphorus slag and the battery-grade anhydrous FePO₄ preparation process from low-Al iron and phosphorus slag have been developed, realizing the full component recycling of lithium, phosphorus and iron in LFP batteries in a zero-pollution manner, which deeply implements the ESG concept and has long-term and stable corporate, environmental and social values.

Boosting the global shift to a green, low-carbon and circular economy

The Company has been deeply involved in the lithium for 22 years, and has supplied about 450,000 tons of lithium salt products to the new energy industry chain, fully meeting the demands of downstream enterprises for new energy vehicles. From 2015 to 2022, new energy vehicles equipped with Ganfeng lithium salt products have traveled more than 129 billion kilometers around the world. These new energy vehicles have helped the society reduce more than 32.26 million tons of carbon dioxide emissions. The Company fully implements the carbon neutrality strategy, actively participates in the new energy industry chain, and constantly contributes to the mitigation of global warming.

Response to Climate Change

With the intensification of global warming in recent years, large-scale extreme climate challenges are making the global economy, trade and operation of companies encounter unprecedented uncertainty and extensive climate risks. Climate change brings both opportunities and risks to the development of new energy industry. Ganfeng Lithium understands that climate change is the fundamental cause of the new energy boom. To help prevent global warming, we should do everything we can to help the development of new energy industry and ensure the supply of new energy to slow down the climate warming. In 2022, we proactively assessed numerous climate-related risks and opportunities in accordance with the framework and recommendations of the Task Force on Climate-Related Financial Disclosures (TCFD). Based on our Company's development, we quickly created various climate risk management strategies and countermeasures to ensure the Company may embrace climate-related opportunities and minimize climate-related hazards.

Policy risk

After the power generation industry was included in the national carbon market, the National Development and Reform Commission issued the "Implementation Plan on Accelerating the Establishment of a Unified and Standardized Carbon Emission Statistics and Accounting System" on August 19, 2022, which clearly requires the improvement of the carbon emission accounting mechanism for enterprises; the Ministry of Ecology and Environment and other departments revised carbon emission accounting methods and national standards for key industries such as electricity, steel, non-ferrous metals, building materials, petrochemicals, chemicals and construction. It can be seen that the lithium industry will also be gradually included in the carbon trading market in the future. The Company is in a period of rapid development, and the expansion of production capacity will be accompanied by a trend of growth in total emissions. It may face higher carbon emission costs when it is included in the carbon emission trading market in the future.

Countermeasures: The Company has formulated a carbon emission reduction roadmap and promoted the application of renewable energy according to local conditions, including the use of rooftop photovoltaic, centralized photovoltaic and wind power generation to accelerate the transformation of the Company's existing energy use structure, and to actively engage in green power trading to reduce carbon emissions per ton of products.

Technology risk

With the increasingly stringent requirements for industrial energy conservation, the Company must take more energy-saving technical improvement projects and adopt new technologies and methods to reduce the carbon emission.

Countermeasures: The Company actively introduces advanced low-carbon production techniques from around the world, changes and updates production lines on a timely basis, eliminates obsolete production capacity, and increases energy efficiency. Furthermore, in order to achieve low-carbon production, we are experimenting with carbon capture technologies.

Market risk

As a result of responding to climate warming, the new energy industry ushered in unprecedented development, the boom of the new energy industry continues to increase, and the price of upstream material products in the lithium battery industry continues to rise sharply. With the gradual release of production capacity layout and the cancellation of national new energy vehicle subsidies, the price of raw materials will be affected, thus causing impact on the upstream market.

Countermeasures: The Company analyzes the market from the perspective of the development of the entire industry chain, which resulted in the creation of a lithium ecosystem, thus ensuring the benign and sustainable development of the new energy industry and the continuous improvement of the market attractiveness of the new energy industry.

Reputation risk

New energy vehicles produce low carbon emissions during the driving process and throughout their life cycle; however, the production process of lithium batteries consumes a lot of energy and produces high carbon emissions during the smelting of lithium compounds and the recycling of lithium batteries. It has a negative impact on the Company's clean output to some extent.

Countermeasures: The Company strictly implements low consumption and low emission standards in the production, and works with upstream and downstream partners to create a green supply chain, thus ensuring the green and low carbon of the entire industrial chain.

Acute risk

Some mines owned by the Company are greatly affected by climate change due to their geographical location. In case of extreme weather, direct losses may be caused to the Company.

Countermeasures: For each project, the Company conducts hydrological, geological and climatic studies, and establishes appropriate measures to address the immediate risks posed by extreme weather on the project.

Chronic risk

Climate change will have a direct impact on precipitation in different parts of the world. The lithium salt lakes owned by the Company have a high concentration of lithium ions. Increased rainfall, the result of climate change, may lower the concentration of lithium ions in the lakes, making lithium extraction more challenging.

Countermeasures: The Company has created a number of lithium extraction technologies for low-concentration salt lakes to ensure that it can produce at a lower cost and use water efficiently under different concentrations.

Case: Preparation of battery-grade lithium carbonate by direct lithium extraction from deep low-grade brine

With the rapid development of the new energy industry, the resource supply problem is becoming increasingly tense, and the technology of extracting lithium directly from brine is being paid more and more attention. Becoming more innovative in lithium extraction technology, Ganfeng Lithium has developed a technology that extracts lithium directly from deep low-grade brine to prepare battery-grade lithium carbonate. By efficiently removing COD from deep low-grade brine, it uses the aluminum-based adsorbent with strong mechanical properties, good hydrophilicity, and large adsorption capacity to directly absorb and extract lithium, and then uses membrane processes such as nanofiltration, reverse osmosis and electrodialysis to obtain high-concentration lithium-containing pure liquid, and finally obtains battery-grade lithium carbonate through lithium precipitation technology. The overall lithium yield is not less than 85%, which is much higher than the traditional process lithium yield of no less than 30%, realizing the best utilization of lithium resources.



Boosting Circular Industries

Classified usage and centralized disposal of used batteries has been included in the 14th Five-Year Plan for National Economic and Social Development. The state has successively issued a number of policies to encourage the development and innovation of the power battery recycling industry. The "Notice on the Collaborative and Stable Development of the Supply Chain for Lithium-ion Battery Industry Chain", the "Action Plan for Green and Low-carbon Development of the Information and Communication Industry (2022-2025)", and the "Guidance on Accelerating the Development of New Energy Storage" provide clear and broad market prospects for the development of the power battery recycling industry and provide a good production and operation environment for enterprises. Relevant policies in 2022 focused on further improving the construction of the power battery recycling system, and paid attention to environmental pollution and safety in the recycling process. Retired power batteries contain a number of hazardous substances, including organic solvents, heavy metals and toxic gases, which can cause explosions, water contamination and air pollution. Resource recycling can be accomplished by recycling retired power batteries and extracting lithium, cobalt, nickel, manganese, iron, aluminum and other useful metals.

Based on existing lithium chemical plants, ternary precursor chemical plants, metal lithium plants and battery plants in the industrial ecology, Ganfeng Lithium is increasing its recycling technological presence, and taking advantage of "urban mines" to create a comprehensive retired lithium battery recycling program. Jiangxi Ganfeng Recycling Technology Co., Ltd., a wholly-owned subsidiary of the Company, specializes in the recycling of waste batteries into battery-grade lithium carbonate, lithium hydroxide, lithium fluoride and other lithium salt products, and has now completed a comprehensive project with an annual processing capacity of 34,000 tons of waste lithium batteries. The second phase of 12,000 tons of ternary precursor expansion project has been completed at the end of December 2022 for trial production, and is expected to achieve a processing capacity of 80,000 tons of waste battery in 2023; Invested RMB 2 billion Yuan in the construction of a 100,000-ton retired lithium battery comprehensive utilization project in Quannan, Ganzhou. Upon completion of the project and the achievement of target production capacity, it can comprehensively process 100,000 tons of retired lithium batteries and pole pieces annually.



In 2022, the Ministry of Industry and Information Technology released the publicity list of the fourth batch of national "Small Giant" enterprises, and Jiangxi Ganfeng Recycling Technology Co., Ltd. Was successfully selected. In addition, Jiangxi Ganfeng Recycling Technology Co., Ltd. won the 2022 Jiangxi "Emission Peak and Carbon Neutrality" Science and Technology Innovation Special "Unveiling the list" project (Research on high-value clean recycling technology and industrialization of full components of retired lithium iron phosphate batteries), 2022 Jiangxi Province Engineering Research Center (Jiangxi New Energy Vehicle Power Battery Comprehensive Recycling Engineering Research Center), Jiangxi Green Technology Cultivation Enterprise (Jiangxi Ganfeng Recycling Technology Co., Ltd.), 2022 Jiangxi Province Science and Technology Progress Award: the technology of comprehensive and efficient recycling of lithium-containing waste for producing high-quality lithium salt and its industrialization.



In 2022, **10,287** tons of lithium batteries, **21,466** tons of iron-lithium waste, **6,682** tons of lithium hydroxide is converted from lithium sulfate and lithium hydroxide produced by recycling, and **3,239** tons of ternary precursors were supplied.

In the future, the three fields of new energy vehicles, energy storage, and battery recycling will develop together. Ganfeng will work together with customers and upstream and downstream partners to build a new system of waste battery recycling with cutting-edge technologies, extensive experiences and excellent quality and create a smart solution for waste battery recycling, ranking among the world's first echelon of waste battery recycling industry!

Case: 12000 t/a ternary precursor expansion project

The project comprehensively processes retired ternary lithium batteries to recover valuable metals such as lithium, nickel, cobalt and manganese, and builds a production line with an annual output of 12,000 tons of ternary precursor materials and 4,250 tons of battery-grade lithium carbonate, battery-grade lithium hydroxide and other lithium salt products. The project adopts the Company's self-developed deep discharge technology and equipment, low-temperature roasting and other pretreatment technologies, new extractant extraction preferential lithium extraction and ternary precursor quantitative compensation regeneration technology, which can realize the annual treatment of 100,000 tons of retired ternary lithium batteries and 16,000 tons of waste ternary poles. The project won the 2022 special project for pollution control, energy conservation and emission reduction (energy conservation and carbon reduction direction) central infrastructure investment funds.



Building Responsible Supply Chains Together

Adhering to the IATF16949 management system, Ganfeng Lithium builds responsible supply chains by integrating corporate social responsibility with supply chain management. In 2022, the Company continued to deepen the concept of responsible procurement, inform upstream suppliers of the concept and requirements of sustainable development, strengthen upstream suppliers' awareness of fulfilling their responsibilities, and require them to commit to clean production, legal labor, safety and environmental protection, and anti-corruption and integrity. At the same time, we are actively responding to the investigation of responsible supply chain of downstream enterprises and publishing documents related to Ganfeng Lithium's responsible supply chain on the Company's official website. Through the coordinated development with upstream and downstream enterprises, the Company reduces social and environmental risks in the industrial chain and jointly builds a responsible supply chain.

Supplier Management

The Company has formulated documents such as "Procurement Management Regulations" and "Supplier Management Regulations" to systematize the suppliers' development, evaluation, determination, access and management, etc. These documents are updated in a timely manner every year as needed to continuously improve the level of supplier management and meet the growing needs of the Company. By the end of 2022, the Company had a total of 389 suppliers in Jiangxi province, 1,363 suppliers outside the province and 8 international suppliers.

Supplier management process:



At the end of each year, the Company formulates a supplier audit plan for the following year, and conducts audits and evaluations of different categories of suppliers at different frequencies. The procurement management department of the Company organizes the relevant departments to evaluate the supplier's performance according to the requirements in the "Supplier Performance Evaluation Form" every year, monitor the supplier's quality qualification rate, timely delivery rate, service, etc., and urge the supplier to make improvements to continuously improve the quality of the company's purchased products and reduce the risk of defective purchased products.

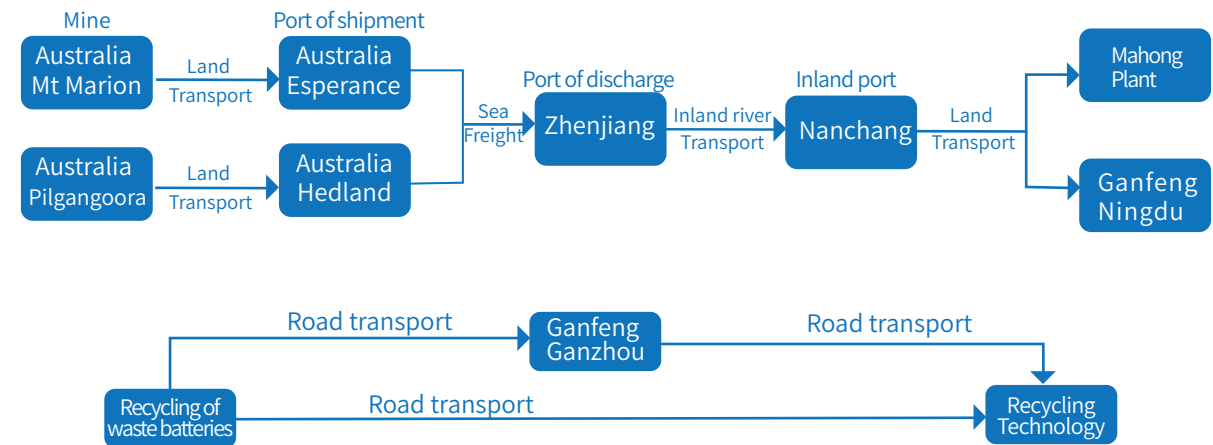
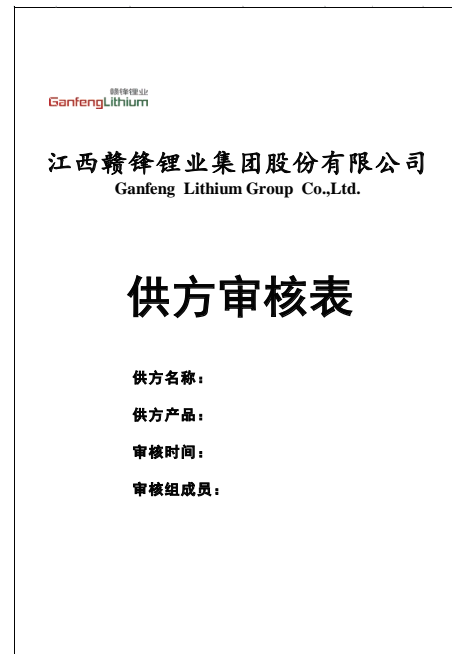
In view of the possible risks in the supply chain, the procurement management department should organize the plant to set up a supplier review team to lead the audit and risk management of important raw material suppliers, and to review and confirm whether the suppliers comply with laws and regulations, trade safety regulations, etc.

