

TIANQI LITHIUM SUSTAINABILITY REPORT 2022



SUSTAINABILITY REPORT 2022

TIANQI LITHIUM

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TIANQI LITHIUM

共创锂想

CHANGING THE WORLD WITH LITHIUM



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About the Report

Overview

This report is the sixth Sustainability Report (the “Report”) published by Tianqi Lithium Corporation (A share stock code: 002466, H share stock code: 09696). The report will systematically illustrate Tianqi Lithium’ sustainable development concept, practice and performance with respect to environmental, social and governance (“ESG”) aspects in 2022. We hope to further strengthen the communication and connection with all stakeholders through the publication of sustainability reports to achieve a consensus on sustainable development.

The Report should be read in conjunction with the Corporate Governance Report in the Company’ s 2022 Annual Report to gain a more comprehensive understanding of our sustainability performance.

Reporting Period

The Report covers the period from January 1, 2022 to December 31, 2022 (the “Reporting Period” or the “Year”). In order to enhance the continuity and comparability of the Report, some contents are beyond the above time frame as needed.

Reporting Organizational Scope

Unless otherwise specified, the Report covers Tianqi Lithium Corporation and relevant entities within the listing scope. For the convenience of presentation and reading:

“Tianqi Lithium Corporation and related entities within the listing scope” are collectively referred to as “Tianqi Lithium”, the “Company” or “we”;

“Shehong Sichuan Production Plant” refers to Tianqi Lithium (Shehong) Co., Ltd.;

“Zhangjiagang Jiangsu Production Plant” refers to Tianqi Lithium (Jiangsu) Co., Ltd.;

“Tongliang Chongqing Production Plant” refers to Chongqing Tianqi Lithium Co., Ltd.;

“Shenghe Lithium” refers to Sichuan Tianqi Shenghe Lithium Co., Ltd.;

“Domestic production plants” refers to Shehong Sichuan Production Plant, Zhangjiagang Jiangsu Production Plant, and Tongliang Chongqing Production Plant;

“Tailison” refers to Talison Lithium Pty Ltd.;

“TLK” refers to Tianqi Lithium Kwinana Pty Ltd.

Reporting Guideline

The Report was prepared in accordance with the Environmental, Social and Governance Reporting Guide (the “ESG Reporting Guide”) under Appendix 27 to the Listing Rules issued by The Stock Exchange of Hong Kong Limited (the “SEHK”), and complies with the provisions of “Mandatory Disclosure” Requirements and “Comply or explain” therein. At the same time, the Report has also been prepared with reference to the Guidelines of Shenzhen Stock Exchange on Self-Regulation Rules No.1 for Listed Companies – Standard Operation of Companies Listed on the Main Board, the Guidelines of Shenzhen Stock Exchange on Self-Regulation Rules No.1 for Listed Companies – Business Handling (2023 Revision), the GRI Sustainability Reporting Standards issued by the Global Reporting Initiative (“GRI”), the Sustainability Accounting Standards Board (“SASB”) Standards (Chemicals sector), the recommendations of the Task Force on Climate-related Financial Disclosures (“TCFD”) and the United Nations Sustainable Development Goals (“SDGs”).

The report is based on the reporting principles of materiality, quantitative, balance and consistency, and we will continue to adjust and optimize the disclosure indicators in future reports. The application of the reporting principles in the Report is as follows:

- Materiality: The Company conducted a materiality assessment to identify issues that were important to the Company and stakeholders during the reporting period. The identified material issues were reviewed by the Board (the “Board of Directors”) of Directors (the “Directors”) of the Company and are focuses of disclosure in the report;
- Quantitative: The Company provided information on the standards, methods, assumptions and calculation tools used to calculate relevant data in the report;
- Balance: The report provides an unbiased picture of the Company’ s performance during the Reporting Period, and avoids selections, omissions, or presentation formats that may inappropriately influence the decision or judgment by the report readers;
- Consistency: The Company used data statistical methods consistent with the past and has provided explanations for any changes in these methods.

Preparation Process of the Report

The specific preparation process of the Report is as follows:

- Project initiation: determining the work plan and reporting scope;
- Identification and confirmation of material issues: analyzing new domestic and foreign ESG trends, new standards and concerns of stakeholders to confirm material issues;
- Data collection: preparing and improving the indicator collection system, drawing up highlight cases, and collecting data and text information with subsidiaries, branches and functional departments;
- Report writing: drafting the reporting framework and preparing the draft report;
- Report improvement: the ESG and Sustainability Committee, functional departments of the headquarters and other entities reviewed the draft of the Report, and revised and improved the Report based on the review opinions;
- Report translation: translating the Report into multiple languages to better respond to the demands of international and domestic stakeholders;
- Report layout design: designing report layout by comprehensively considering esthetic, readability, innovation, etc.;
- Report publication: publicly discoursing the sustainability report to convey the Company’ s ESG philosophy and performance to all stakeholders;
- Summary and improvement: summarizing and analyzing the shortcomings in the report preparation process and formulating improvement plans.

Source of Information

The qualitative and quantitative information used in the Report is derived from public information, internal documents and relevant statistical data of Tianqi Lithium. The financial data in the Report are in China Yuan ("CNY") originally unless otherwise specified. The financial data in the English version and Spanish version of the Report were coverted based on the exchange rate of United States Dollar ("USD") to CNY as at 30 December 2022, given by the China Foreign Exchange Trade System and National Interbank Funding Center, whichi is 1 USD = 6.9646 CNY. If there is any discrepancy between the financial data in the Report and the data in the Company's 2022 Annual Report, please note that the data in the 2022 Annual Report shall prevail.

Publication Form of the Report

The Report is published in simplified Chinese, traditional Chinese, English and Spanish. If there is any discrepancy between the versions, the simplified Chinese version shall prevail. You can find and download the Report from the website of CNINFO (www.cninfo.com.cn), the website of the SEHK (www.hkexnews.hk) and the official website of Tianqi Lithium (www.tianqilithium.com).

Report Assurance

The Report has been verified by Beijing Zhongcai Green Index Co., Ltd., an independent third-party assurance agency, in accordance with ISAE 3000(Revised), Assurance Engagements Other than Audits or Reviews of Historical Financial Information, and an assurance statement has been issued. For details of the assurance, please refer to the “Independent Assurance Statement” in the Report.

Confirmation and Approval

Upon confirmation by the management, the report was reviewed and approved by the ESG and Sustainability Committee of the Board of Directors on 28th April, 2023.

Contact Us

If you have any questions, suggestions or opinions about our sustainability management and the Report, please contact:

ESG and Sustainability Department, Tianqi Lithium Corporation

10 East Gaopeng Road, Hi-Tech Development Zone, Chengdu, Sichuan, China

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Chairman's Message

Green and low-carbon development has become the main theme of the world's energy in the New Era. The basic framework for promoting the global green-oriented transition of energy have become a broad consensus. As a global leading new energy material corporate with lithium as the core, Tianqi Lithium always adheres to the business philosophy of "economic benefits never override the environment or peoples' well-being and safety", and has forged ahead on the path of promoting green and low-carbon sustainable development.

In 2022, Tianqi Lithium adhered to its strategic positioning and initial development intention, and was committed to promoting the healthy and sustainable development of the global lithium industry.

Domestically, we actively promoted the increase in production capacity of our entire business line, in which the lithium product segment increased the supply increment by 21.8%, contributing to the green sustainable development of lithium new energy industry.

Internationally, we became a core member of the International Lithium Association (ILiA) and participated in the formulation of ISO TC333, the international standard for sustainable development of the lithium industry, and the product environmental footprint category rule of International Lithium Association, actively promoting international sharing and cooperation in the field of ESG.

In terms of governance, the Company integrates the sustainable development concept of "changing the world with lithium" into the strategic goal of overall development and implementation in the daily operation and management. We have established a ESG governance structure with clear hierarchy, rights and responsibility. As an active advocate of global sustainable development, Tianqi Lithium has continuously improved its sustainable performance by holding diversified ESG-themed activities, attending international ESG forums, etc. We strengthen multilateral cooperation in the field of ESG with practical actions to jointly promote the coordinated development of economy, society and environment, and explore sustainable business opportunities as well as the zero-carbon future.

In terms of environmental management, based on the national development goals of "Carbon Peak" in 2030 and "Carbon Neutrality" in 2060 ("Dual Carbon"), Tianqi Lithium has actively addressed climate change and explored low-carbon development. During the Reporting Period, we have comprehensively managed and addressed climate change-related risks and opportunities, gradually promoted the setting of relevant metrics and targets, and researched the impacts of the transition to low-carbon pathway for our products. In order to make contributions on upstream and downstream enterprises to create an ideal green and low-carbon transformation plan with lithium.

Tianqi Lithium always adheres to craftsmanship and is committed to pursuing efficient and excellent development with high quality. We continuously enhance the quality management system and improve the quality of customer service. We have taken technological innovation as a powerful engine for high-quality development, focused on the next generation of the power battery technology, and accelerated technical reserves and industrial deployment. In addition, we have joined hands with upstream and downstream strategic partners in the industry chain to strengthen mutual complementation of advantages and contribute to the construction of a new industrial development pattern that meets the requirements of the new era.

Employees are the foundation for enterprises' development. Tianqi cultivates and uses their talent with great care, and listens to the voices of employees, continuously standardizing the human resources management system. Tianqi contributes to the reduction of inequality, caring for their work and life and provide a platform and opportunities for employees' self-improvement as well as career development, also providing a comfortable work condition.

As a responsible corporate citizen, Tianqi lithium practices social responsibility in the places where we operate at home and abroad. Relying on the "Tianqi Global Public Welfare Platform", we have

carried out diversified volunteer service and public welfare and charity programs, and have actively integrated into the community. To expand our international business, Tianqi adheres to win-win cooperation, actively communicate with local stakeholders, promoting of industrial development, scientific and technological progress, and talent cultivation.

"Actively and steadily promoting Dual Carbon, based on national energy and resource endowment, adhering to the principle of building the new before discarding the old, implementing the Carbon Peak actions in a planned and step-by-step manner, further promoting the energy revolution, strengthening the clean and efficient use of coal, accelerating the planning and construction of a new energy system, and actively participating in global governance in response to climate change", gives strength and confidence to the development of the new energy industry. Tianqi Lithium will continue to outline the development blueprint with a new vision, lighting up a new low-carbon world with "smart lithium", and to contribute to the green, low-carbon and sustainable development of the world.



Weiping Jiang

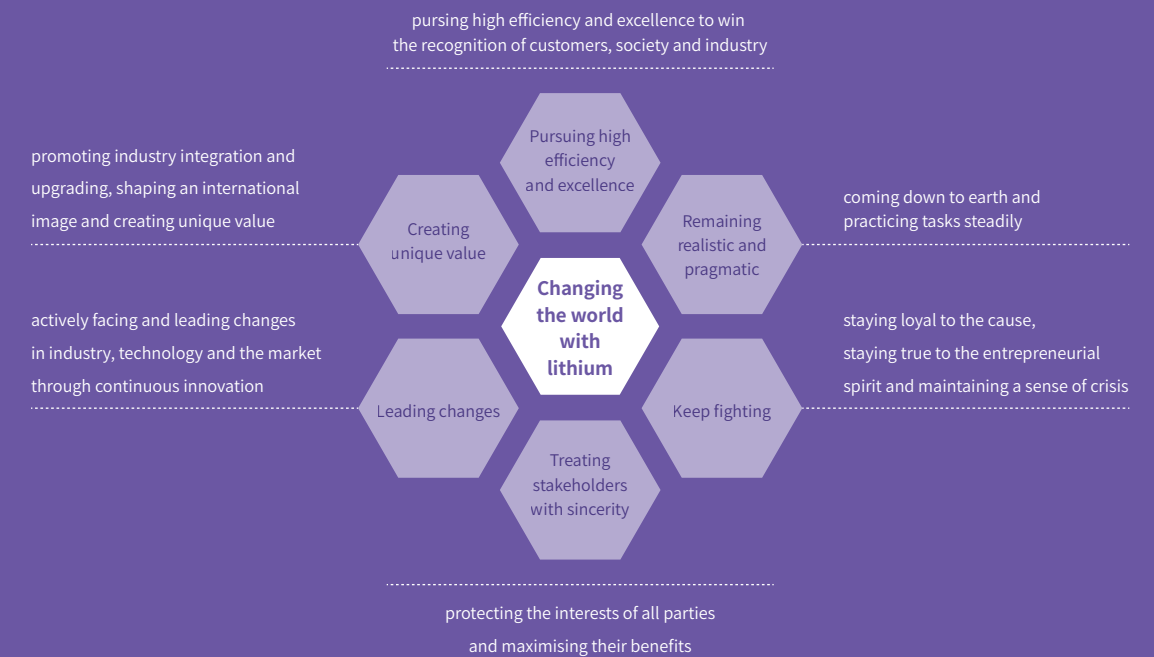
Founder, Chairman, Tianqi Lithium Corporation

About Tianqi Lithium

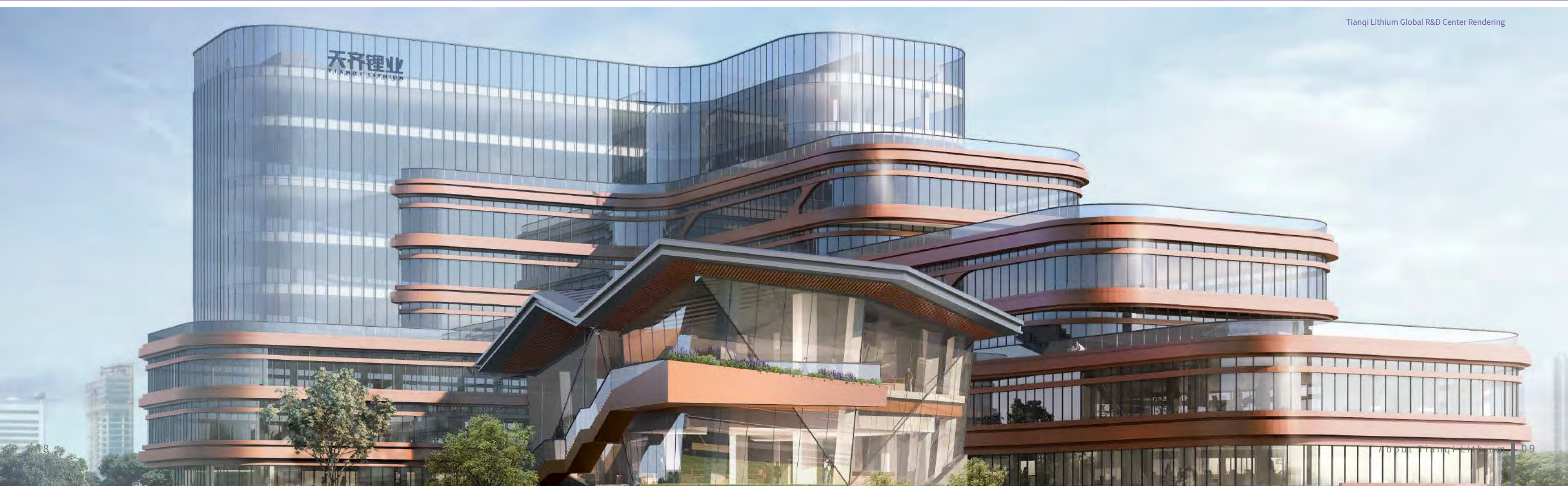
Company Profile

With lithium at its core, Tianqi Lithium is a leading new energy material enterprise in China and the world. It is listed on the Shenzhen Stock Exchange (SZ.002466) and the SEHK (9696.HK). The Company's main business encompasses the key stages of the lithium industry chain, including the development of hard-rock lithium mineral deposits, the processing and sale of lithium concentrates, and the production and sale of lithium chemical products. The Company strategically deploys lithium resources in China, Australia and Chile, and builds partnerships with international customers by virtue of its vertically integrated global industrial chain advantages, so as to jointly help the electric vehicle and energy storage industries achieve long-term sustainable development of lithium-ion battery technology. We take "Changing the World with Lithium" as the core of development, and regard six aspects, namely creating unique value, pursuing high efficiency and excellence, seeking truth and pragmatism, insisting on fighting hard, sincerely treating stakeholders, and leading changes as the core values of the Company's development, together as the Company's guiding philosophy of development.