Case: Supplier video audit

In January 2022, the Company audited a supplier of barium chloride according to the "2022 Annual Supplier Audit Plan", which was conducted in the form of video audit due to the epidemic.

Before the audit, the Company would send a list of audit materials to the supplier, indicating the materials that the supplier needs to provide. The audit mainly verified the supplier's quality qualification rate, delivery timeliness, service, etc. According to the performance of suppliers, the score could be divided into four levels, namely excellent supplier, qualified supplier, general supplier and unqualified supplier. Upon completion of the audit, the supplier is urged to make improvements to continuously improve the quality of the company's purchased products and reduce the risk of defective purchased products.

This audit found two general non-conformities. The supplier took improvement/prevention measures to rectify the non-conformities, and all rectifications were completed in July 2022.



Due Diligence Management of Lithium Supply Chain

In 2022, under the leadership of the Company's responsible supply chain due diligence management team, the Company updated the "Responsible Mineral Supply Chain Management Policy" and other documents to improve the due diligence management of lithium supply chain. Continuously follow up on the signing of the "Supplier Code of Conduct" by suppliers to guide and regulate the behavior of upstream lithium suppliers and encourage them to take more environmental and social responsibility.

We follow the "Guidelines for the due diligence of responsible supply chain of ores in the conflict-affected and high-risk regions" (Third Edition) issued by the Organization for Economic Cooperation and Development (OECD), "Guidelines for the social responsibility in China's outbound mining investment industry", and "Guidance for China's mineral supply chains (Second Edition) to manage the supply chain of lithium raw material in a sustainable manner. The Company always adheres to the principles of "supply chain transparency, responsible procurement, no human right issues and limited environmental impact", updates the supply chain due diligence management framework, carries out lithium supply chain due diligence management according to the "six-step method", regularly learns about supplier information, invites suppliers to fill out mineral reports, KYS and other questionnaires, ensures the source of upstream lithium ore, and learns about all aspects of lithium mining, transportation and processing, thus ensuring the safety of the lithium supply chain.

The frame of the responsible mineral "six-step method" in due diligence management of supply chains:



In order to secure the upstream lithium supply chain, the Company has invested in participating lithium mining rights projects in Australia, Argentina, Mexico and Ireland, acting as a director and entering into underwriting agreements with them. By means of equity and underwriting agreements, we are able to ensure that the source of mineral raw materials is clear and the transportation path is clear, thus achieving risk controllability and traceability, thereby avoiding the risk of conflict minerals.

In 2022, third-party agencies hired by customers such as Apple and Volvo visited the Company's site to conduct supply chain due diligence audits so as to trace the source of lithium raw materials, ensuring a stable and reliable supply chain.

Case: Learning about upstream suppliers

To further mitigate supply chain risks, we conducted regular risk identification and assessment of the upstream lithium supply chain. In 2022, the Company conducted a questionnaire survey of upstream suppliers, and the information from the returned questionnaires was analyzed internally and risk assessment is carried out. After internal discussions within the company, we formulated a risk mitigation plan, and actively communicated with upstream miners to resolve possible upstream risk points through cooperation to achieve a win-win situation in the industry chain.

Examples of risks and mitigation measures:

There is serious gender discrimination in Australia's mining industry. Even many people in the senior management still believe that mining is a male's industry, making it difficult for women to be promoted and generally paid less than men for the same job. At present, the Company has not directly participated in the mine operation in Australia, so the direct risk is relatively low. Once the operation starts, the managers must ensure that men and women are equal in their work, and they are treated equally in career development and equal pay for equal job.

Air quality is changed due to emissions, noise and generation of particulate matter. The Company plans to mitigate the risk by using measures such as watering roads with salt water and maintaining equipment on a scheduled basis.



III. Becoming a Pioneer in the Lithium Industry with Proactive Innovation

As the world's leading lithium -ecosystem company, Ganfeng Lithium has established footprints across the industry chain. We use technical innovation to drive the Company's rapid growth, improve the Company's services for customer satisfaction, and provide high-quality products to benefit China's economy and people's livelihoods. Carry out joint research on core technologies for high-safety and high-specific-energy solid-liquid hybrid lithium batteries for long-endurance pure electric vehicle applications to drive the development of new energy vehicles; meet customer requirements, improve the low-temperature performance of the semi-solid lithium cobalt oxide system, and enhance the Company's technological competitiveness. The Company always adheres to the idea of "developing new products, exploring new markets and cultivating new power", and transforms the Company's technological innovation advantage into market and customer satisfaction.

Material issues addressed in this chapter

- 1.Customer service
- 2.Product quality and safety
- 3.Technological innovation and patent management

Issues related to SDGs addressed in this chapter



Ensuring R&D Capabilities

Ganfeng Lithium has always had a strong technological foundation and relies on technological innovation to drive the Company's sustainable development. For more than 20 years, the Company has been heavily involved in the lithium business and is a technology leader in the sector. We are overcoming one challenge after another, breaking through industrial technical bottlenecks, and working closely with universities to develop more types of lithium products. In 2022, the Company won a Jiangxi Province Excellent New Products Award first prize, a Jiangxi Province Excellent New Products Award second prize, was approved for the second "Excellent Products from Jiangxi", ten typical cases of transformation of scientific and technological achievements in Jiangxi Province, Jiangxi Province Science and Technology Advancement Award third prize, national single champion demonstration enterprise of the Ministry of Industry and Information Technology, Jiangxi Provincial Demonstration Enterprise of Management Innovation and the first Jiangxi Standard Innovation Contribution Award; the subsidiary received the titles of national specialization and special new "Little Giant" enterprise, Jiangxi Provincial Green Technology Cultivation Enterprise, Gazelle Enterprise and other honors. In 2022, the Company invested total of RMB 1.423 billion in research and development.

R&D Platforms

In 2022, 6 new provincial R&D platforms of the Company was approved, i.e. Technology Center of Ganfeng LiEnergy Co., Ltd., Jiangxi Solid-state Battery and its Key Materials Technology Innovation Center, Jiangxi Lithium Industry Science and Technology Innovation Consortium, the workstation in Jiangxi "Hai Zhi Plan" Ganfeng Lithium Co., Ltd., Jiangxi Engineering Research Center for Recycling of Power Battery Recycling for New Energy Vehicle, Jiangsu Engineering Technology Research Center for Active Balance Battery Management System. The company focuses on the comprehensive utilization of salt lake brine resources, clean and efficient recycling of used lithium batteries, solid-state lithium batteries, lithium replenishment technology and other aspects of research, and has achieved a series of scientific research results: solid-state lithium battery technology has made breakthrough progress, solid-liquid hybrid solid-state lithium batteries have achieved a small batch of applications; successfully developed lithium sulfide, lithium iodide, lithium amide and other key lithium materials, and has achieved mass production.

Talent Incentives

We develop the "Talent Incentive and Training System of Technology Center" documents, establish a sound mechanism for the use and operation of talent training in the technology center, strengthen the continuing education and knowledge training of scientific and technical personnel, and fully mobilize the scientific research enthusiasm and potential of all employees. Strengthen the training of young and middle-aged talents and the urgently needed professional talents for key positions, encourage technical personnel to learn various professional skills on the job, and reward those who achieve outstanding achievements. Through the development of the "Incentive Measures of Technology Center" documents to set up technical invention award, scientific and technological advancement award and rationalization proposal award. To reward technological achievements, technical transformation projects and other innovations that are independently developed and applied to the Company's production, generous prizes are established at the Grand Prize, First Prize and Second Prize levels. The deeds of the winners of the Science and Technology Advancement Award are used as an important basis for promotion assessment and professional title appraisal. By formulating the "Regulations on the Management of Project Fund Declaration and Intellectual Property Award", reward inventors who apply for patents and authorized patents, and encourage R&D personnel to transform innovations such as new technologies, new processes, new designs and new formulas into patents.

Industry-University-Research Collaboration

While adhering to independent innovation, Ganfeng Lithium actively engages in industry-university research cooperation, makes full use of the software and hardware advantages of universities and research institutes, and enhances the Company's technological innovation capability and core competitiveness. In 2022, Ganfeng Lithium and the Institute of Process Engineering of the Chinese Academy of Sciences jointly built the Ganfeng Lithium Resources Joint Research Center, National Engineering Research Center for Green Recycling of Strategic Metal Resources, and jointly developed high-efficiency aluminum-based lithium adsorbents and their preparation technologies together with East China University of Science and Technology (ECUST), cooperated with Yichun University to study the non-delimiting flotation technology of lepidolite mine in Inner Mongolia, jointly developed and comprehensively utilized lithium ore resources with Jiangxi University of Science and Technology, and jointly applied for the key research and development program "Unveiling the list" project with Nanchang Hangkong University.

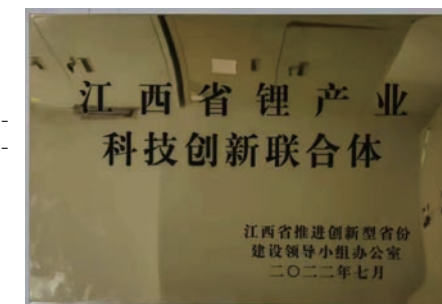
Case: Joint development of aluminum-based lithium adsorbents

In September 2022, Ganfeng Lithium and ECUST signed a "Cooperation Agreement on High Efficiency Aluminum-based Lithium Adsorbent and its Preparation Technology" at the headquarters in Xinyu, and jointly established Jiangxi Ganfeng Huabo New Materials Co., Ltd. ECUST transferred 2 patented technologies to Ganfeng Lithium, jointly developed aluminum-based lithium adsorbents with Ganfeng Lithium and built a pilot production line for aluminum-based lithium adsorbents, carried out transformation and innovation of scientific and technological achievements, and further strengthened the Company's support in the adsorption method lithium extraction technology, thus improving the technical level of lithium extraction from brine.

Case: Establishment of Jiangxi Lithium Industry Science and Technology Innovation Consortium

Jiangxi Lithium Industry Science and Technology Innovation Consortium was established on July 7, 2022, led by Ganfeng Lithium Group Co., Ltd. The members of the consortium were from upstream, midstream and downstream lithium related industries, covering the entire lithium industry chain including lithium ore resources, lithium smelting and deep processing, lithium battery materials (positive electrode, negative electrode, electrolyte), lithium battery packaging and waste lithium battery recycling.

The Lithium Industry Science and Technology Innovation Consortium aimed to united domestic superior innovation resources to solve key common technical problems in the development of lithium industry in China. Adhering to the concept of serving the technological upgrading and industrial upgrading of lithium industry enterprises in Jiangxi Province, it fully mobilized and coordinated scientific research activities among domestic universities, institutes, scientific research institutions and lithium industry enterprises, and collaborated in the introduction of talents, technology exchange, joint research and transformation of results.



Persisting in Technological Innovation

As a global leader in the lithium industry, Ganfeng Lithium insists on leading the development of the industry. Mr. Li Liangbin, the founder and chairman of the Company, proposed that in the next 10 years, the theme of the Company's development is "Technological Ganfeng", which will develop and breakthrough in 3 aspects: technology width, technology depth, and technology application, with technology as the foundation and quality as the criterion, to provide better quality products for global partners, develop better solutions for the new energy industry and seek more stable returns for the majority of investors.

In 2022, the Company received approval for 4 national-level projects, 9 provincial-level projects and 5 municipal-level projects.

National-level projects: core technology research and industrialization of high-specific-energy solid-liquid hybrid lithium batteries, development of high-capacity electrode materials and research of efficiency regulation technology, construction of the safety control system of Ganfeng Lithium's smart lithium battery plant based on 5G private network + MEC, and 12000t/a ternary precursor expansion project.