The Core Values of Tianqi Lithium



Tianqi Lithium Global R&D Center Rendering



Business Overview

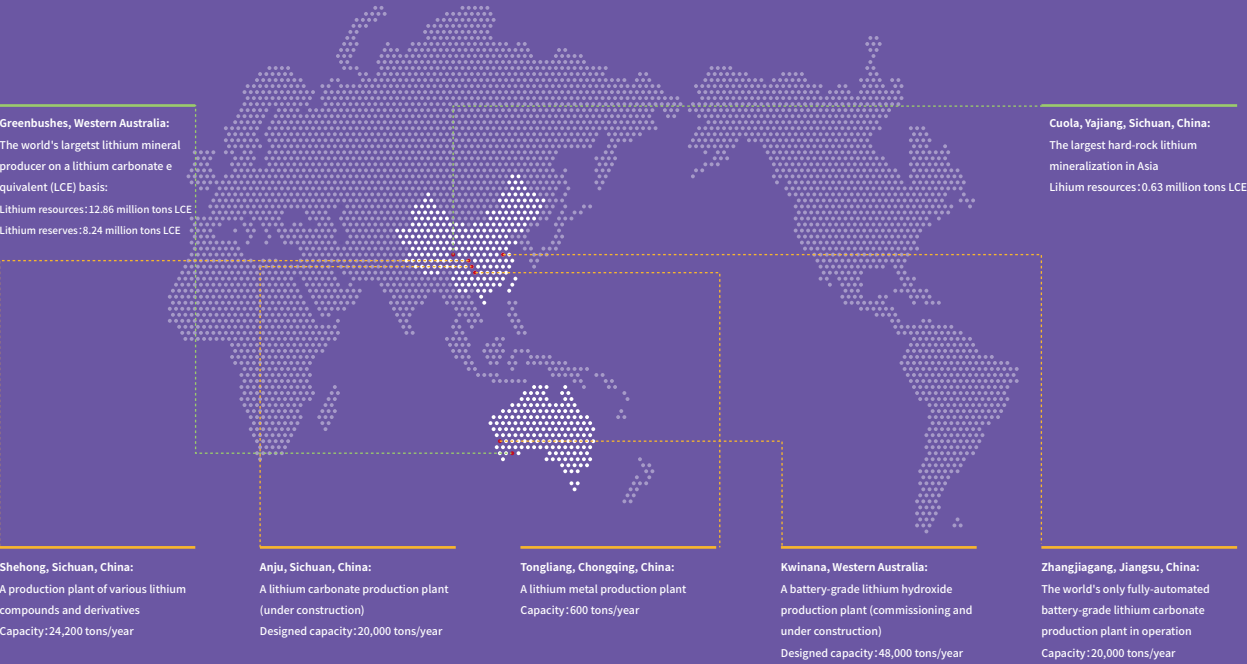
Business Segments

Tianqi Lithium is committed to the long-term development strategy of “Consolidating the Upstream, Strengthening the Midstream and Penetrating the Downstream”. The Company’s main business covers the key stages of the lithium industry chain, including the development of hard-rock lithium mineral resources, the processing and sale of lithium concentrate, and the production and sale of lithium chemical products. Currently, we have two main types of products: (i) lithium concentrate and (ii) lithium compounds and derivatives. Lithium concentrate products include chemical-grade and technology-grade lithium concentrate, while lithium compounds and derivatives products include lithium carbonate, lithium hydroxide, lithium chloride and lithium metals. Our products are widely used in various end markets, mainly including electric vehicles, energy storage systems, aircraft, ceramics and glass.

At the same time, Tianqi Lithium keeps an eye out for investment opportunities that are conducive to enhancing corporate value, and actively invests in new energy and lithium assets to promote the Company’s sustainable and stable growth, lead the healthy development of the new energy material industry, and facilitate the reform of the new energy industry.

Business and Resource Layouts

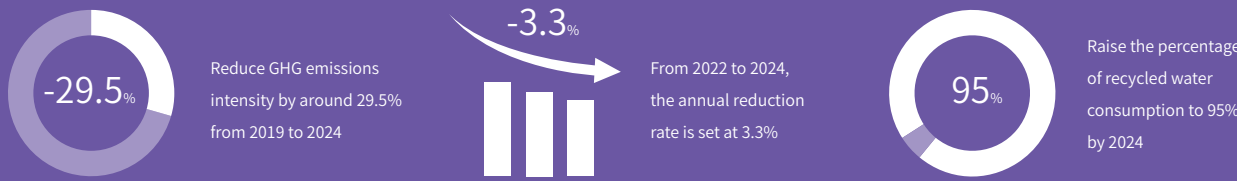
The Greenbushes mine in Western Australia and the Cuola mine in Yajiang, Sichuan, as our resource bases, jointly ensure that Tianqi Lithium has a stable supply of high-quality lithium raw materials, contributing to improving operational efficiency, stability, and flexibility of production of lithium salt. In terms of production, Tianqi Lithium has large-scale and advanced production plants in China and Australia, and has established partnerships with global customers by virtue of its vertically integrated global industrial chain to jointly promote the long-term sustainable development of the new energy industry.



Investment and Finance Segment

The Company has further strengthened strategic cooperation and promoted the strategic development of the Company with a forward-looking vision. In May 2022, we entered into the Strategic Partnership Agreement with CALB Co., Ltd., pursuant to which we will jointly invest and cooperate in research and development in the fields of battery cells, battery materials and new materials. On July 13, Tianqi Lithium was officially listed for trading on the Main Board of the SEHK. Many well-known investment institutions became anchor investors and raised over HKD13.4 billion, becoming the second-largest IPO in Hong Kong in 2022, which greatly relieved the debt pressure on the Company. In August, we signed a memorandum of lithium industry chain cooperation with YPF Sociedad Anonima, an energy company in Argentina, to give full play to respective industrial advantages and jointly explore and evaluate the possibility of future cooperation in multiple dimensions such as energy, mineral resources, environmental protection, talent exchange and technological innovation. The Company was selected as one of the Top50 Mid-2022 Watch List for Market Value Growth of Chinese Companies by Barron’s, and was included in the Shenzhen-Hong Kong Stock Connect list as well as the MSCI China Index. During the Year, Tianqi Lithium was awarded the “Listed Company with the Most Investment Value” in the Hong Kong and US stock market of Sina Finance in 2022, reflecting the high attention and recognition of the Company from the capital market and investors from all walks of life, and demonstrating the market’s recognition and encouragement of the Company’s forward-looking strategic layout of high-quality and low-cost upstream resources, and the promotion of international strategic layout and other advantages.

In addition, Tianqi Lithium actively responds to the national call of establishing a green, low-carbon and circular economic development system and seizing green opportunities by exploring green finance. During the Reporting Period, we promoted the issuance of our first sustainability-linked loan, focusing on the indicators of greenhouse gas (“GHG”) emissions reduction and water usage. Our targets are:



(Note: including scope 1 and scope 2 GHG emissions intensity, in the unit of carbon dioxide equivalent (ton)/ lithium carbonate equivalent (“LCE”) (ton)

Highlights in 2022



Governance

Listed on the SEHK

Participated in the CDP's climate questionnaire and water questionnaire information disclosure project for the first time and achieved **B-** and **B** respectively, both of which belong to management level

Issued and implemented the Tianqi Lithium Global Code of Business Conduct



Environmental

Completed carbon footprint assessment of **3** key products and analyzed the potential of carbon emission reduction in the product life cycle

0 significant environmental pollution accidents

Further promoted the use of clean energy, and Zhangjiagang Jiangsu Production Plant introduced photovoltaic energy



Social

Held entrepreneurship competitions to help incubate and implement excellent entrepreneurship projects

Granted **12** invention patents and 13 utility model patents

Invested USD **0.95** million in employee training, reaching average training hours per employee to **50.25** hours

0 work-related fatalities and **0** major work safety accidents

Invested a total of USD **1.64** million in the community, reaching volunteer service time to **1,149** hours

ESG and Sustainable Development Honors and Awards Won by Tianqi Lithium in 2022 (Partial)

Honors and awards	Awarding body
Tianfu CSR Innovation Award	www.newssc.org
Included in cases of the Blue Paper, namely the ESG Research Report on Chinese Listed Companies (2022)	Professional Committee of Social Responsibility and Sustainable Development of the Chinese Institute of Business Administration
"Emerging Responsible Company of the Year"	Southern Weekly
Included in excellent cases of the 2022 Report on Low-Carbon Transition and High-Quality Development of Chinese Enterprises	SynTao-Sustainability Solutions, and Sustainable Development Committee of China Chamber of International Commerce
"The Best Listed Company in Investor Relations Management" of Golden Sycamore Award	2022 Investment Value Summit of China Listed Companies and China Investment Fund Group Star Summit
"Outstanding Investor Relations of the Year" of Golden Cicada Award	Huaxia Institutional Investor Conference
The Golden Gryphon Award for "The Most Investment-Worthy Listed Company" in Hong Kong and US Stock Markets	Sina Finance 2022 Overseas Investment Summit
The 2022 Outstanding Practice Case Award for Board's Office of Listed Companies	China Association for Public Companies
The Golden Bull Award for Investor Relations Management of the Year	China Securities Journal
The Top 50 A-share Companies Receiving the Most Institutional Researches of the Market Capitalization Ranking of Chinese Listed Companies of the Year, the Top 50 Private Listed companies by Market Capitalization, and the Top 50 Most Popular Listed Companies by Institutions	Wind
The Most Competitive Company Award in the 2022 Capital Markets Value List	Yicai
The 2022 Golden Hong Kong Stock Award	Zhitong Caijing
The Best IR Team Award of 2022	Zhitong Caijing
The Best Investor Relations Awards 2022-2023	China IR Annual Awards
The Best Capital Markets Communication Award 2022-2023	China IR Annual Awards
The Most Valuable Listed Company of 2022 Crystal Ball Award	Capital Week
The Jinge Award for Information Disclosure of the Year 2022	www.gelonghui.com
The Best Investor Relations Awards 2022	www.xueqiu.com
"Technical Standard Excellence Award", YS Methods for Chemical Analysis of Crude Lithium Carbonate (6 parts in total)	The National Nonferrous Metal Standardization Technical Committee

Stakeholder Engagement and Materiality Assessment

Stakeholder Engagement

Through the “Stakeholders’ Rights-Interests Model”, Tianqi Lithium has established a normalized communication mechanism with all stakeholders to understand and respond to the expectations and demands of all stakeholders in a timely manner, and to achieve coordinated development with all stakeholders. During the Year, we identified a total of 8 types of major stakeholders. Based on the different types of stakeholders, we understood and analyzed their concerns, and adopted different methods to respond to the concerns of various stakeholders in a targeted manner.