Provincial-level projects: high-energy lithium-ion power battery project with an annual production capacity of 2 billion watt-hour, ultra-long life lithium iron phosphate energy storage batteries and optical storage demonstration with lithiated negative electrode, salt lake brine resources development and comprehensive utilization technology research and industrialization, research on high-value clean recycling technology and industrialization of full components of retired lithium iron phosphate batteries, development, application and industrialization of key materials for high-specific-energy and high-safety lithium power batteries, development and industrialization of high-specific-energy super fast charging Lithium iron phosphate batteries, construction project of Ganfeng's circular lithium-cesium series functional materials, Jiangxi Province leading enterprise cultivation program - construction of Ganfeng Lithium's 5G+ based group-level collaborative control and smart security system, Jiangxi Province "Double Thousand Plan" innovation team project - the aerospace high-performance light alloy innovation team of Yichun Ganfeng Lithium Co., Ltd.

Municipal-level projects: preparation technology of lithium-boron alloy for high performance hot battery anode material, preparation technology and industrialized application of lithium sulfide for high performance solid state electrolyte, new R&D institution in Xinyu - Jiangxi Ganfeng Testing Consulting Service Co., Ltd., Xinyu "R&D Enclave" of solid-state lithium battery and its key materials research institute, and Suzhou Engineering Technology Research Center - Suzhou Active Balanced Battery Management System Engineering Technology Research Center.

In 2022, the Company was granted **196** national patents, including **51** invention patents, **143** utility model patents and **2** software copyrights.

By the end of 2022, Ganfeng Lithium and its subsidiaries had applied for **983** national patents and software copyrights, including **433** invention patents, **159** of which were granted; **539** utility model patents, **344** of which were granted; **4** design patents; and **7** software copyrights, **7** of which were granted.



Case: Technology and industrialization of preparing high-quality lithium salt by comprehensive and efficient recovery of lithium-containing waste.

In view of the different characteristics of lithium-containing waste, the Company produced high quality lithium salt products through "differentiated pre-treatment" such as deep oxidation of sodium hypochlorite and transformation of calcium and magnesium roasting, and "normalized and precise post-treatment" such as leaching with hydrochloric acid and deep complexation to remove impurities and deposit lithium, which systematically solved the four major problems in the process of lithium waste treatment, i.e. environmental pollution, low lithium recovery rate, poor quality of lithium products and low processing efficiency, and overcame the key technologies of efficient clean treatment and high-value utilization of lithium-containing waste residue. The Company established the world's first "lithium product production-application-recycling" integrated ecological chain, to provide efficient and clean application system solutions for lithium products, and ensure the sustainable and healthy development of the lithium new energy vehicle industry, with the overall process technology reaching the international leading level.



Normalized post-treatment workshop of lithium-containing waste residue

Purification and impurity removal workshop of lithium-containing solution

Transfer tank for purification and impurity removal of lithium-containing solution

Case: Research on the second-generation solid-state battery technology

In 2022, a major breakthrough was made in Zhejiang Funlithium's second-generation solid-state battery. Through technology iteration, lithium metal cathode materials were used for Funlithium's second generation solid-state batteries. On the one hand, the theoretical gram capacity of lithium metal is up to 3860mAh/g, which is 10 times that of the current graphite anode material (372mAh/g); on the other hand, lithium, as the least dense metal, is used less than traditional graphite material in the anode, which can reduce the total weight of the battery, so the energy density of Ganfeng's solid-state battery can be significantly increased to more than 400Wh/kg, and has the potential to reach more than 500Wh/kg. The mileage range of more than 1000km solved the "mileage anxiety" of new energy vehicles. The R&D team also overcame the technical problem of mileage range under the cold condition of -20°C, so that the energy retention rate of the battery cell is still above 85%, and the strong power output made the new energy vehicle no longer "stop working" in winter.



Optimize product mix

Ganfeng Lithium actively carries out the vertical extension of the lithium industry chain layout, and continues to expand the lithium ecosystem. As the professional manufacturer with the most complete range of lithium products, the longest product processing chain and the most comprehensive process technology in the world, Ganfeng Lithium makes full use of each type of lithium ore resources and continues to increase research and development efforts to improve each product. The Company is now the world's only professional manufacturer in possession of the technologies to extract lithium from spodumene, lepidolite, lithium salt lakes, lithium clay and recycled materials. By developing various lithium resources, we have launched more than 40 lithium products in five major categories.

Case: Improvement of low-temperature performance of semi-solid lithium cobalt oxide system

At present, customers have higher requirements for the low-temperature performance of the 4.45V lithium cobalt oxide system. It is necessary to improve the low-temperature discharge performance of the battery cells on the basis of ensuring the performance of the battery cells of the original lithium cobalt oxide system; in order to meet the actual needs of the market and customers, it is urgent to improve the development of low temperature discharge performance of lithium cobaltate system. The project was developed by selecting high capacity, high voltage solid graphite, 4.45V lithium cobaltate mixed with solid electrolyte slurry, high voltage electrolyte, copper foil of various thickness and strength, and solid diaphragm. The battery cells have excellent general performance and high low-temperature discharge capability. The discharge of 3.4V platform at low temperature is improved by about 15%, and the lower the temperature, the more significant the improvement of the discharge platform. It has reached the leading level in the industry, greatly improving the technical competitiveness of the Company.

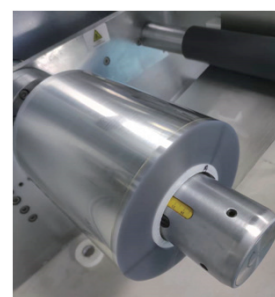
Ganfeng Lithium high voltage 1500V liquid-cooled energy storage container achieved mass production

In October 2022, the high-voltage 1500V liquid-cooled energy storage container independently developed by Ganfeng LiEnergy realized mass production. This product combines intelligent temperature control and balanced control technology. The system adopts "double circulation" heat dissipation, and the liquid cooling pipeline is distributed in multiple stages, so that the internal temperature difference of the container system does not exceed 5°C, and the temperature difference between any packs does not exceed 3°C. The temperature is controlled within 35°C, and the overall efficiency is $\geq 95\%$. The system intelligently controls the current through the cluster-level manager to realize active balancing of battery cluster units, intelligent switching and millisecond-level alarm response. With the equalization effect of the cluster-level controller, the full life-cycle charging and discharging capacity is expected to increase by more than 6%. In addition, the system uses a pre-engineered modular design with a high degree of integration and is prefabricated at the plant, eliminating the need for field installation and commissioning, thus reducing the construction costs.



Case: Development of ultra-thin lithium strip

As the industrialization process of solid-state batteries accelerates, the demand for ultra-thin lithium strips will rise steadily. By means of technological innovation, Yichun Ganfeng has realized the production of ultra-thin lithium strip/lithium-aluminum alloy strip of not less than 70um by one-step extrusion molding of metal lithium ingots, and realized the production of lithium foil, ultra-thin lithium strip/alloy strip, double-sided lithium-copper composite strip and intermittent lithium-copper composite strip of not less than 3um for the first time by adopting intelligent speed control method and high-precision pressure roller gap adjustment method. The reserve of this technology can quickly respond to the customized needs of various solid-state battery manufacturers with metal lithium as the negative electrode, and promote the development of solid-state batteries. This will also further secure the leading position of the Company in the lithium material market, and be in line with the concept of ESG sustainable development.



Creating Value with Service

Ganfeng Lithium adheres to the philosophy of "lowest cost, highest efficiency, best quality and best service", providing prompt feedback and improvements to customers' needs, as well as ensuring the lithium ecosystem's sustainability by enhancing product quality and service quality. At present, the Company has passed the supervision and audit of ISO9001&IATF16949, ISO45001, and ISO14001, and has obtained the product carbon label evaluation certificate as a low-carbon product supplier. Meanwhile, the implementation of ISO27001 system and TISAX assessment started on October 22, and we expect to obtain ISO27001 system certificate and TISAX assessment label in 2023.

The Company's Corporate Management Department and Strategic Investment Department organize the functional departments of the headquarters and subsidiaries/plants at the beginning of each year to conduct risk assessments based on the internal and external operating environments, discuss and review risk assessments as a subsidiary/center and determine countermeasures for risks. In 2021, the Company had no major risks due to sound management and control.

Under the requirements of IATF16949 system, the Company's Corporate Management Department always follows the principles of PDCA to carry out its work. It continuously checks for and rectify deficiencies, improve the system, and optimize the process. It promotes and monitors the implementation of the 3331 Code of Conduct to employees, and also adds new requirements for the management of material safety. Continuously conduct self-inspection and error correction, and implement the reward and punishment system; humbly accept improvement opinions from external audits, organizing weekly meetings and business analysis meetings, etc., to understand the Company's production and operation conditions, and coordinate and correct abnormalities in the process, so that the Company's management and management system can be continuously improved.

Case: Quality Month activity

In the Company's Quality Month activity in 2022, the Company's Corporate Management Department organized various units to carry out quality improvement activities based on the theme of "promoting '3331' and standardizing quality behaviors". The participation rate of the activity reached 95%, and finally selected 15 excellent improvement proposals, such as Xinyu Ganfeng's "Improving the implementation of electronic scale management" and "Improvement of foreign bodies in the film" for Mahong Plant, etc., thoroughly implementing the 3331 code of conduct.

"Three According to":

- Managers and technicians work according to the Company's rules and regulations and technical standards
- Production line employees operate according to the process documents
- Inspectors and operators spot check the production line process according to the standard and prescribed methods

"Three Don't":

- Don't accept non-conforming products
- Don't produce non-conforming products
- Don't deliver non-conforming products

"Three Check":

- Self-check: conduct self-check according to process requirements
- Cross-check: the next process to the previous process
- Special check: check by qualified personnel

"One method":

- SDCA/PDCA
- Robust design, stable production, and maintenance of quality foundation
Break through bottlenecks, highlight prevention, and continuously improve quality



In 2022, we gradually improved our management level through IATF 16949 management system, so as to meet or even exceed our customers' expectations. In 2022, the overall customer satisfaction score was 98.51%, an increase of 0.12% over the previous year.

IV. Contributing to Environmental Protection with Low-carbon Operations

Ganfeng Lithium, as a lithium industry leader, is committed to promoting mankind towards a greener, cleaner and healthier world, and attaches great importance to the ecological impact in its production and operation process. Under the environmental management framework, the Company promotes energy-saving and environmental protection technology projects, aims to minimize the external effects of its production and operation, and follows the business philosophy of green and low-carbon corporate development.

Material issues addressed in this chapter

1. Emission management
2. Waste and chemicals
3. Energy management
4. Resource management
5. Environmental impact management
6. Green products and circular economy

Issues related to SDGs addressed in this chapter



Improving Environmental Management

Environmental effect assessments of construction projects are conducted by the Company in compliance with the Environmental Protection Law of the People's Republic of China, the Law of the People's Republic of China on Environmental Impact Assessment, and other relevant laws and regulations. The environmental protection facilities are designed, constructed and put into use simultaneously with the major components of the project according to environmental protection requirements. According to the Technical Specification for Application and Issuance of Pollutant Permit, the Company's business units apply for pollutant discharge permits, design self-monitoring schemes, and conduct self-monitoring in accordance with relevant regulations. The Company has developed the Environmental Protection Responsibility Systems, the Management Regulations on Environmental Protection Facilities, the "Three Simultaneities" Management Regulations on Environmental Protection of Construction Projects, Regulations on the Management of Pollution Discharge, Regulations on the Management of Hazardous Waste, Regulations on the Management of Solid Waste and other rules and regulations. These regulations define the environmental protection requirements and responsibilities in production and operations, resulting in a sound environmental management system for the Company's construction projects.

In 2022, under the leadership of the Safety, Environmental Protection and Fire Management Committee, the number of environmental protection complaints of the Company was 0, the number of environmental protection penalties was 0, and the total investment in environmental protection was RMB 164,294,200.

The Company places a strong emphasis on the establishment and cultivation of employee awareness of environmental protection. The Environmental Protection Department of the Company organized safety and environmental protection training in 2022, with a total attendance of 63,646. Throughout the year, the Company published 18 notices on the internal OA system on safety and environmental protection, mainly including the arrangement of leaders on duty in holidays, and the deployment of environmental protection during important holidays, high temperature, heavy rain, lightning and other extreme weather conditions.

In 2022, the Company adhered to the Company's sustainable development goals in 2025, and continues to reduce carbon emissions, three waste discharges, energy consumption, water resource consumption and other tasks to achieve sustainable development of the Company.

The 2025 sustainable development goals are as follows, using 2019 as the base year:
By 2025: the Company will reduce the exhaust gas emissions per ton of products by 5%, reduce the carbon emissions per ton of products by 10%, reduce the water consumption per ton of products by 20%, reduce the coal consumption per ton of products by 6%, increase the water circulation per ton of products by 20%, and increase the percentage of sustainable power to 25%.

Case: Won the Environmental Protection Innovation Case Award

Wall Street Insights announced the "First ESG Annual Innovation Experiment List" list in December 2022, and Ganfeng Lithium won the Environmental Protection Innovation Case Award. In 2022, Mahong plant continued to explore, built a green production line through methods such as "zero" discharge of waste water, dust reduction in warehouses, and denitrification technical improvement, and created a green, environment-friendly and innovative product portfolio through photovoltaic power generation + energy storage operation, recycling of by-products, and promoting the upgrading of digitalized, informationized, and intelligent plant, thus realizing "clean waters and green mountains" in the whole production chain.



Maintaining Low-carbon Operations

The Company always adheres to the strategy of low-carbon operations and implements technical improvement projects in production through new technologies and processes to steadily reduce the carbon emissions per unit of product. After years of exploration in low-carbon operation, all plants of the Company have accumulated some experience and realized the linkage among Ganfeng's subsidiaries.

In 2022, the Company's carbon emissions per ton of lithium carbonate equivalents were 8.86 tons, and due to the use of low-grade spodumene production in 2022, the carbon emission per unit of product has increased.

Case: Li Liangbin, Chairman of Ganfeng Lithium, attended the ESG Global Leaders Summit



The 2nd Sina Finance - ESG Global Leaders Summit was held from June 28th to June 30th, 2022, where Global ESG business leaders, organizations, enterprises, financial institutions and academic representatives gathered to discuss ESG development trends. Mr. Li Liangbin, Chairman of Ganfeng Lithium, attended the meeting and delivered a speech with the theme of "ESG helps the sustainable development of enterprises", introducing Ganfeng's attempts and achievements in ESG in recent years.

The success of a company is not only about how much revenue and profit it creates, but also about how many beneficial things we have done for the world, which is the ultimate mission of a company and entrepreneur. I hope that when people talk about our companies in a few years, they will be able to say from the bottom of their hearts that they are making the world a better place.

Case: Ganfeng Lithium completed the first unsubsidized green certificate trading in Jiangxi Province

Green power certificate is issued by the National Renewable Energy Information Center, which is the confirmation and attribute proof of renewable energy generation capacity and the only certificate for consuming green power; green power trading is the cooperation between electricity consuming enterprises and photovoltaic, wind power and other power generation enterprises to reach the purchase of green electricity.

On August 10, 2022, Ganfeng Lithium and Jiangxi Datang International Xinyu Power Generation Co., Ltd. completed the first unsubsidized green certificate trading in Jiangxi Province, in which Ganfeng purchased 100MW of green power certificates from Jiangxi Datang International to increase the percentage of clean energy in the Company's operations.

Ganfeng is actively exploring ways to increase its percentage of green power by purchasing green certificates, etc. Trading green power certificates with Datang is the Company's first attempt in the field of green certificate trading. As the Company's demand for green power grows gradually, we will adopt more and more flexible ways to increase the percentage of green power and practice the concept of sustainable development in the future.



Striving for Lower Emissions

As per the Management Regulations for Environmental Protection in the Production Process and the Environmental Operation Management Regulations, Ganfeng Lithium successfully regulates and minimizes pollutant discharge in the operation process. We ensure that the "three waste" emissions are lower on the basis of legal compliance.

Waste

Ganfeng Lithium takes advantage of the closed-loop industrial chain it has built over time, and in accordance with the Law of the People's Republic of China on the Prevention and Control of Environment Pollution Caused by Solid Wastes, has formulated systems such as "Regulations on Solid Waste Management" and "Regulations on Hazardous Waste Management", and established a general solid waste disposal platform in the hazardous waste platform, with hazardous waste such as waste mineral oil, waste activated carbon and waste electrolyte being handed over to units qualified to dispose of hazardous waste. Solid waste ledger is established for general solid waste to control the whole aspect of solid waste generation, collection, storage, transportation, utilization and disposal.

Hazardous wastes are stored in the hazardous waste storage room, which is constructed in accordance with the requirements of "Pollution Control Standards for Hazardous Waste Storage (GB 18597-2001)", and all kinds of hazardous wastes are stored in different categories and areas, and are regularly disposed of by units with corresponding disposal capacity and qualifications.

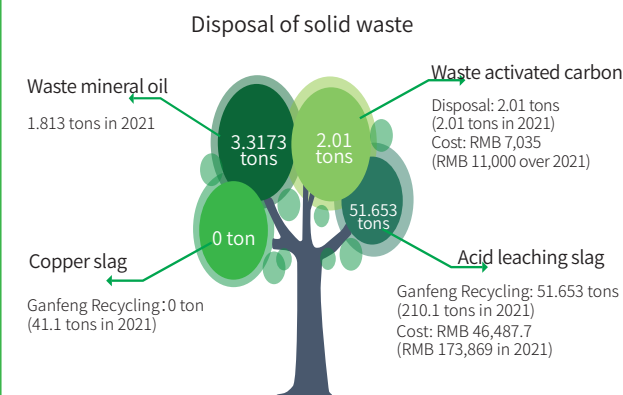
Waste Discharge Per Ton of Ganfeng Lithium Products

Waste discharge per unit of products	2022	2021	Y-o-y decrease
Hazardous waste (tons/10,000 tons of LCE)	40.28	67.14	40.01%
Non-hazardous waste (tons/10,000 tons of LCE)	179.94	1851	90.28%

In 2022, we achieved a significant reduction in non-hazardous waste discharges and a 90.28% reduction in non-hazardous waste discharges per ton of product due to the sale of all slag and cinder generated by the plant as raw materials for construction materials.

Case: Recycling and reuse of copper slag in Ganfeng Recycling

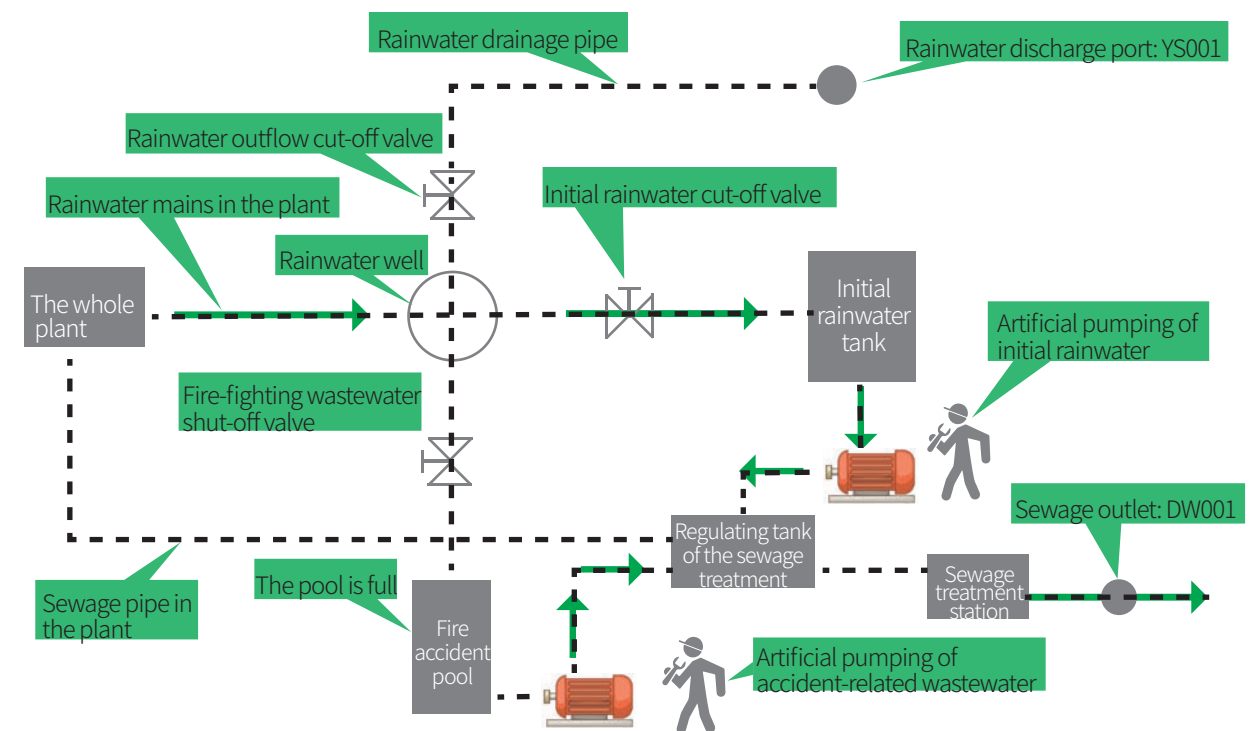
In order to reduce the acid leaching slag, copper slag and other production waste, Jiangxi Ganfeng Recycling Technology Co., Ltd. recycled and reused the impurities and copper ions in the acid leaching mother solution by means of process optimization, increasing the acid leaching and copper extraction process, reducing the loss of valuable metal elements. To achieve the recycling and reuse of the limited resources, convert the original solid waste copper slag into 99.99% pure copper, reduce the amount of copper slag by about 39.1 tons, and reduce the generation of solid waste from the source.



Waste Water

The Company has established systems such as "Regulations on the Management of Discharge Permit" and "Regulations on the Operation of Online Monitoring Facilities". Online monitoring devices are installed at the main discharge port of wastewater to monitor the wastewater pollution indicators in real time. Our Mahong plant and Ningdu Ganfeng plant achieved zero discharge of wastewater in 2022, and other plants tested and monitored each stream of wastewater to reduce the discharge of wastewater from the source, so as to achieve the best collection, minimize the discharge of wastewater and reduce the input of fresh water.

Online monitoring facilities for flow, PH, ammonia nitrogen and chemical oxygen demand are installed at the main discharge port of wastewater in the plant, and the water quality of the main discharge port of wastewater is monitored hourly, and the water quality meets the approval standards of the discharge permit and the EIA approval standards before being discharged to the municipal sewage network. At present, we plan to increase the volume of sewage collection tank, reuse the wastewater that meets the conditions for reuse in production, and gradually develop towards zero discharge of wastewater.



Exhaust gas

According to the "Regulations on Environmental Operation Management", inspect the operation of waste gas pollution control and add chemicals. The subsidiaries have installed a total of 12 sets of flue gas online monitoring systems to monitor flue gas emission pollution in real time to ensure that the data meet the emission permit standards for emissions, and trusted a company with the appropriate qualifications to maintain the flue gas online.

In 2022, every 10,000 tons of products emitted 5.92 tons of particulate matter, 18.05 tons of sulfur dioxide and 17.78 tons of nitrogen oxides.

In 2022, since the desulfurization method of the plant changed from semi-dry desulfurization to liquid caustic wet desulfurization, the average concentration of sulfur dioxide in 2022 was higher than that in 2021, resulting in the increase of sulfur dioxide emissions.

Case: Renovation of Mahong Plant

The Mahong Plant invested about RMB 5 million in the renovation of the belt gallery and changed to using belt gallery to transfer lithium pyroxene materials, which reduced the dust problem and the frequency of sweeping the ground road during the material conveying process, improved the environment of the plant and gave more protection to employees' health.

In addition, the Mahong Plant invested about RMB 2 million in the innovation of clinker lime feeding. Previously, we used to use ton-packaged lime, which required employees to cut the bags during the use, leading to dust generation and safety hazards. After the renovation, a slaked lime storage tank was added, and the slaked lime was directly conveyed to the batching tank through a pump, which enhanced the working efficiency and improved the working environment while reducing the operational risks to personnel.



Noise

The Company strictly regulates noise in its plants by establishing specific noise control standards in several sectors. We've placed noise monitoring equipment in strategic spots throughout each region. When the noise level exceeds the acceptable level, the treatment plan will automatically be implemented to bring the noise level back to an acceptable level.

Optimizing the Use of Resources

Ganfeng Lithium places a high value on resource optimization since it saves money and lowers production costs. Multifaceted energy-saving technological improvements can help the Company train more skilled engineers and lay a foundation for the Company's sustainable development.

Energy-saving Technical Improvement

Energy is the basis and constraint of economic development. The Company attaches great importance to energy statistics in the development process. Considering the resource constraint and environmental pollution problems, the Company always insists on improving production efficiency with energy-saving biased technology, so as to achieve the goal of sustainable development. In strict accordance with the "Energy Management System" and other systems, the energy consumption data of each process is clearly counted and directly linked to the performance of the person in charge, while the Company's annual energy saving and technical improvement targets are directly linked to the performance of the Company's executives, urging the implementation of energy saving and emission reduction projects through the power of organizational structure. According to the actual situation of plant operation, each plant achieves the goal of energy saving and consumption reduction by replacing energy-saving equipment, adding new processes and other project technical improvements.

Case: Gas-fired steam boiler replaces chain grate steam boiler

In 2022, Circulation Technology replaced chain grate steam boilers with gas-fired steam boilers, greatly improving production efficiency and environmental protection benefits. Fuel replacement from coal to natural gas reduced the use of loaders, and reduced expenditures for diesel fuel and maintenance of loaders; reduction of warehouses for storage of fuel coal eliminated pollution such as dust and fine dust caused by coal-fired stockpiles; reduction of slag storage sites eliminated the problem of environmental pollution from slag; removal of coal feeding equipment such as grates/keels and slagging equipment reduced spare parts procurement costs and maintenance costs; the use of natural gas as fuel greatly improved the chimney emission gas, which is checked for compliance with all requirements; the reduction of long-bag pulse automatic dust collector and desulfurization tower eliminated the procurement cost of spare parts and maintenance cost of the equipment and the pollution problem of the equipment.



Case: Energy storage cabinet for peak shaving and valley filling

Since 2021, power supply shortages and power outages have occurred frequently across the country, especially during hot summers. In response to the national policy of peak shifting and load balancing, Huizhou Ganfeng installed 8 container-type energy storage cabinets during the early stages of factory construction. Each cabinet stores 1,500 kWh of electricity, totaling 12,000 kWh. Every day, 12,000-15,000 kWh of electricity can be used during off-peak hours, effectively reducing reliance on fossil fuels and supporting carbon neutrality initiatives. The energy storage cabinet uses safer and more environmentally friendly lithium iron phosphate batteries developed and produced by the Company, which do not contain heavy metals and have high system conversion efficiency (greater than 88%) and long cycle life (5000 times or more than 8 years).