Category of stakeholders	Issues of concerns	Responses from Tianqi Lithium	Frequency
Customers	Product quality	Product quality testing	Regular and irregular
	Research and development (“R&D”) and innovation	Increasing investment in R&D and innovation	Annual
	Customer service	Further optimization of customer service	Irregular
	Opportunities in Clean Technology	R&D of clean technology	Annual
	Information Security	Strengthening Information security protection	Irregular
Employees of the Company	Protection of employee rights and interests	Carrying out employee satisfaction surveys and other communication measures	Annual
	Career development and training of employees	Expanding employee development channels	Quarterly
	Occupational health and safety of employees	Establishing a sound occupational health and safety management system	Annual
	Chemical safety	Developing management processes and response plans	Annual
Shareholders and investors	Corporate strategy and development	Strengthening information disclosure	Irregular
	Corporate governance	Complaint reporting and monitoring mechanism	Irregular
	Economic performance	Publishing the annual report, interim and quarterly reports	Annual, semi-annual, and quarterly
	Protection of shareholders’ rights and interests	General meetings and investor communications	Regular and irregular
Government / regulatory authorities	Addressing climate change	Identifying climate change risks	Semi-annual
		Launching carbon management projects	Monthly
	Energy conservation and consumption reduction	Implementing energy conservation and emission reduction measures	Quarterly
	Water resources protection	Recycling water and developing related technologies	Semi-annual
	Emission management	Implementing emission management measures	Irregular
	Ecological protection	Strengthening the construction of green mines	Annual
	Waste disposal	Improving management of waste disposal	Annual
Partners	Chemical safety	Developing management process and response plan	Irregular
	Boosting industry development	Industry activities and communications	Irregular
Public/ communities	Community integration	Increasing community investment	Irregular
	Public welfare and charity	Launching a number of public welfare programs and volunteer service programs	Quarterly
Suppliers	Practicing responsible procurement	Establishing a fair and transparent procurement management system	Annual
		Supplier training and assistance	Irregular
Media	Corporate strategy and development	Strengthening information disclosure	Irregular
		Accepting interviews with reporters	Irregular

Materiality Assessment

In order to better respond to the demands of stakeholders, the Company conducted a materiality assessment during the preparation period of the Report, and identified the material ESG issues in 2022, which are the focus points of the Report.

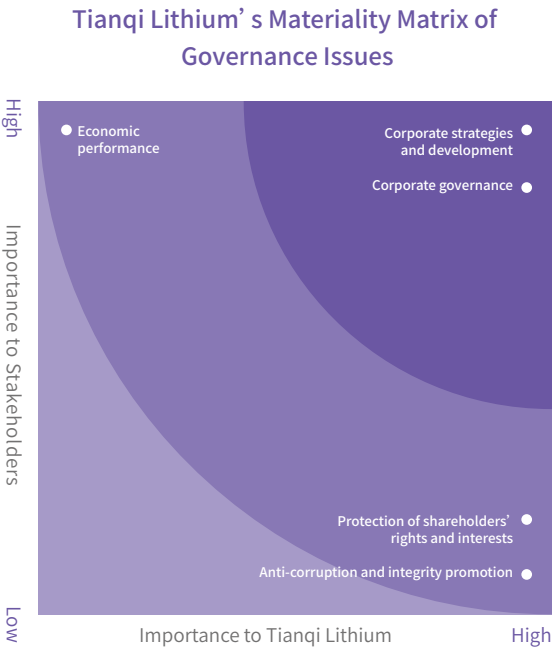
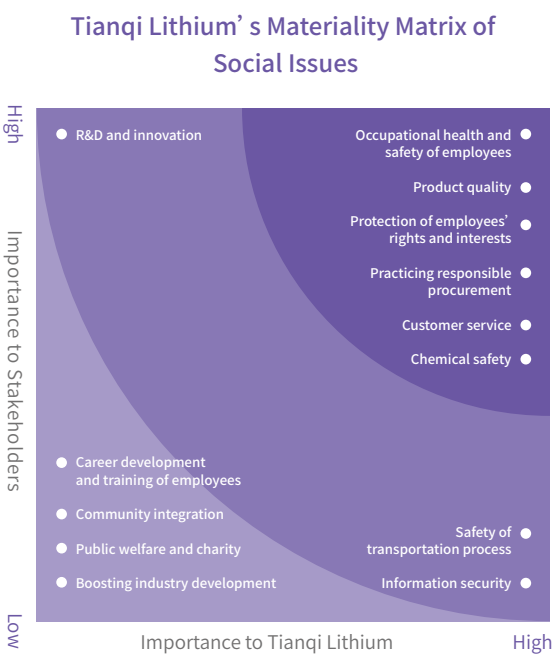
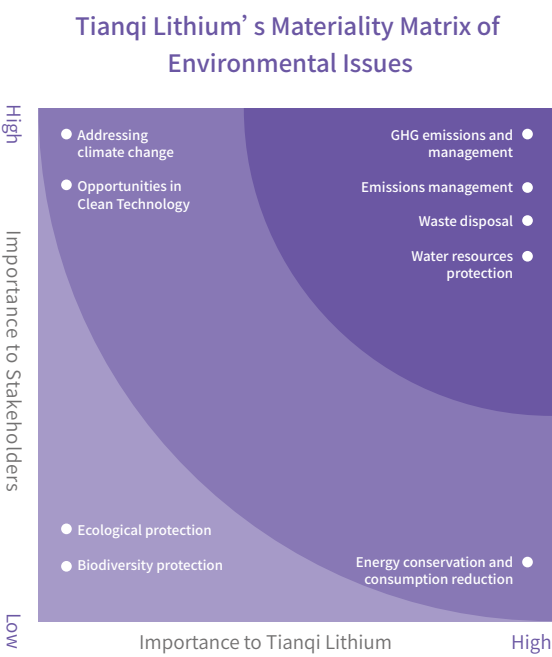


During the Year, the Company defined ESG issues that scored more than half in either of the two dimensions of "importance to Tianqi Lithium" and "importance to stakeholders" as material issues. We have identified a total of 21 material issues, including 7 environmental issues, 9 social issues and 5 governance issues. The Report will focus on responding to these material issues in response to the information needs of major stakeholders.

Tianqi Lithium 2022 ESG Issues Pool and Importance of Issues¹

Environmental issues		Social issues		Governance issues
GHG emissions and management	Emissions management	Occupational health and safety of employees	Product quality	Corporate governance
Energy conservation and consumption reduction	Addressing climate change	Safety of transportation process	Protection of employees' rights and interests	Corporate strategies and development
Waste disposal	Opportunities in Clean Technology	Practicing responsible procurement	Customer service	Protection of shareholders' rights and interests
Ecological protection	Water resources protection	Chemical safety	R&D and innovation	Anti-corruption and integrity promotion
Biodiversity protection		Information security	Career development and training of employees	Economic performance
		Community integration	Public welfare and charity	
		Boosting industry development		

¹ Material issues are in bold blue.





Governance

Maintaining Stable Operation and Consolidating Corporate Governance

5 GENDER EQUALITY

8 DECENT WORK AND ECONOMIC GROWTH

16 PEACE, JUSTICE AND STRONG INSTITUTIONS

Tianqi Lithium is committed to integrating the sustainable development concept of “Changing the World with Lithium” into the overall development strategy. We take risk prevention and control as the foundation, value creation as the inherent driving force, and responsible brand as the external influence, and regard integrity and compliance as the basic operating principles. The Company continuously standardizes corporate governance, strengthens internal risk monitoring, improves the ESG management system, and constantly standardizes business behavior, so as to promote the sustainable development of the Company with stable and honest operation, and to create shared value for customers, employees and business partners.

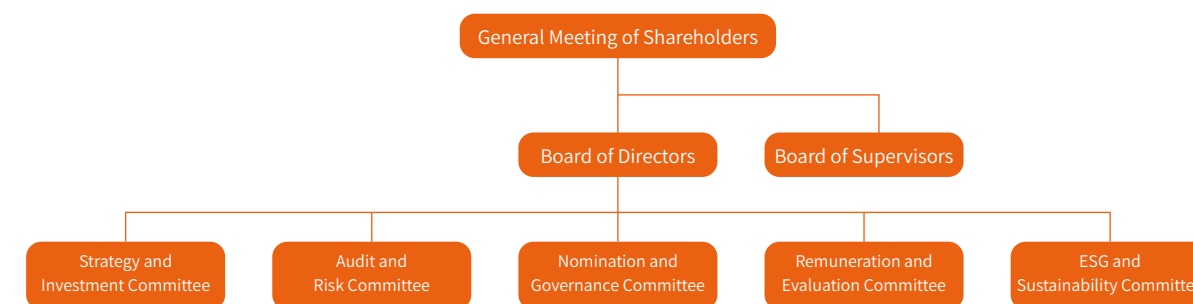
Responsible Governance

Compliant Governance

In strict compliance with the Company Law of the People's Republic of China, the Securities Law of the People's Republic of China, the Code of Corporate Governance for Listed Companies, the Stock Listing Rules of the Shenzhen Stock Exchange, the Guidelines of Shenzhen Stock Exchange on Self-Regulation Rules No.1 for Listed Companies – Standard Operation of Companies Listed on the Main Board, the Main Board Listing Rules of Hong Kong Stock Exchange, and the requirements of relevant laws, regulations and regulatory documents of the China Securities Regulatory Commission, Tianqi Lithium has formulated a series of internal governance systems such as the Articles of Association, clarified the decision-making, supervision and execution levels, and formed a corporate governance mechanism with effective checks and balances and scientific decision-making.

The Company has established a modern corporate governance structure comprising the General Meeting of Shareholders, the Board of Directors, the Board of Supervisors, and the management. Among them, the Board of Directors has established five special committees, which are responsible for the overall governance, supervision and regular review of the Company to maintain a high standard of corporate governance.