Use of By-products

The Company takes advantage of the lithium ecosystem to convert all by-products into economic value. Through continuous research and development, the silica-calcium slag produced in the lithium salt smelting stage, the phosphorite slag produced after lithium extraction from batteries and the lithium pyroxene slag from lithium extraction from ores are effectively utilized.

Case: Recycling and reuse of phosphorous-iron slag in Ganfeng Recycling

In 2022, Jiangxi Ganfeng Recycling Technology Co., Ltd. optimized its process to recover and utilize the phosphorus-iron slag produced by lithium extraction in order to prepare high-quality lithium iron phosphate products, completed the full-component recovery of lithium iron phosphate, and established a pilot production line.



Case: Comprehensive recycling of calcium and magnesium slag to produce magnesium sulfate heptahydrate

Through technological innovation, the Mahong Plant separated calcium-magnesium slag with complex components into salable calcium sulfate slag and by-product $MgSO_4 \cdot 7H_2O$, which not only relieved the environmental protection pressure of removing impurities and slag accumulation, but also turns waste into treasure, reasonably recycled it with high value and brought additional benefits, so as to maximize the utilization of resources. Meanwhile, a production line had been built to process all the piled calcium and magnesium slag and produce more than 1500 tons of magnesium sulfate heptahydrate products.

Case: Preparation of lithium-based adsorbent from lithium smelting slag recovery and its application in lithium extraction from brine

Through the innovative idea of maximizing the use of resources, we researched the lithium pyroxene slag as an adsorbent for lithium-containing brine, and through regeneration and adsorption technology, the low-value lithium slag was converted into high-value beta lithium pyroxene by adsorption of lithium from the brine, which solved the difficult problem of separating magnesium from lithium in the brine, while a low-value, high adsorption capacity lithium slag adsorbent was found, which is in line with the concept of green and sustainable development.

Water Resource Utilization

The Company places great emphasis on the use of water resources. For the water consumption in the production and operation process, the Company actively deploys a number of water reuse projects to improve the water recycling rate. Each year, the Company proposes a water consumption target for each plant and ask each plant to check the water consumption for each process and make a plan to reduce water consumption.

The performance of water-saving management at Ganfeng Lithium:

Despite a sharp increase in output, our water consumption in 2022 was reduced by 539,300 tons compared to 2020. Our water consumption per ton of products was reduced by 23.87%

Water Consumption Per Ton of Ganfeng Lithium Products

Items	2022	2021	Y-o-y decrease
Water consumption per unit of products (ton/ton of LCE)	26.21	34.43	23.87%

Case: Mahong Plant water recycling project

By analyzing the water intake and discharge of the plant, it was found that the annual intake and discharge is very large and there was a waste of lithium. The Mahong Plant water recycling project was approved in March 2022. By adding water recovery cooling towers and water collection tanks, the sewage and initial rainwater in the plant area were pretreated and reused for pulping and disposal in the pulping workshop. This effectively reduced the consumption of water resources and the discharge of sewage. In September 2022, zero sewage discharge was implemented, reducing the discharge of waste water by about 30,000 tons per month.

Green Travel

The Company advocates green office and green travel, and takes various measures to promote the application of new energy vehicles. The Company started to use new energy vehicles as official vehicles and covered a distance of 124,000 kilometers in 2022. Currently, the Company is promoting the "oil-to-electricity" plan for vehicles, with the aim of increasing the percentage of new energy vehicles usage gradually every year. Meanwhile, it actively cooperates with vehicle companies to introduce batteries with higher safety, lower cost and longer life to the market to help green travel.

Case: High-safety solid-state power battery system

In 2022, Ganfeng Lithium developed the power 90KWh battery system for SERES SF5, the new energy strategic model of Ceres Group. The power battery system passed the GB 38031 certification, and passed the European standard ECE R100 test and UN38.3 test, all the tests passed at once, and the safety test far exceeded the national standard requirements. The SERES5 model, equipped with the high-safety solid-state power battery system developed by Ganfeng, was unveiled at the Brussels Motor Show in Belgium in January 2023 and received positive market feedback, harvesting tens of thousands of sets of orders on the spot.



Case: Lithium iron phosphate power battery system with soft pack

The low-cost lithium iron phosphate soft pack developed by the Company adopted the modular design with low cost and high formation rate, which was equipped with the Yuanbao model of Beijing Automobile Works Co., Ltd. Dezhou Branch, receiving good market feedback. It received tens of thousands of sets of orders immediately after the market launch. The power battery system, used in A00-class passenger cars, captured the favor of the majority of consumer groups with its excellent performance, reliable life and affordable price, laying a solid foundation for the start of the Company's first year of power batteries.

Conserving the Ecological Environment

Ganfeng Lithium focuses on ecological environmental protection and the harmonious development of man and nature. The Company strictly considers the impact on the surrounding ecological environment when operating the project, and the Company focuses on the business links of mining, smelting and processing, battery manufacturing and recycling, so that the production and operation tend to have zero impact on the ecology and actively explore sustainable mining methods.

Environmental Restoration

The Company strictly follows the requirements of laws and regulations, formulates the "Three simultaneous" management regulations for environmental protection of construction projects, strictly implements the environmental impact assessment report, and ensures that the environmental protection facilities of the project are in line with the main project, and sets up special measures to reduce the impact on the ecological environment.

During the mining process, the Company also strictly follows the national instructions to mine as little as possible by means of open pit mining, which, although large and low-cost, has a great impact on the ecological environment. The mining stage of our Company mainly adopts the way of cave mining plus backfilling, which can ensure that the impact on the ecological environment is minimized.

After the development of mineral resources, the Company manages the reclamation of the mine area in a timely manner, and plants trees and grass to green the mine in accordance with the requirements of the Law of the People's Republic of China on Soil and Water Conservation, the Service Guide for the Mineral Resources Development and Utilization Program (publicized by the Ministry of Natural Resources of the People's Republic of China), the Mine Ecological Protection and Restoration Treatment Program, to restore the ecological environment of the mine area and prevent soil erosion as far as possible.

Sustainable Mining

Ganfeng Lithium mainly implements sustainable mining methods on salt lake resources and integrates the concept of sustainable development into construction and operation. Ganfeng is building a 120MW photovoltaic power plant around the Mariana project in Argentina in order to achieve the project's full use of renewable energy, which will reduce 157,000 tons of CO2 emissions every year. On the other hand, Ganfeng makes full use of the highland terrain of the Mariana project to complete the resource extraction by means of evaporation from sunlight; during this period, water is used to realize circulating utilization. In addition, Ganfeng has established a natural ecological preservation area around the salt lake, with strict spatial and temporal restrictions on the area of human activities to protect the breeding and resting of Andean flamingos and other animals. And we regularly monitor the environment in the area around the project, sampling and analyzing the vegetation, fauna, lakes and marshes, air quality, noise, soil and water quality, so as to always maintain a good state of the environment.

Case: Sustainable mining of salt lake project

In May 2022, the Ganfeng Mariana Project conducted its first environmental monitoring of 2022 and held an Open House, which was open to residents of the entire town of Tolar Grande in the vicinity of the project. On the day of the event, attended by personnel from the local municipality and the Deliberation Committee, representatives of the Kolla community in the town of Tolar Grande, as well as teachers and students from the town, Ganfeng Argentina's environmental department and professionals from the environmental consulting firm ec&Asociados presented the environmental monitoring results of the Mariana project. After this event, we continued to practice bi-annual environmental monitoring of flora, fauna and lake groups, etc.



Case: Güemes urban lithium chloride project hearing

On January 24, 2022, the Ganfeng Argentina team participated in the hearing on the Güemes urban lithium chloride project, and received unanimous positive comments from the mayor's representative, review committee commissioner, members and the public - this is one of the final links in obtaining the certification of environmental permit (CAAM) necessary for construction and production. Ganfeng provided officials with a report on the environmental protection capabilities of the project, which features, among other things, an innovative recycling system to achieve 0 liquid waste discharge. When completed, the project will bring more jobs to Güemes and effectively boost the economy and quality of life.



V. Ensuring Safety and Employee Health

Safety is an important part of building a harmonious labor relationship. Ganfeng Lithium always puts safety production at the most important position in the production and operation, be people-oriented, and attaches great importance to employee safety and health. Bearing in mind that employees are the key factors for sustainable development, the Company continues to promote the construction of safety management system and implement safe production. The Company has actively carried out safety awareness training and established a good safety culture atmosphere. It adheres to the work policy of "prevention first, combined with prevention and elimination", carry out safety risk control and fire safety drills to ensure the safety and health of employees.

Material issues addressed in this chapter

1. Safety and health
2. Waste and chemicals

Issues related to SDGs addressed in this chapter



Improving the Safety System

The Company's new projects are based on the requirements of laws and regulations such as the "Law of the People's Republic of China on Work Safety" and "Measures for the Supervision and Administration of Safety of Hazardous Chemical Construction Projects" to carry out safety evaluation of construction projects; the safety facilities are designed, constructed and put into use at the same time as the main project, and for the hazardous chemicals involved in the Company, we apply for a safety production license in accordance with the Safety Production License Regulations and other requirements.

The Company has established rules and regulations such as "Regulations on the management of safety production responsibility system", "Regulations on the management of safety risk assessment" and "Regulations on the management of dangerous chemicals". And set up a safety and fire production management committee to guide the implementation of production safety management. In addition, for all hazardous chemicals involved in the Company, safety production licenses should be applied for in accordance with the Safety Production License Regulations and other requirements.

In 2022, Ganfeng Lithium Group Co., Ltd., Jiangxi Ganfeng Recycling Technology Co., Ltd., Xinyu Ganfeng Lithium Co., Ltd., Yichun Ganfeng Lithium Co., Ltd., Fengxin Ganfeng Lithium Co., Ltd., and Ningdu Ganfeng Lithium Co., Ltd. have passed the occupational health management system certification.

Work Safety Practice

The Company implements safety production through multi-faceted measures, firstly, implementing the responsibility of safety subject, everyone is a safety officer; secondly, establishing a dual mechanism of risk grading and control and hidden danger investigation and treatment, so that hidden dangers are eliminated in the bud; thirdly, establishing an assessment mechanism, the Company headquarters conducts quarterly inspection and scoring of each subsidiary to assess the management team, and each subsidiary assesses the person responsible for the hidden dangers investigated according to the reward and punishment system formulated; fourthly, strengthening the construction of emergency teams, organizing regular emergency drills and enhancing the emergency handling ability of employees.

In 2022, 34.983 million was invested in safe daily operation.

Safety Risk Control

In the first quarter of each year, the Company carries out safety risk identification and assessment across the Company according to the "Regulations on the Management of Safety Risk Assessments and develops management and control plans for major risks identified.

Contractors: The contractor's qualifications shall be verified first. Only those with the necessary qualifications are permitted to work for the Company, and they must sign an outsiders' construction safety agreement. Personnel from the contractor must get training and education from the Safety and Environmental Protection Department before working in the plant. Only after passing the examination will they be allowed to enter the plant and work on the job. They are also required to make a security disclosure and maintain a record.

Visitors: Visitors must undergo training after arriving at the Company and before accessing the workshop site to understand the hazards and control methods in place, as well as on-site safeguards. They must wear safety helmets, masks and other work-related protective gear.

Employees: New employees can only begin working after completing a three-grade safety course. Every year, on-the-job employees must complete at least 24 hours of safety training.

We adhere to the philosophy of "prevention first, combined with prevention and elimination", regularly conduct fire safety inspection and fire hazard inspection, timely detection and correction of hidden dangers, to eliminate fire accidents, so that the Company's fire prevention is scientific, standardized and institutionalized.

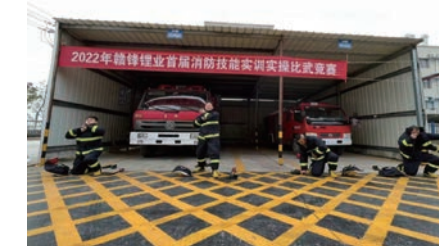
Case : Planning of parking shed in Ningdu Ganfeng

Ningdu Ganfeng has re-planned the storage area for employee vehicles, built a new rain shelter to regulate the parking and charging of vehicles. And set up a notice board to clarify the person responsible for fire safety and the person responsible for management. By strengthening daily inspections, the ability to safely use electricity during charging and prevent electrical fires has been improved, thus avoiding fire accidents during charging.



Case: The first firefighting skills competition in 2022

In December 2022, Ganfeng Lithium Group held the first firefighting skills competition in the fire station of Mahong Plant in 2022. More than 50 people participated in the event, including the head of the safety and environment department of each subsidiary in the lithium chemical sector and the full-time and part-time firefighting team. This activity was not only a platform to improve the quality of the firefighting team of the Group Company, but also an opportunity to show themselves and find out their shortcomings. At the same time, it also actively created the atmosphere of "all employees learn fire fighting" throughout the Company.



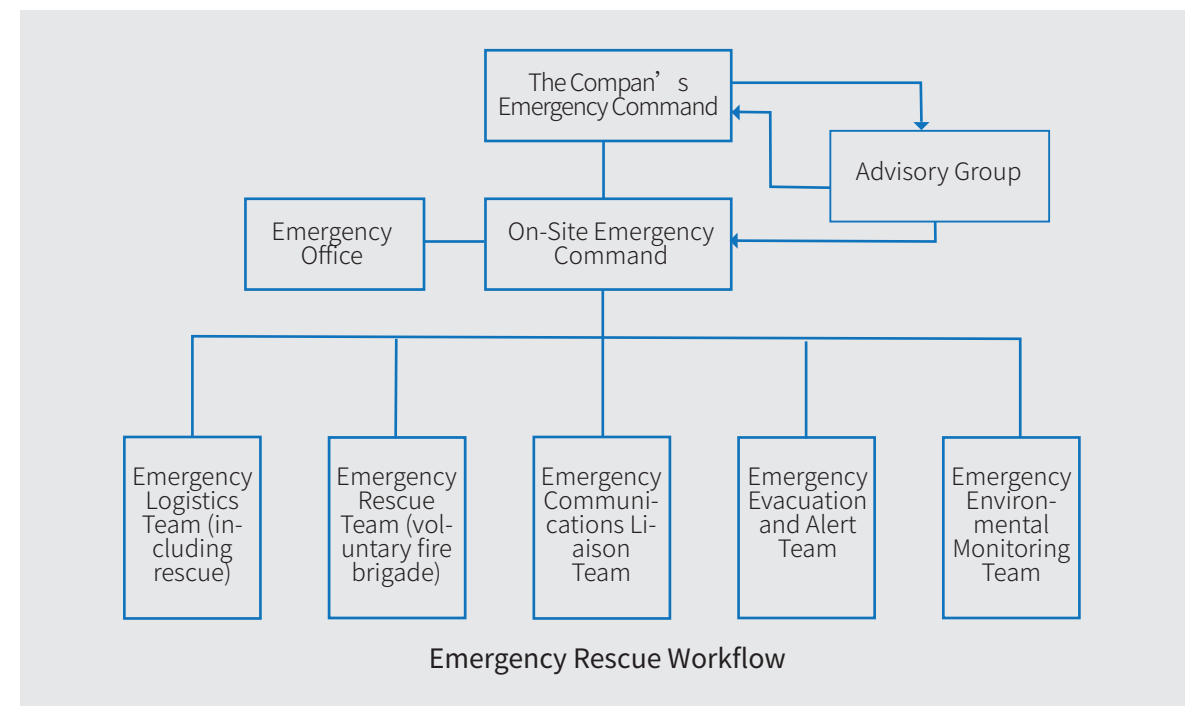
No matter how busy the production is, safety should not be forgotten; human life is at stake, and safety comes first. Safety in production is the top priority of corporate operation. Ganfeng will continue to enhance the safety concept of management and frontline personnel through competitions, drills, safety month, etc. to protect the lives of employees and safeguard the interests of partners and investors.

Hidden Danger Investigation and Management

The Company regularly conducts comprehensive and detailed safety inspections and hidden danger investigation, and regularly accepts inspections by external regulatory agencies. In 2022, the whole Company accepted 420 internal and external inspections and organized 273 internal inspections, with a rectification rate of 99.3%. This effectively promoted the strengthening of safety management measures, and the safety conditions of all units of the Company were comprehensively improved and consolidated.

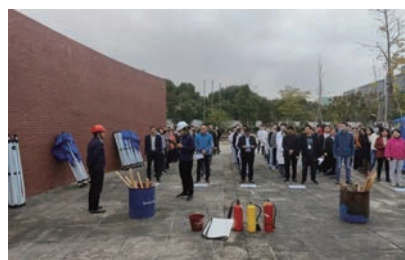
Safety Emergency Management

The Company has developed safety emergency management measures to respond to the emergencies during production, operation and management, and all plants are required to undergo annual drills of their emergency plans to ensure their effectiveness. In 2022, all plants successfully completed the drills of all emergency plans with a completion rate of 100%.



Case: Zhejiang Funlithium held a fire emergency evacuation drill

In order to further improve the safety awareness and emergency response and organizational capabilities of all employees of Zhejiang Funlithium and enhance the ability to deal with self-rescue, mutual rescue and escape contingencies in case of emergency, Zhejiang Funlithium New Energy Technology Co., Ltd. specially organized an all-staff fire emergency evacuation drills in November 2022, so as to eliminate potential safety hazards in a timely manner. During the drill, members of the command team arrived at the scene at the first time to maintain order, and the members of the emergency rescue team organized and led employees to cover their mouths and noses with wet wipes, slightly lowered their heads, and evacuated to the safety zone from the designated evacuation route calmly, quickly, orderly, without crowding and pushing, while counting and reporting the number of people; the rescue team launched emergency rescue, and the whole evacuation process was orderly. The fire emergency evacuation drills have effectively improved the fire safety awareness of all employees of Zhejiang Funlithium, enhanced everyone's fire fighting and organizational evacuation capabilities, and laid a solid foundation for creating a good fire safety environment in the Company.



Strengthening Chemicals Management

In order to set the safety requirements for the transportation, loading and unloading, purchase and sale, storage, use and disposal of hazardous chemicals, as well as to regulate hazardous chemical management, the Company has formulated the "Hazardous Chemicals Management System" that comply with the actual situation of the Company in accordance with the "Law of the People's Republic of China on Work Safety", the "Hazardous Chemicals Safety Regulations", the "Hazardous Chemicals Directory" and other relevant laws, regulations and guidelines, so as to regulate all aspects of hazardous chemicals management.

1. The easily toxic, explosive, highly toxic chemicals must be stored in special cabinets and managed by dedicated personnel. Strictly follow the "five doubles" (double doors, double locks, double storemen, double distributing personnel and double receiving personnel) regulations. The warehouses for hazardous chemical should be equipped with good ventilation and lightning protection facilities, as well as corresponding fire-proof, explosion-proof and cooling safety equipment and appliances. Depending on the hazardous chemicals, the warehouse should be equipped with corresponding signs and symbol marks, as well as appropriate fire-fighting equipment and protective equipment.

2. Designate a special keeper of the warehouse for hazardous chemicals to be responsible for the technical maintenance and management of hazardous chemicals. Upon completion of the daily work, the warehouse personnel should conduct safety and fire inspections and cut off the power supply.

3. All open flames, smoking, and all fires are prohibited in the warehouse, and motor vehicles with fires, blaze and external lighting are not allowed to enter the warehouse; tests, sub-assemblies, packing, welding, gas cutting and other operations that may cause fires are not allowed in the warehouse or near the open stacks where dangerous chemicals are stored.

4. The hazardous chemicals in the warehouse should meet the product standards, and the warehouse keeper should check the internal and external signs, packaging and containers in strict accordance with the regulations, and ensure that the accounts, goods and cards are consistent.

5. Hazardous goods that are unstable in nature, easy to decompose and deteriorate and mixed with impurities that easily cause combustion and explosion should be checked, tested and analyzed frequently to prevent spontaneous combustion and self-explosion.

6. For the appearance of hazardous chemicals that are visible to the naked eye, the warehouse keeper should inspect twice a day and make inspection records. In case of any quality deterioration, packaging damage, leakage and other problems with the hazardous chemicals found during the inspection, the unit leaders and relevant departments should be notified in a timely manner so as to take emergency measures to solve them.

7. Hazardous chemicals should be stored in designated areas, and should not be mixed with other substances. The warehouse should be dry and free of water, and the roof should not leak. Moisture-proof items should be covered with wooden boards and placed neatly. All kinds of hazardous chemicals should be classified by property and stored where the temperature and humidity are appropriate.

8. Hazardous chemicals in stock should be classified by chemical properties and stored in different areas in different warehouses. Materials with mutually incompatible properties (referring to items that can easily ignite, explode or produce hazardous reactions when coming into to contact with each other) and materials need different fire extinguishing methods should not be stored together. They should be classified, stacked and stored in separate areas with a reasonable distance between each stack, wall and column. Adequate passages and ventilation openings must be provided. The specific storage arrangement depends on the chemical classification, sub-item, container type, storage method and fire protection requirements.

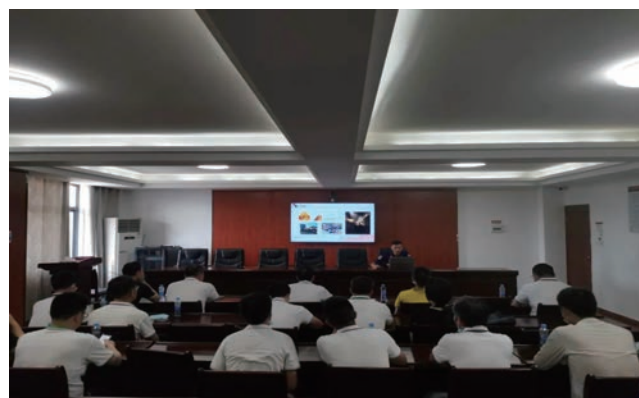
At the same time, the Company classifies the hazardous chemicals according to the "Classification and Marking of Commonly Used Hazardous Chemicals" (GB 13690-92), and establishes a hazardous chemical file containing the type, CAS number, maximum storage capacity (T) and hazardous classification of the articles.

Safety Culture Construction

The Company carries out the Work Safety Month series of events, safety quizzes, Safety Open Day visits, safety information release on the WeChat official account, safety accident warning video broadcast, and self-inspection and self-rectification of safety-risk behaviors. These numerous activities have fostered a culture in which everyone understands and cherishes safety and where everyone strives to improve their safety skills and knowledge. In 2022, a total of 63646 people in the Company participated in safety and environmental protection training. We also worked hard to create "one map, one sign and three lists" to implement safety production management in a detailed and practical manner, ensuring that there would be no major safety and environmental protection accidents in the entire Group Company in 2022.

Case: A series of activities for the Work Safety Month

Since June 2022, Ganfeng Lithium has implemented the spirit of work safety, firmly established the concept of safe development, further strengthened the publicity and education of work safety, and carried out activities with the theme of "obeying the work safety law and being the first in charge", closely combined with the current task of "preventing epidemic, eliminating hidden dangers, ensuring safety and promoting production", took multiple measures to ensure that the "Work Safety Month" activity achieved actual results.



Example of hazardous chemical file

Name	Item type	CAS Numbe	Hazardous goods numberer	Maximum storage capacity(T)	Storage location	Place of production	Hazard classification	Packaging class	Remarks
Lithium fluoride	Product	7789-24-4	61513	50	Product warehouse	Lithium fluoride workshop	Class 6.1	Class II	Restrictions and controls

In 2022, the Company joined the of hazardous chemicals positioning system of Xinyu High-tech Zone to monitor the dynamic position of employees, visitors, outsiders and vehicles in real time, comprehensively improve the level of enterprise risk control and refined safety management, realize the risk warning and notification of personnel entry into major hazard sources and the risk control of personnel gathering in key monitoring areas, etc.



Safeguarding Occupational Health

Ganfeng Lithium places importance on employee health and safety. The Company works on the "three simultaneousities" for occupational disease protection facilities, as required by the "Law of the People's Republic of China on the Prevention and Control of Occupational Diseases" and the "'Three Simultaneities' Supervision and Management Measures for Occupational Disease Protection Facilities of Construction Projects". Occupational disease protection facilities are designed, constructed and put into production and used at the same time as production facilities. As required, the Company conducts annual occupational health examinations for personnel who are exposed to occupational dangers, and no proven or suspected cases of occupational diseases have been discovered so far.

The Company implements occupational health management system with reference to OHSAS 18001 and formulates system documents such as "Regulations on the Management of Employee Occupational Health Supervision" to identify all sources of occupational disease hazards, and carries out regular medical checkups and occupational health supervision, covering 100% of personnel exposed to occupational disease hazards. At the same time, in the production process, the Company has established dust absorption devices, etc. to eliminate occupational hazards from the essence, provide employees with labor protective equipment and other necessities that meet the requirements and teach them to wear them correctly, and strengthen the awareness of self-protection through various types of safety training from time to time to guard the occupational health of employees.

In 2022, the Company invested RMB 4,303,400 in personal protective equipment for occupational health, 0 new cases of occupational diseases among employees, 0% of employees' work-related injury rate, and 0 working days lost due to work-related injuries.

Case : Zhejiang Funlithium held a health lecture

In order to publicize the concept of health, popularize health knowledge, advocate the health awareness of all staff, the trade union of Zhejiang Funlithium organized the "cherish life, scientific disease prevention" lecture on health knowledge on November 4. Mr. Wang Jieming, Chief Lecturer from Hangzhou Jianpu Health Management Consulting Service Department was invited to the Company's site to explain the general knowledge of emergency treatment, a healthy and civilized lifestyle, case studies of major diseases and preventive measures and other health knowledge.

During the meeting, Mr. Wang not only patiently explained a series of knowledge of CPR on-site emergency rescue such as "chest compression, open airway, artificial respiration, self-rescue, mutual rescue, and Heimlich Maneuver", but also interacted with attendees and practiced on the spot, so that everyone quickly mastered the relevant first aid measures.

Through this organized health lecture and learning activities, the Company's employees improved their emergency rescue ability, enhanced their health management awareness and understood the importance of maintaining good living habits. While ensuring the health of employees, better help the high-quality development of enterprises.



Case: Love "lithium" to protect the liver health first

In July 2022, Ganfeng Lithium organized a large joint activity of health lectures with the theme of "Prevention and control of hepatitis, healthy you and me".

Mr. Zhou Min, Deputy Chief Physician of the Department of Infectious Diseases of the Municipal People's Hospital, gave a lecture on "Viral Hepatitis". His explanation aroused the on-site staff's attention to viral hepatitis. They realized that they should pay attention to hygiene, develop good living habits, and prevent the invasion of hepatitis B virus from the source.