The Company values the importance of diversity in the composition of the Board of Directors, encourages gender equality and is committed to increasing the proportion of female members in the Board of Directors. As at the end of the Reporting Period, Tianqi Lithium has a total of 8 Directors, of which 3 are female Directors, accounting for 37.5%.



Risk Management and Internal Control

In strict compliance with the Company Law of the People's Republic of China, the Audit Law of the People's Republic of China, the Basic Internal Control Norms for Enterprises, the Provisions of the National Audit Office on Internal Audit, the China Internal Audit Principles and other laws and regulations in the places where we operate, Tianqi Lithium has established the Internal Audit Management System and the Internal Accountability System. The Company implements a risk management structure headed by the Board of Directors, supervised by the Audit and Risk Committee, and implemented by the Audit Department and subsidiaries to identify, manage, supervise and control various risks of the Company. During the Year, we focused on sorting out and evaluating the Company's risks at the operational level. Each business department sorted out and collected major risks at each business port, and reported to the General Management Meetings, with some risks reported to the Board of Directors according to the specific situation. At the same time, the Company established a new Legal and Risk Control Department and formed a risk control and management-related system. The Company has not only actively identified

potential risks through continuous attention and collection of updates on laws and regulations, but also established a passive risk collection mechanism to determine the potential risk points in accordance with the relevant requirements transmitted by downstream customers. We have established a risk management system with three lines of defense as the management guarantee, which is built around the centralized management and control of internal risks and continuous monitoring of external risks. The management system ensured that all defects in the Company’s internal control were rectified through internal control evaluation, defect rectification, follow-up inspection and other methods, forming an effective supervision over the entire life cycle of the Company’s operation.

The Company has incorporated ESG-related risks into its risk management system. The ESG and Sustainability Committee is responsible for reviewing the risks related to the three aspects of environmental, social and governance. As a lithium mining and lithium chemical materials production enterprise, we have identified safety and environmental risks related to our business as one of the risks faced by the Company, including occupational health and safety risks faced by employees, environmental penalties risks and relevant reputational risks. In order to fundamentally prevent the above risks, we have adopted the following targeted measures:

- Fully demonstrate the safety and environmental protection risk factors in the feasibility study and project design in accordance with the latest regulatory standards, and give priority attention to forward-looking design;
- Continue to carry out full automation modification of the existing production lines to increase the stability and reliability of operation, minimize manual operation and reduce safety and environmental protection risk points;
- Purchase safe, environmentally friendly, energy-saving, and highly efficient production equipment provided by first-class suppliers to equip all new projects, making the production lines fully automated, intelligent and networked, with timely elimination of hidden hazards by real-time monitoring, early warning, transmission and collecting feedback.
- Continue to purchase accidental injury insurance for employees, strengthen training and assessment for all employees on safe and clean production, attach great importance to the standardization of production operations of employees, and insist on the continuous improvement of safety and environmental protection contingency plans and preventive drills for employees.

Tianqi Lithium’s Risk Management System



Internal Risk Control

Comprehensively implement the Company's risk identification, control, and rectification procedures through internal control evaluation, deficiency rectification, tracking and inspection

Conduct internal risk assessment and special audit

External Risk Prediction

Analysis of industry development: continue to pay attention to industry trends and identify potential risks

Macro trend tracking: predict macro policies, impact of the epidemic, and other factors

Business ethics

Business ethics is essential to creating an open, transparent and healthy business environment, and the Company is committed to conducting business with higher business ethical standards. In this regard, we continue to improve the policies and systems related to the code of business ethics and conduct relevant training for employees to enhance their awareness of business ethics.

Code of Business Ethics

In strict compliance with the Company Law of the People’s Republic of China, the Anti-Unfair Competition Law of the People’s Republic of China and other relevant laws and regulations in the places where we operate, Tianqi Lithium has formulated internal management policies such as the Code of Ethics and Professional Conduct to regulate the professional behavior of its employees. During the Reporting Period, we issued the Tianqi Lithium Global Code of Business Conduct in multiple languages as a standard and guideline for cooperation and communication with all stakeholders. At the same time, the Company has set up a COC Working Group, and each subsidiary has set up a COC Working Group or a supervision group according to their circumstance to supervise the specific implementation of the Tianqi Lithium Global Code of Business Conduct. The COC Working Group is independent of each department and is participated by the heads of each department as members. Each department of the Company has its own internal inspectors to comprehensively supervise and rectify violations in the workplace. In addition, the production plant in Kwinana, Western Australia has also established a Code of Conduct .

In terms of business ethics training, during the Year, the Company carried out online learning exams and offline publicity and supervision for business ethics standards, and conducted training for all employees to promote business ethics standards and other regulations. There were 72 participants in the training.

For details of the Tianqi Lithium Global Code of Business Conduct, please refer to:

http://en.tianqilithium.com/Upload/File/202209/20220930144934_5077.pdf

Anti-corruption and Anti-fraud

Tianqi Lithium attaches great importance to the United Nations Convention against Corruption and the Foreign Corrupt Practices Act, and has formulated internal policies such as the Anti-money Laundering and Counter-Terrorist Financing Compliance Regulations, the Anti-Fraud and whistle-blowing Policy, the Commercial Sponsorship Management Procedures, and the Gifts and Entertainment Management Procedures in accordance with the Criminal Law of the People's Republic of China, Anti-monopoly Law of the People's Republic of China, Anti-Unfair Competition Law of the People's Republic of China, Interim Provisions on Banning Commercial Bribery and other relevant laws and regulations of the places where the Company operates. We implement strict selection with regard to the sensitive positions vulnerable to corruption, and sign the Letter of Commitment on Anti-commercial Bribery with new recruits. The production plant in Kwinana, Western Australia has also established an Anti-Bribery and Anti-Corruption Policy, which requires employees to fulfill their anti-corruption and anti-commercial bribery obligations and create a working environment with integrity and honesty. While continuously improving the anti-fraud and whistle-blowing system, we continue to enhance the awareness of anti-corruption of employees. During the Reporting Period, the Company and its employees were not involved in any corruption or bribery-related lawsuits.

In accordance with the Anti-fraud and Whistle-blowing Policy, the Company implements standardized management on disciplinary violations and malpractices, accountability mechanism, standardized whistle-blowing channels and handling procedures, and adopts strict protection measures for whistleblowers. We encourage all employees to report fraud through proper channels in their real names or anonymously. The Company provides two reporting channels, including the Audit Department and the Office of the Board of Directors, and has established a sound reporting process for auditors and non-auditors.

In order to implement anti-corruption and anti-fraud work and strengthen the construction of an integrity culture, Tianqi Lithium conducts anti-corruption-related training at least once a year. During the Reporting Period, we held relevant training through a combination of direct training and transfer training, which covered the directors and all employees.

Tianqi Lithium Carried Out Anti-fraud and Whistleblowing and Anti-commercial Bribery Publicity Training

In January 2022, the Audit Department of Tianqi Lithium conducted two training and publicity activities focusing on the themes of “Anti-fraud and Whistleblowing” and “Anti-commercial Bribery” respectively for all employees with the middle and senior management as the focus. In order to deepen the learning effect, the Audit Department of the Company formulated test questions for employees’ self-examination based on the training content.



Reporting Channels and Handling Procedures of Tianqi Lithium



Protection of Shareholders’ Rights and Interests

Tianqi Lithium is concerned about the legitimate rights and interests of all investors, including small and medium investors. The Company operates in strict compliance with the requirements of relevant laws and regulations of the places where it operates and strives to improve its governance level and operating performance. With an open and transparent business philosophy, we receive inquiries and opinions from investors through multiple channels, perform information disclosure obligations in accordance with regulations, and accept the supervision of investors. During the Reporting Period, Tianqi Lithium:

Held general meetings of shareholders	A total of 5 general shareholder meetings were held.
Held performance announcement meetings	A total of 3 performance announcement meetings were held, with more than 2,550 investors attending online and on-site.
Investors reception	Many on-site and teleconferences were held in multiple languages, including Chinese and English, with more than 2,600 individual and institutional investors.
Responded to investors	Over 1,180 calls were received through the IR hotline throughout the year; Responded to hundreds of investors with a total of 709 questions on the Hudongyi app, with a 100% response rate; Set up a hotline and email address for stock and bond investors, receiving an average of about 6-10 calls per work day from investors and replying to tens of interview emails from investors and the stock exchange media throughout the year.
Responded to the capital market	We responded to inquiries and interviews related to rumors of stock price fluctuations, the Company's operating conditions, progress of major issues, and industry prospects for many times, and promptly and positively responded to market concerns, protecting the Company's reputation.