This activity further improved the health knowledge level of employees, and demonstrated Ganfeng's humanistic concept of "caring for employees, passing on love, and building a harmonious enterprise together".

VI. Delivering Happiness with People-oriented Ganfeng Lithium

The Company always adheres to the principle of "people-oriented", takes "building a happy Ganfeng" as the goal, establishes and improves the employee rights and interests protection system in accordance with the law, creates a platform for employee development, cares for employee life, meets the needs of employees, helps employees achieve self-worth, enhances the happiness of employees, and becomes an enterprise that delivers warmth.

Material issues addressed in this chapter

1. Employment and labor management
2. Development and training
3. Employee care
4. Democracy and human rights
5. Community investment

Issues related to SDGs addressed in this chapter



Improving Talent Echelon Structure

Since its establishment 22 years ago, Ganfeng has always put the talent strategy in the first place in enterprise development, creating a platform for Ganfeng employees and helping them achieve career peaks. Ganfeng Lithium is expanding rapidly, and there is an increasingly high demand for talents. The Company strictly adheres to regulations such as the "Recruitment Management Regulations" and the "Salary Management Regulations" and strives to create an equal and diverse recruitment model, as well as build an employee training system on the Ganfeng Lithium Business School platform to strengthen the structure of the talent echelon and ensure a sufficient talent pool to take on responsibilities when needed, thus building a sustainable Ganfeng Lithium.

Promoting Talent Development

Ganfeng Lithium targets four main areas: attracting, retaining, training and using talent in order to develop talent resources, optimize talent matching, improve talent capabilities, create an environment for their growth, and unleash their vitality and creativity, so that we can develop a high-quality, pragmatic, and responsible professional talent team with reasonable structure, professional support, and high loyalty, in line with the Company's strategic development.

Ganfeng has three-dimensional talent expectations for the youth and even all employees, which requires not only superb working ability, but also correct moral concepts and working attitude. In order to let employees to better understand their position in Ganfeng's talent concept and let the Company to better understand the breakdown of employee capabilities, Ganfeng had further adjusted the talent capability matrix in 2022, and is preparing to plan a better talent evaluation system - by multi-dimensional scoring, visualizes talent quality and capability and facilitates individuals to focus on weaknesses for targeted improvement. In the future, Ganfeng talent evaluation system will also introduce horizontal evaluation, docking department evaluation, etc., and more comprehensively demonstrate talent quality by summarizing more reference data.

In recent years, Ganfeng has ushered in brand new work such as production automation renovation, comprehensive upgrade of management platform, and more and more resource projects and production base construction. This is a huge challenge, and is also the exploration and attempt of industry leaders. All problems must be solved by ourselves, and it is difficult to directly learn from the experience of others. This is even a great opportunity to be able to participate in the historical process in the most cutting-edge system reform in the industry; being able to leave footprints in mines and salt lakes on six continents, and to discover the new continent of this era; this is the work that can reap a lot of experiences and achievements, and even can be called great job.

Case: Orientation Training for College Students

In July 2022, Ganfeng prepared a week-long course and event for the 2022 college graduates in the Fenghuang Bay, Xinyu. A team of more than a dozen great lecturers, including Chairman Li Liangbin, LiEnergy President Ge Zhimin, Vice President Shen Haibo, general managers of subsidiaries, heads of group functional centers, and technical experts of each segment, introduced a full range of topics from Ganfeng's development history to the technology, production situation and talent needs of each business segment; from talent system construction to salary and benefit features; and from career transition to workplace etiquette, among other topics.

The speakers provided professional training, discussed their experiences, and voiced their hopes and concerns for the youth in Ganfeng. The training was crucial in allowing college graduates to integrate with Ganfeng Lithium as quickly as possible and become qualified employees.



Case: The first new enterprise apprenticeship training program



On September 19, 2022, Ganfeng Lithium and Jiangxi Metallurgical Vocational Technology College jointly organized the enterprise "new apprenticeship" training program, and the opening ceremony was held in the training room of the Mahong Plant of Ganfeng Lithium. 109 employees who are newly hired or who have been transferred to a different position within the production workshop will undergo theoretical coursework and practical training to improve their professional skills.

For this training, Jiangxi Metallurgical Vocational and Technical College provided theoretical guidance, and Ganfeng Lithium provided a training base. In the training, a teaching method integrating theory and practice was used to, carry out a one-and-a-half-month integrated training of production and education. Vocational qualification certificates are issued to employees who have passed the graduation examination, so that the employees of the enterprise can take up their posts as soon as possible.

Case: Ganfeng Lithium's second phase of front-line commander training

On May 20, 2022, Ganfeng Lithium's second phase of advanced training for front-line commanders was held at the R&D building of the headquarters. This activity aimed to further improve the emergency handling ability, command ability and coordination ability of front-line commanders. The workshop directors, duty directors, team leaders and excellent college students' representatives in the lithium chemical segment in Xinyu area attended this training.

Before the activity, the Human Resources Department investigated and analyzed the training needs of front-line commanders through questionnaires and interviews, and summarized and refined three key training needs - safety, personnel management and 16949 system implementation. In order to solve such problems, industry seniors and big names were specially invited to the training to give lectures and share experiences on the spot.

"Front-line commanders", the backbone of Ganfeng, actually control the production, quality and safety of Ganfeng. In the future, Ganfeng will continue to organize similar training activities, introduce more technologies and concepts, encourage front-line commanders to flexibly use advanced tools, and move into the digital management era together with enterprises.



Employee Care for a Better Workplace

We work hard to build a "shared results and risks" business community at Ganfeng Lithium. Ganfeng Lithium respects the family culture and has always paid great attention to employee care, improving the welfare of employees at the same time as the development of the enterprise, further caring for the majority of workers and continuously improving the happiness index of employees. In 2022, the Company updated its human resource management system, including the "Regulations on the Management of Compensation and Benefits" and the "Regulations on the Management of Staff Development and Training", and promoted a large number of outstanding personnel to positions and ranks, and introduced more incentive policies in the form of college student annuities, expatriate allowances and epidemic protection payments, in addition to salary increases.

Caring for Employees' Physical and Mental Health

Without the hard work and dedication of all employees, Ganfeng Lithium's efforts to provide unwavering and stable energy security for economic and social growth would be impossible. The Company actively arranges outward-bound activities and provides a healthy living environment for its employees, with an emphasis on serving them. In recent years, Ganfeng has built a number of new areas throughout the Company dedicated to entertainment, leisure, mother and child, reading, etc., and brightened and renovated the environment of the canteen, dormitory and plant. In the future, Ganfeng will continue to optimize the working environment and purify the working atmosphere to provide a better working experience for all employees.

Case: May Fourth Youth Symposium

On May 4, 2022, Ganfeng simultaneously held a May Fourth youth symposium in Xinyu, Dongguan, Ningdu, Yichun, Fengxin, Mengjin, Ningbo and Suzhou. The symposium, with the theme of "striving to be the leader of Ganfeng", was jointly organized by the Ganfeng Youth Association, Ganfeng Trade Union, Personnel Administration Department, and Corporate Culture Department to facilitate face-to-face communication opportunities between young employees and Ganfeng leaders. Help young employees solve problems encountered in work and life, so that every young person who keeps following the enterprise has the opportunity to become a leader in the enterprise.

In order to help young employees grow and show the way forward, Ganfeng set up the "Excellent Youth with Four Virtues" Award for the first time this year and presented the award to 14 young employees at the symposium. The 14 award-winning employees cover technology, R&D, production, quality control, project management, engineering design, human resources and other positions. They are from Ganfeng's subsidiaries or departments, and they are advanced youth representatives of each field.



Youth empowerment leads to strong enterprises; strong enterprises provide better opportunities to young people. Only when the enterprise and the youth grow together can the enterprise maintain its vitality and the youth make continuous progress.

Case: Ganfeng Lithium basketball court completed

On September 27, 2022, Ganfeng Lithium's new basketball court was officially completed! To celebrate the completion of the basketball court, the headquarters basketball team and the 10,000-ton Lithium Salt Plant basketball team held an exhibition match on the same day - aiming at enhancing friendship, exercising physical fitness, exchanging skills, displaying image, making friends through basketball, and socializing through games.

On the field, the players were in high spirits, full of passion and fighting spirit; everyone cooperated tacitly and skillfully, responded calmly, and gave full play to teamwork and comprehensive personal technology. The team members sweated profusely and competed fiercely. A wonderful game showed the team's strong communication and collaboration ability, which not only showed the style of the game, but also enhanced the team's tacit understanding. The game came to an end in a relaxed and enthusiastic atmosphere.

The newly built basketball court was clean and tidy, with a beautiful environment and complete facilities. It can be used by Ganfeng colleagues to relax after work, not only exercising the body, enriching spare time life, but also improving the happiness and sense of belonging of employees.



Protection of Employees' Rights and Interests

At our operating sites, we strictly abide by applicable rules and regulations such as the "Labor Law of the People's Republic of China" and the "Labor Contract Law of the People's Republic of China", and we respect and safeguard our employees' legitimate rights and interests. We are committed to protecting the basic human rights of our employees: we adhere to the principles of fairness, openness and justice in recruitment, respect the diversity of our employees and the differences between different countries, nationalities, races, colors and cultures, and strictly prohibit discrimination on the basis of gender, ethnic background, age, education level, religious beliefs, disability, etc.

Case: Enhancing employment opportunities for local residents

Ganfeng has been committed to promoting the economic development of the surrounding communities, enhancing employment levels, and helping to create more job opportunities in the local communities by providing relevant training. In 2022, Ganfeng Argentina team signed a cooperation agreement with Salta Education Bureau and several universities and vocational training centers in Salta to communicate and coordinate the training matters.

At the request of N°3173 Technical School in San Antonio de los Cobres town, Ganfeng provided training to the students of the school. The Engineering Department provided training on plant experiments, and the Personnel Department provided training on resume making and interview simulation, etc.



Case: Vibrant Women's Day

In response to the call of the Company's corporate culture, in order to show the Company's care for female employees, the headquarters and its subsidiaries jointly organized a large-scale "Women's Day" event on the occasion of "Women's Day". The women in Mahong Plant organized spring outing named "Lumaogou One-day Tour" in Xinyu City.



Sustainable Development of Local Communities

Ganfeng Lithium has a number of lithium projects around the world. The Company places great value on the longterm development of local communities, actively participating in their work and lives, so as to understand their needs and bring benefits to them.

Case: Free, Prior and Informed Consent (FPIC) conference

Ganfeng fully respects the Free, Prior and Informed Consent (FPIC) rights of the local indigenous people where the project is located. The FPIC meeting for the Mariana Project PV plant was held on July 21, 2022 with the participation of the Salta Ministry of Mines, the Salta Ministry of Indigenous Affairs, the Municipality, representatives of the Kolla community in the town of Tolar Grande and local people.

During the meeting, professionals from Ganfeng Argentina's Environmental Department, Legal Department, Community Relations Department and E&C y Asociados, an environmental consulting firm, gave a detailed introduction of the Mariana Project PV plant to the participants, listened carefully to their questions, inquiries and suggestions, and promised to optimize the positive impacts of the project and minimize or mitigate the negative ones. The local community indicated that they were properly informed about the project and felt that the meeting process was consistent with provincial, national and international indigenous regulations and that the meeting had a positive outcome.



Case: Sponsoring youth activities

On February 11 and 12, 2022, with the sponsorship and logistical support of the Ganfeng Argentina team, the Tolar Grande Urban Youth Department and the teachers of the 5239 High School organized a camping trip for the students. The purpose of this event was to promote teamwork and the importance of living in harmony with nature, to strengthen the students' sense of belonging to the local community, and to practice what they have learned in their social, science, and physical education classes.

Achieving a harmonious coexistence between people and the environment is also Ganfeng's consistent approach to resource extraction projects. Therefore, in the project in Argentina, Ganfeng chose water sources that humans cannot drink and recycles them; used renewable energy such as sunlight and photovoltaic power generation to complete the extraction; drawn out natural ecological protection areas for local organisms, and sets strict entry rules...

Case: Exchange meeting on the use of water resources in Mariana project

The Mariana project is located in a highland area where water resources are scarce. After learning that the local community had significant concerns about the use of the project's water resources, the Company decided to have the hydrogeology department proactively update the community on the project's water withdrawals every six months.

In 2022, Ganfeng held a total of 2 exchange meetings on the use of water resources in the town of Tolar Grande on May 17 and November 23 respectively, with the participation of technicians from the Ministry of Mines and Water Resources of Salta, the authorities of the town of Tolar Grande, community residents and others. During the meeting, staff from Ganfeng's Hydrogeology Department presented the water extraction points that have been approved for use and are in the process of being approved, the water consumption of the project camps, and the training conducted by the Company on the rational use of water in the camps.

The public sharing of water withdrawal information was well received and appreciated by the local community, and Ganfeng will continue to maintain good communication with the local community through such information exchange meetings.



Case: Participation in the Social Work Roundtable in Tolar Grande

In 2022, Ganfeng Lithium actively participated in the social work roundtable held by the Ministry of Mines in the town of Tolar Grande, supporting community work as in previous years. The participants included 36 representatives from mining companies and their contractors, municipal authorities and local communities, the Provincial Minister of Mines, the Provincial Director of Roads and the Roundtable Coordinators, who communicated on issues such as road maintenance around the community, safe and civilized driving of project vehicles, fresh water use and establishing effective communication mechanisms with local communities.

During the meeting, Ganfeng and other mining companies jointly signed a road maintenance agreement for the Pocitos-Tolar Grande road section and donated an equipment to the Provincial Road Department for road maintenance, an announcement that was warmly welcomed by the local communities.



Case: Supporting breast cancer awareness activities

October is International Breast Cancer Awareness Month, also known as Pink October. On October 21, 2022, the town of Campo Santo, Güemes, a Breast Cancer Awareness Event was held to raise awareness about prevention, regular screening, early detection, treatment and the fight against this silent disease. The event was attended by female residents of Campo Santo, representatives of the Hope Foundation and female employees of Ganfeng, who provided promotional caps and catering support for the event.



The series of projects in Argentina is only a microcosm of Ganfeng's global resource layout. Nowadays, Ganfeng has invested in many resources in Mexico, Mali, Argentina, Ireland, Australia and China, and is continuing to implement the ESG spirit of "environmental protection", "employee care", "community help" and "promoting development".

There is a long way to go for global energy transition. In the future, we will use a solid footprint to blaze a trail of sustainable development that can be replicated.

Employee Communication and Care

Ganfeng Lithium actively promotes democratic management, fosters open communication, and works to build diverse and effective multi-level communication channels and platforms. We build trade union organizations at all levels of the Group, adhere to democratic procedures in line with the Trade Union Law and other applicable regulations, and protect employees' rights to information, expression, involvement and oversight. We encourage employees to contribute their ideas and suggestions, establish unfiltered communication channels and platforms between management and non-managerial employees, actively listen to employees' voices and management suggestions for the Company's development, and keep employees informed of major decisions and development orientation.

Ganfeng Lithium urges managers at all levels to actively listen to employees' views and provide feedback via questionnaires, employee suggestion boxes, email, hotlines, and other means. The Internal Auditing Department ensures that every suggestion is promptly accepted, that every reasonable reporting case is independently investigated based on the principles of truthfulness, confidentiality, and effectiveness, and that appropriate follow-up actions are taken after the whistleblower has been properly protected. Ganfeng Lithium places a high priority on employee happiness and contentment at work and is dedicated to establishing a welcoming environment.

Case: Workers' Congress of Ganfeng Lithium

On December 9, the Ganfeng Lithium 2023 Workers' Congress preparation meeting organized by Ganfeng Lithium Party Committee and Trade Union Committee was held in Xinyu. With the theme of "strengthen the value of trade union and become the excellent staff representative of Ganfeng", the meeting interpreted the mission of Ganfeng people and the definition of excellent staff representative of Ganfeng from more dimensions.

In 2022, a number of subsidiaries carried out environmental upgrades in areas such as canteens and bathhouses, driven by labor unions; and targeted renovations were conducted in areas such as plants and production bases through collection of employee proposals.

During the several epidemic silences in 2022, the trade unions and employee representatives put employee protection in the first place: quickly procuring replenishment supplies so that the employees in the plant can eat and sleep well; providing an effective nucleic acid testing program to keep an eye on employee health; and conducting multiple disinfections on incoming and outgoing vehicles to maintain a well-run enterprise without causing risk to employees. In the 23-year plan, the representatives proposed "to launch more attractive union activities to motivate employees", "to further normalize the staff opinion research, so that the Company can hear more employees' voices", "to improve the existing home of staff and construct activity centers" and many other programs to enhance the happiness of all Ganfeng people.



As the link between enterprises and employees, trade unions and employee representatives carry the responsibility of spreading corporate culture, transmitting information and organizing activities, and the importance of positive development for enterprises cannot be overstated. In 2022, Li Liangbin, Chairman of Ganfeng Lithium, put forward the concept of "Technological Ganfeng" to increase the investment in technology and form technological breakthroughs or commercialization in more areas. It is believed that under the leadership of a new batch of outstanding employee representatives, the well-prepared Ganfeng people will continue to fulfill their own missions, work together to create a new benchmark in the lithium industry, and strive to create the first brand in the lithium industry, so that Ganfeng becomes the leader of the lithium industry and the industry giant.

Key Performance of Sustainable Development

Type	Indicators	Unit	2022	2021	
Environment					
Exhaust gas emissions	Particulates	ton	57.5	42.62	
	Sulfur dioxide	ton	175.43*	56.7	
	Nitrogen oxide	ton	172.83*	171.52	
	Particles per unit of product	ton/10,000 tons of LCE	5.92	4.75	
	Sulfur dioxide per unit of product	ton/10,000 tons of LCE	18.05	6.32	
	Nitrogen oxide per unit of product	ton/10,000 tons of LCE	17.78	19.13	
	Wastewater pollutants	COD	ton	46.96	73.53
Ammonia nitrogen		ton	2.12	2.54	
COD per unit of product		ton/10,000 tons of LCE	4.83	8.2	
Ammonia nitrogen per unit product		ton/10,000 tons of LCE	0.22	0.28	
Solid waste	Hazardous waste	ton	391.55	583.92	
	Non-hazardous waste	Slag	ton	0*	9468.98
		Cinders	ton	0*	6630.18
		Office waste	ton	9	8
		Household garbage	ton	1319	950
		Other wastes	ton	421	590.93
Energy consumption	Total energy consumption	Ton of standard coal	247771.37*	197353.46	
	Energy consumption per unit of revenue	Ton of standard coal /RMB 10,000	0.06	0.18	
	Energy consumption per unit of product	Ton of standard coal /ton of LCE	2.55	2.2	
	Coal	ton	107688.99	144973.54	
	Power	10,000 kWh	53000.46	44305.42	
	Diesel	ton	761.47	586.75	
	Gas	10,000 cubic meters	1615.87	875.87	
	Petrol	ton	1.34	0.07	
	Purchased steam	10,000 tons	133.74	43.16	
Water consumption	Water Usage	10,000 tons	254.81	308.74	
	Water consumption per unit of revenue	Ton /RMB 10,000	0.61	2.79	
	Water consumption per unit of product	ton/ton of LCE	26.21	34.43	
Use of packaging materials	Number of used packaging bags	10,000 bags	42.28	79.27	
Greenhouse gas emissions	Total amount of greenhouse gas emissions	10,000 tons	86.13*	65.03*	
	Scope 1	10,000 tons	38.93*	30.98*	
	Scope 2	10,000 tons	47.20*	34.05*	
	Greenhouse gas emissions per unit of revenue	10,000 tons/RMB 100 million	0.21	0.58	
	Greenhouse gas emissions per unit of product	10,000 tons/10,000 tons of LCE	8.86	7.25	

Social				
Number of employees	Total employees	Person	10201	7870
	Male	Person	6732	4930
	Female	Person	3469	2940
	≤34	Person	4099	3228
	35-44	Person	3409	2721
	45-54	Person	2485	1771
	≥55	Person	208	150
	Master or above	Person	217	164
	Bachelor and junior college	Person	3270	1941
	Below junior college	Person	6714	5765
	General jobs	Person	6323	5458
	Special jobs	Person	619	444
	Management	Person	3259	1968
	Full-time	Person	10201	7870
Part-time	Person	444	0	
Turnover rate	Overall turnover rate	%	50.3	30.36
	Male	%	33.53	35.98
	Female	%	16.77	20.94
	≤34	%	30.93	32.3
	35-44	%	12.79	16.75
	45-54	%	6.08	7.16
	≥55	%	0.5	0.7
	Master or above	%	0.56	16.46
	Bachelor and junior college	%	13.77	26.28
	Below junior college	%	35.97	32.13
	General jobs	%	41.54	48.82
	Special jobs	%	0.69	0.55
	Management	%	8.07	6.96
Occupational health	Number of work-related deaths	Person	0	0
	Severe injuries per 1,000 employees	%	0	0
Employee training	Percentage of trained employees	%	100	100
	Training hours per person	Hour	23.6	21.9
Supplier	Number of domestic suppliers	Person	1752	3512
	Number of international suppliers	Person	8	9
Product liability	Proportion of product recalls due to safety and health reasons	%	0	0
	Customer satisfaction	%	98.51	98.39
Anti-corruption	Number of corruption lawsuits	case	3	0
Community investment	External assistance and donations	RMB10,000	372	576.67

Notes:

- In 2022, since the desulfurization method of the plant changed from semi-dry desulfurization to liquid caustic wet desulfurization, the average concentration of sulfur dioxide in 2022 was higher than that in 2021, resulting in the increase of sulfur dioxide emissions.
- In 2022, the non-hazardous waste slag and cinder from the plant had been sold as raw materials for construction materials.
- In 2022, the overall energy consumption and carbon emissions increased due to the use of low-grade lithium pyroxene.
- The reported carbon emissions refer only to carbon dioxide emissions and do not include methane, nitrous oxide and other types of greenhouse gases emitted by other emission sources. The accounting is carried out in accordance with the standard and emission factors of the Guidelines for Accounting and Reporting Greenhouse Gas Emissions for Chemical Production Enterprises in China (For Trial Implementation), in which the emission factor of purchased electricity complies with 0.581tCO₂/MWh, the average emission factor of the national power grid in 2021 and a uniform national average emission factor for enterprises.

Disclosures and KPIs Compliance with HKEX ESG Reporting Guide

Environmental, Social and Governance Reporting KPIs		Page
Environment		
A1: Emissions		
General Disclosure		P51-57
A1.1	The types of emissions and respective emissions data.	P53-57
A1.2	Greenhouse gas emissions in total (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	P51,78
A1.3	Total hazardous waste produced (in tonne) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	P52,78
A1.4	Total non-hazardous waste produced (in tonne) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	P52,78
A1.5	Description of measures to mitigate emissions and results achieved.	P52-57
A1.6	Description of how hazardous and non-hazardous wastes are handled, reduction initiatives and results achieved.	P52-57
A2: Use of Resources		
General Disclosure		P57-59
A2.1	Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (kWh in '000s) and intensity (e.g. per unit of production volume, per facility).	P78
A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility).	P57,78
A2.3	Description of energy use efficiency initiatives and results achieved.	P54-59
A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency initiatives and results achieved.	P56-59
A2.5	Total packaging material used for finished products (in tonne) and, if applicable, with reference to per unit produced.	P78
A3: The Environment and Natural Resources		
General Disclosure		P58-59
A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	P58-59
Social		
Employment and Labor Standards		
B1: Employment		
General Disclosure		P79
B1.1	Total workforce by gender, employment type, age group and geographical region.	P79
B1.2	Employee turnover rate by gender, age group and geographical region.	P79
B2: Health and Safety		
General Disclosure		P62-67
B2.1	Number and rate of work-related fatalities.	P67
B2.2	Lost days due to work injury.	P67
B2.3	Description of occupational health and safety measures adopted, how they are implemented and monitored.	P62-67

B3: Development and Training		Page
General Disclosure		P79
B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	P79
B3.2	The average training hours completed per employee by gender and employee category.	P79
B4: Labour Standards		
General Disclosure		P70
B4.1	Description of measures to review employment practices to avoid child and forced labor.	P70
B4.2	Description of steps taken to eliminate such practices when discovered.	P70
Operating Practices		
B5: Supply Chain Management		
General Disclosure		P37-39
B5.1	Number of suppliers by geographical region.	P37
B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, how they are implemented and monitored.	P37-39
B6: Product Responsibility		
General Disclosure		
B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	P79
B6.2	Number of products and service related complaints received and how they are dealt with.	P47
B6.3	Description of practices relating to observing and protecting intellectual property rights.	P43
B6.4	Description of quality assurance process and recall procedures.	P47
B6.5	Description of consumer data protection and privacy policies, how they are implemented and monitored.	不适用
B7: Anti-corruption		
General Disclosure		P24-26
B7.1	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases.	P79
B7.2	Description of preventive measures and whistle-blowing procedures, how they are implemented and monitored.	P24-26
Community		
B8: Community Investment		
General Disclosure		P79
B8.1	Focus areas of contribution (e.g. education, environmental concerns, labor needs, health, culture, sport).	P79
B8.2	Resources contributed (e.g. money or time) to the focus area.	P79

Feedback Form

Dear readers,

Thank you for reading the Sustainability Report of Ganfeng Lithium in 2022. We sincerely hope to get your comments and suggestions regarding this report and our work as well. Please send the filled feedback form to us via mail, email after scanning, or call us to give valuable advice directly. Really appreciate it.

Address: Longteng Road, Economic Development District, Xinyu City, Jiangxi Province

Email: liaolonglong@ganfenglithium.com

1. Which of the following stakeholder do you belong to?

- Shareholder Employee Supplier Customer Government Community
 Academic institutions Other (please specify)

2. Have you read the Sustainability report of Ganfeng Lithium? (If no, please ignore No.3, 4, and 5)

- Yes No

3. If yes, do you read a paper version or an electronic version?

- Paper version Electronic version

4. Do you wish to read a paper version or an electronic version?

- Paper version Electronic version

5. What is your overall evaluation for the report?

· Readability (i.e. intelligible expression, beautiful design, attractive content, and easy to find the required information)

- 3 (good) 2 (general) 1 (poor)

· Reliability (The information in this report is true and reliable)

- 3 (good) 2 (general) 1 (poor)

· The report should reflect positive and negative information, and meet your expectation.

- 3 (good) 2 (general) 1 (poor)

In addition to the contents that have been disclosed, what kind of information do you wish to read?

March 2023

Utilize limited lithium resources to create a green,
clean, and healthy life for human development and progress

赣锋锂业
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