ESG Management System

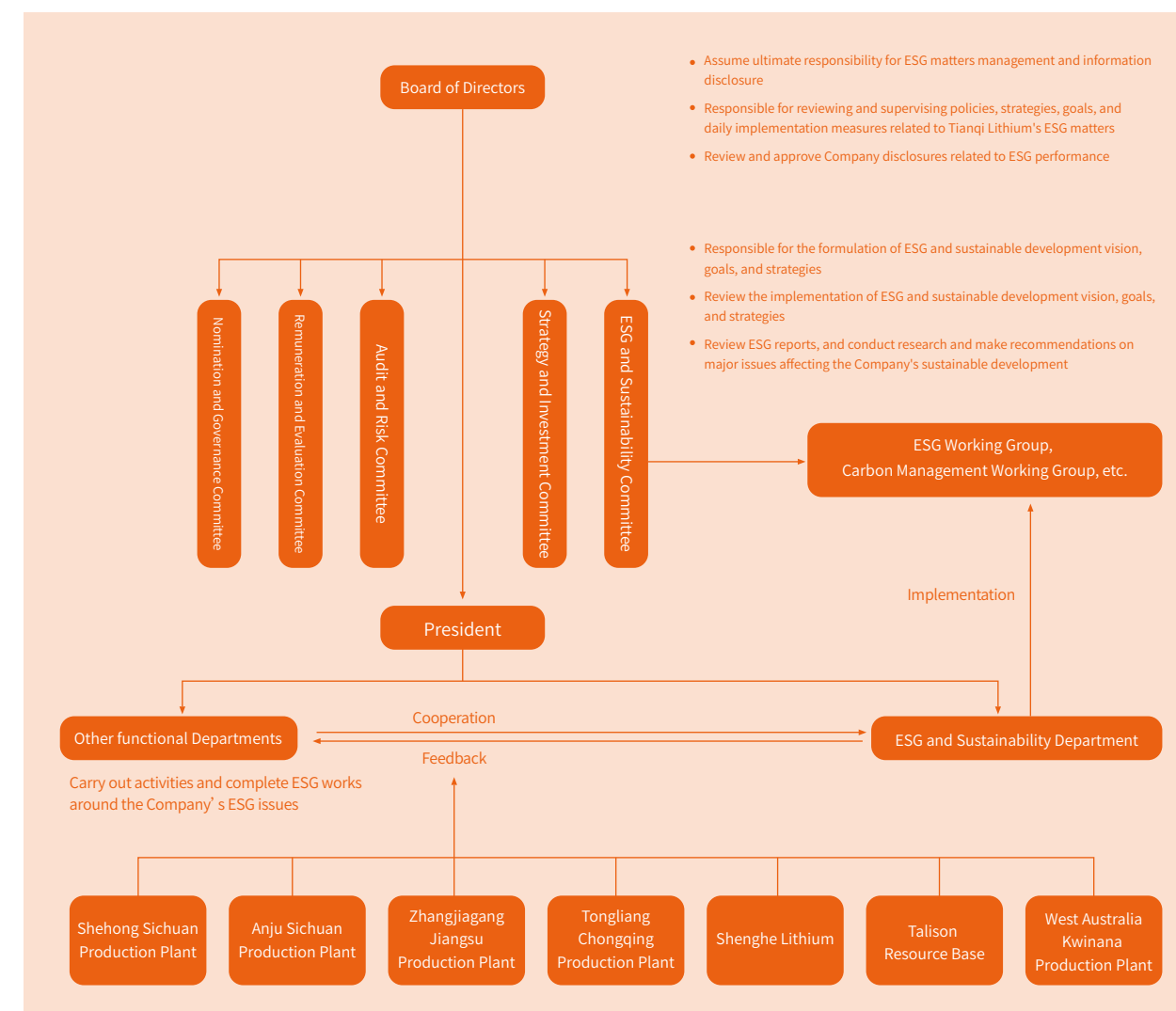
Tianqi Lithium deeply understands the importance of ESG governance to achieve sustainable development, and implements it in the Company's daily management and operations. During the Reporting Period, the Company responded to the climate questionnaire and water questionnaire of the Global Environmental Information Research Center (formerly known as Carbon Disclosure Project, hereinafter referred to as "CDP") for the first time, and obtained B- and B respectively, both of which belongs to the management level, affirming the Company's practice of taking actions to manage its own environmental impacts.

ESG Governance

ESG Governance Structure

Tianqi Lithium integrates the concept of sustainable development into the Company's strategic development goals, and implements it in daily operation management and innovation activities. The Company has established a sound ESG governance structure and the Board of Directors is the highest responsible body. The Company has also established the ESG and Sustainability Committee and the ESG and Sustainability Department, and clarified the ESG interface personnel within each functional department and production plant. The structure has a clear division of responsibilities and unified coordination at all levels. In addition, the ESG and Sustainability Department of the headquarters has also set up a collaborative working mechanism with the overseas production plant in Kwinana, to promote each other through irregular communication, collaborative formulation of sustainable development planning, sharing of information on changes in ESG trends in overseas markets, etc.; Talison, a holding subsidiary of the Company, also established a Sustainability Team during the Reporting Period, and recruited Sustainability Champions across the site to promote ESG-related works.

The ESG Governance Structure of Tianqi Lithium



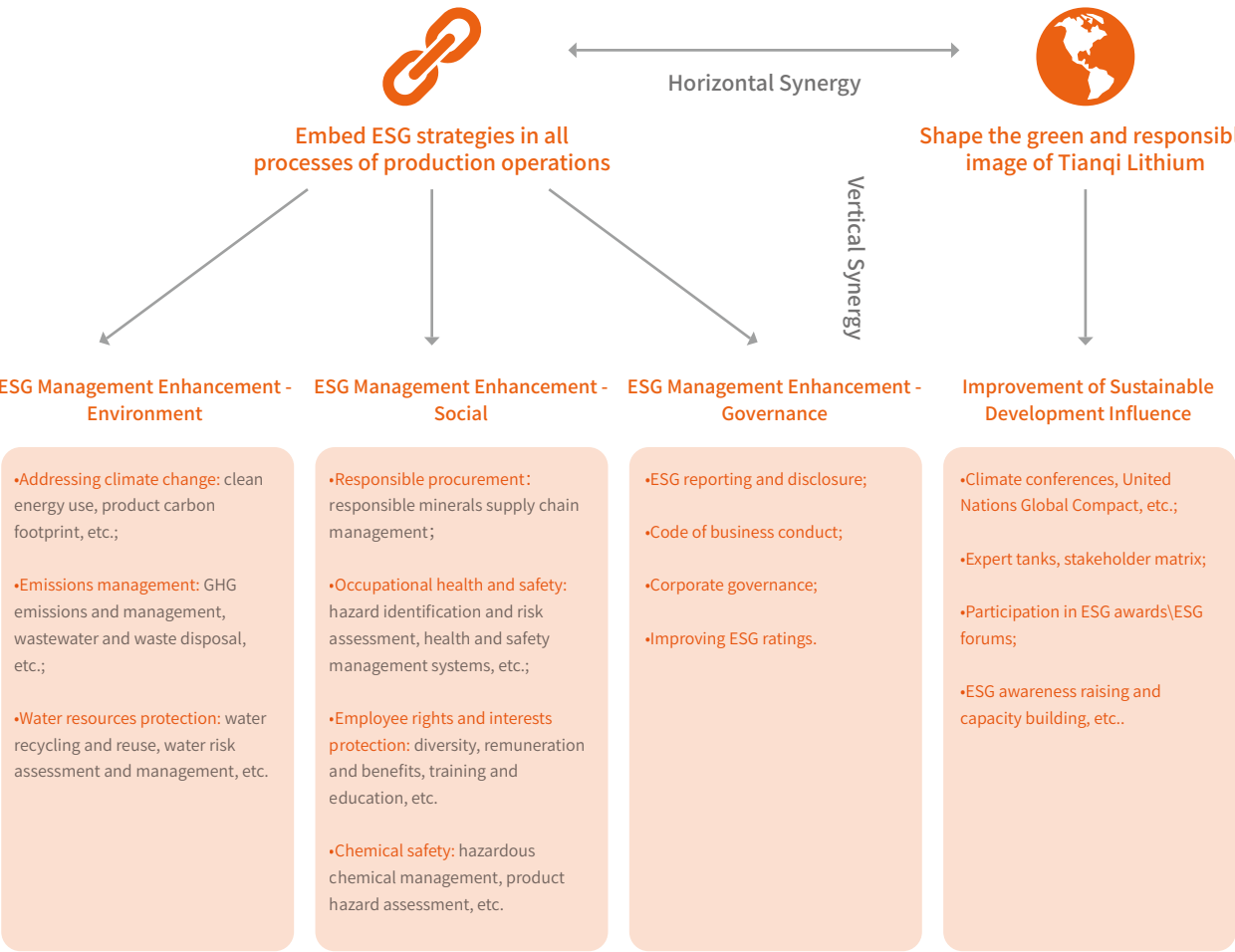
Sustainable Development Strategies and Matrix

Relying on a sound ESG governance structure, Tianqi Lithium has set up a strategic goal of sustainable development for 2030, and built a sustainable development model and a sustainable development strategic framework to lead the Company’s sustainable development in the future.

During the Year, the Company completed the established goals and moved towards the third phase in accordance with the plan of sustainable development goals, and comprehensively promoted the coordinated development of economy, society and environment.

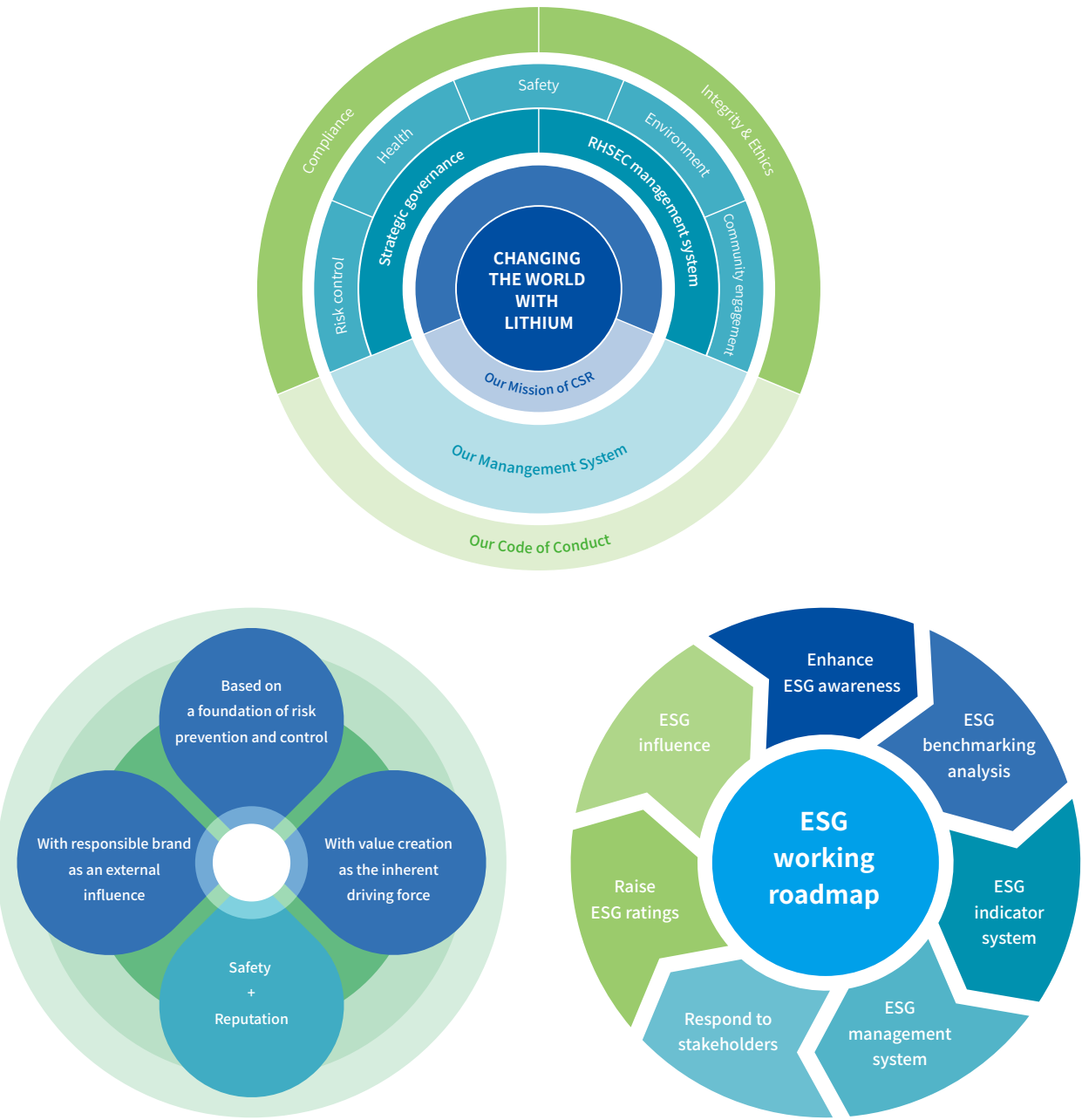
Strategic orientation:
Strengthen the dual circulation of domestic and overseas markets by integrating the concepts of domestic and foreign management and integrate ESG concepts into all processes of production operations.

Strategic direction:
Enhance ESG awareness of all employees, improve ESG communication mechanism and indicator system, manage material ESG issues, link ESG performance to the performance assessment system, and continuously improve the influence of sustainable development.



Sustainable Development Model

Tianqi Lithium has established a sustainable development strategy model based on risk prevention and control, driven by value creation as internal force, exerting external influence by building a responsible brand, and regarding integrity and compliance as the basic operating guidelines. The Company establishes internal rules and regulations on key ESG issues such as risks, health and safety, and environment and community integration, and regularly sets qualitative and quantitative assessment targets. It focuses on incorporating the REHSC (risk, health and safety, and environment and community engagement) strategic management system, putting the responsible concept of "changing the world with lithium" into practice.



Enhancing the Sustainable Development Influence

As the world's leading new energy material enterprise, Tianqi Lithium regards promoting sustainable development of the new energy field as its responsibility, and actively fulfills its corporate social responsibility together with partners in the value chain. Focusing on the Company's material issues, we continue to strengthen the management level related to material issues, formulate and adjust ESG communication strategies with stakeholders and create a green and responsible image. We joined the United Nations Global Compact ("UNGC") at the international level, and participated in the launch of the Zero Carbon and Sustainable Development Innovation Center in China. Meanwhile, we held various ESG-themed exchange meetings to convey the concept of ESG in a proactive and responsible manner, so as to enhance the Company's sustainable development influence. In December 2022, the Company officially joined the UNGC, committing to supporting the ten principles of UNGC on human rights, labor, environment and anti-corruption, and striving to promote the achievement of the SDGs and contribute to global sustainable development.

Tianqi Lithium Held the "WE SHARE" ESG Cocktail Party in Santiago, Chile

On May 17, 2022, Tianqi Lithium held the "WE SHARE" ESG cocktail party in InterContinental Santiago, Chile. A number of local government officials, business leaders, ESG experts and academic representatives attended the event and had in-depth communication on topics such as business sustainability. Through friendly communication, we further understand the expectations and demands of local stakeholders, and will work with them to promote the sustainable development of local communities.



Tianqi Lithium Participated in the Establishment of the "Sino-Latin American Knowledge Network for Sustainable Development"

On July 13, 2022, the Sino-Latin America Knowledge Network for Sustainable Development was officially established, which was jointly launched by Tianqi Lithium, the Pontificia Universidad Católica de Valparaíso, Chile and the China Chamber of Commerce of Metals, Minerals & Chemicals Importers and Exporters. The network aims to study and exchange theories and sustainable development practices suitable for the actual development of China and Latin America, jointly initiate sustainable development initiatives, promote ESG platform construction, and enhance ESG cooperation and exchanges between China and Latin America.



Tianqi Lithium Participated in the Establishment of the "Zero-Carbon and Sustainable Development Innovation Center"

On July 12, 2022, Tianqi Lithium jointly established the "Zero-Carbon and Sustainable Development Innovation Center" with experts and scholars from clean energy and low-carbon fields such as universities, research institutes and social organizations. The innovation center will gather international think tanks and industry-university-research collaborative development resources. As an important ESG practice, it will carry out the transformation of technological achievements, realize the sustainable development model of zero-carbon technology implementation and platform docking, and provide intellectual output and technology empowerment for the goal of "Carbon Peak and Carbon Neutrality". It will also share achievements and resources to jointly drive zero-carbon innovation achievements to application and promote the development of "Dual Carbon". The establishment of the innovation center will also help improve the influence of Tianqi Lithium on its material issues such as GHG emissions and management, addressing climate change, and opportunities in clean technology.





Environment

Addressing Climate Change and Preserving Lucid Waters and Lush Mountains



Adhering to the concept of harmonious coexistence with the ecological environment, Tianqi Lithium continues to improve the level of environmental management throughout value chain. The Company ensures compliant emissions and promotes energy conservation and consumption reduction with a sound environmental management system, and focuses on the friendly co-existence with environment in the investment in lithium mines and the mining and processing of lithium mines, protects biodiversity, promote the circular economy and actively addresses climate change.

Addressing Climate Change

In active response to international and domestic policies such as the Paris Agreement and the Chinese government's Action Plan for Carbon Dioxide Peaking Before 2030 and the National Strategy for Climate Change Adaptation 2035, Tianqi Lithium has regarded addressing climate change as an important part of the Company's green management. With reference to the recommended disclosure framework of TCFD, we started to implement climate change related management work from the four aspects of "governance", "strategy", "risk management" and "metrics and targets". Meanwhile, Talison initiated the Climate Change Mitigation & Adaption project, and developed a GHG policy and high level action plan during the Reporting Period.

Governance

The ESG and Sustainability Committee is responsible for the management of climate change related issues of Tianqi Lithium. The Board of Directors oversees climate-related issues through the ESG and Sustainability Committee. The main responsibilities of the ESG and Sustainability Committee include developing ESG and sustainability (including climate change) related visions, goals and strategies, and providing recommendations to the Board of Directors on related work; Reviewing the implementation of ESG and sustainable development visions, goals and strategies to effectively monitor climate-related issues, such as tracking and inspecting the implementation of the Company's ESG and sustainable development efforts, and advising on actions to be taken to improve ESG and climate change performance. The ESG and Sustainability Committee is also responsible for reviewing major ESG and climate change trends and related risks and opportunities to ensure that the Company's position and performance on ESG and sustainability issues are in line with relevant regulations and standards.

In addition, in order to better manage the work related to climate change, Tianqi Lithium has established a designated department (or group) to be responsible for carbon management, and designated personnel to be responsible for internal communication and external liaison. At the same time, we focus on cultivating internal carbon accounting and carbon management talents to build a corporate carbon management system.

Strategy

Climate Change Related Opportunities

Against the backdrop that addressing climate change has become a consensus, the world has ushered in a revolutionary era of eliminating traditional petrochemical dependence and transforming to clean and renewable energy. With the rapid growth of market demand for new energy vehicles, the world is accelerating the layout of the lithium battery industry. Lithium resources are not only necessary materials for manufacturing lithium batteries, but also an important strategic resource for national industrial development under the context of the “Dual Carbon” strategy, bringing unprecedented development opportunities to the industry.

Standing in the new energy industry, Tianqi Lithium closely follows national policies, continues to explore low-carbon opportunities and opportunities in clean technology, and contributes to the comprehensive green transformation of the social energy structure. Based on industrial development and our own advantages, we continue to increase production capacity in an efficient, environmentally friendly and safe manner. We have established a relatively complete global logistics network and sale models for agents and distributors, so as to maximize the optimal supply to the industrial chain and provide customers with high-quality lithium products and services. In terms of seizing opportunities in clean technology, we constantly evaluate and improve the Company’ s investment and R&D strategy, accelerate the R&D, innovation and upgrades of the Green Lithium Project, and dedicate to industrialized R&D for technology, process design, engineering construction, production operation, and product development for transforming lithium slag into lithium-based silicon aluminum powder products, as well as other incubation and demonstration of pilot plants for related technology.

Climate Change Related Risks

In 2022, Tianqi Lithium assessed the climate-related risks of the Company's main business by referring to the TCFD recommendations, reviewing industry practices and climate-related publications, and engaging with internal stakeholders. The table below summarizes the risk profile under different climate scenarios based on the recommended risk classification methodology of TCFD.

Our analysis of climate-related risks indicates that climate change will affect Tianqi Lithium both in terms of transitional and physical factors. Among these risks, the main climate-related challenge to 2050 is transitional risks, the impact of which will depend on how aggressively the governments act. Meanwhile, physical risks, which have relatively low impacts, will pose a greater challenge beyond 2050 as the planet gets warmer.

Transitional risks	Brown (RCP8.5 and other applicable scenarios)	Turquoise (RCP2.6 and other applicable scenarios)
Policy and legal risks Policies and regulations that limit the causes of climate change and promote its mitigation	Low impact	High impact
	Low carbon market coverage and low carbon price level No mandatory energy efficiency/consumption requirements for production facilities/products	The carbon market includes the Company's production facilities with high carbon price level Mandatory energy consumption requirements for lithium salt products Potential export restrictions from foreign governments on lithium concentrates or other raw materials
Technological risks Technology improvements or innovations that support the low-carbon transition of the economic system	Low impact	High impact
	Lack of economical thermal decarbonization techniques to support the achievement of net zero targets	Lithium extraction from salt lakes, such as direct lithium extraction, has matured, resulting in the loss or diminishment of the advantages of lithium extraction from ores The maturity of wet process, direct recycling and other power cell recycling technologies leads to the loss or diminishment of the advantages of ore lithium extraction Significant increase in the cost of achieving net-zero emission due to failure to lay out low-emission heat power and CCUS technologies in advance
Market risks Changes in supply and demand due to consumer preference for sustainable products	Low impact	High impact
	Market demand for lithium salt products is not growing as expected The development of renewable energy scale delayed, and its prices are higher than fossil energy	Difficulty in judging market demand for lithium carbonate and lithium hydroxide due to uncertainty in the response of power cell and automotive manufacturers to potentially higher raw material prices caused by supply and demand imbalances Higher prices for lithium pyroxene and its auxiliary materials due to supply pressure Higher demand for recycled lithium salts due to mandatory requirements for recycled battery components The energy market is dominated by renewable energy, with fossil fuel prices higher than renewable energy
Reputational risks External perceptions of the organization’ s contribution to the low carbon economy	Low impact	Medium impact
	Consumers of automobiles have the perception that electric vehicles have a higher carbon footprint compared with conventional vehicles, leading to an impact on sales of electric vehicles and products in the value chain A small number of consumer campaigns resulting in loss of revenue and/or miss of growth opportunities	A large number of customers and consumers concerned about sustainability resulting in loss of revenue and/or miss of growth opportunities
Physical risks	Brown (RCP8.5 and other applicable scenarios)	Turquoise (RCP2.6 and other applicable scenarios)
Acute risks Extreme weather events	Medium impact	Low impact
	Significant increase in the severity and frequency of extreme weather events, such as continuous hot weather and continuous heavy rainfall	A small increase in the severity and frequency of extreme weather events
Chronic risks Long-term changes in climate patterns	Medium impact	Low impact
	The rise of sea level affects transport capacity of ports for lithium concentrate	-

In the face of these challenges, Tianqi Lithium is accelerating its shift to a low-carbon model. The table below summarizes our typical responding measures to tackle climate-related risks.

Transitional risks	Responding measures
Policy and legal risks Boosting industry development with industry leadership	Closely follow national policies on energy conservation and emission reduction, and promptly understand and comply with relevant regulatory laws and regulations All production plants have started carbon accounting and product carbon footprint verification, and will carry out the on-site investigation to confirm the scope of emissions, the unit of measurement, and sources of emission Proactively promote the improvement of industry standards by participating in the formulation of low-carbon emission standards such as Carbon Emission Accounting and Reporting Requirements for Lithium Salt Processing and Manufacturing Companies, the Product Carbon Footprint and Product Category Guideline for Lithium Carbonate, and Product Carbon Footprint and Product Category Guideline for Lithium Hydroxide
Technological risks Changing the methods of production and operation	Reinforce comprehensive assessment and forward-looking consideration of low-carbon emission reduction technologies, accounting for the cost of technology improvements Continue to deepen cooperation with research institutions and universities, jointly exploring low-carbon technology opportunities, reducing front-end investment costs Carry out research on comprehensive recycling and utilization of lithium slag as resources Deploy diversified lithium resources in ore and salt lakes at home and abroad
Market risks Embracing sustainability to meet market needs	Keep abreast of industry research, understand changes in the demand and preference of end consumers for new energy vehicles, and make timely adjustments to market planning and technology development Analyze the changes in raw material prices, and effectively manage the risk of rising procurement costs by communicating with suppliers and integrating resources Continuously monitor the development of competing technologies in the new energy industry (e.g. hydrogen vehicles, hydrogen fuel cells, sodium batteries, energy storage, etc.), their market shares and proportions, and adjust business strategies and technology directions in a timely manner
Reputational risks Ensuring the transparency and credibility of environmental performance	Strengthen the focus on disclosure requirements related to sustainable development and climate change, and optimize external communication channels for sustainable development influence while ensuring compliance Continue to pay attention to and participate in domestic and international initiatives for environmental protection that are well-recognized or widely applicable, highlight the low-carbon and green attributes of the lithium industry, and strive to build a green brand

TCFD recommendations

The recommendations are structured around four thematic areas that represent core elements of how organizations operate: governance, strategy, risk management, and metrics and targets. There are internal connections and mutual influences between thematic areas.



Risk Management

Tianqi Lithium has incorporated ESG-related risks (including climate-related matters) into the Company’s risk management and control system. The ESG and Sustainability Committee is responsible for reviewing ESG-related risks (including climate-related matters).

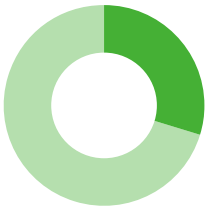
In order to effectively analyze the substantive financial or strategic impacts of risks or opportunities in the direct operation stage on us, based on the recommendations of TCFD, we have identified and evaluated a series of physical and transition climate risks and analyzed their potential impacts on business, strategy and financial planning based on a systematic evaluation process from two dimensions of the relevance to the Company’s business and the degree of impact.

Tianqi Lithium has been actively carrying out the planning of carbon neutrality. In 2021, we completed a carbon audit of Shehong Sichuan Production Plant, Zhangjiagang Jiangsu Production Plant and Tongliang Chongqing Production Plant. During the Year, with the assistance of external professional institutions, we completed the carbon footprint evaluation of three key products (lithium metals, battery grade lithium hydroxide and battery grade lithium carbonate), and analyzed the carbon emissions performance and carbon emission reduction potential in the life cycle of products, so as to provide more accurate information support for climate risk and opportunity management.

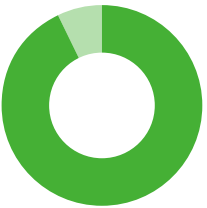
The Maximum Process Contribution to Carbon Footprint of Three Key Products



Lithium carbonate in battery grade
Raw material acquisition
53.76%



Lithium hydroxide in battery grade
Roasting and crystallization
29.75%



Lithium metals
Electrolysis
93.03%

* Result of carbon footprint per ton product
* Definition of electrolysis process boundary: production and transport of raw material - electrolysis section of lithium metal

Environmental Management

Compliance with Laws and Regulations

Tianqi Lithium strictly abides by the Environmental Protection Law of the People's Republic of China, the Law of the People's Republic of China on Environmental Impact Assessment, the Atmospheric Pollution Prevention and Control Law of the People's Republic of China, the Water Pollution Prevention and Control Law of the People's Republic of China, the Law of the People's Republic of China on the Prevention and Control of Environmental Pollution by Solid Wastes, the Soil Pollution Prevention and Control Law of the People's Republic of China, the Law of the People's Republic of China on Noise Pollution Prevention and Control, and other environmental protection laws and regulations applicable at the places where it operates. The Company carries out environmental impact assessment and environmental monitoring work in accordance with the laws, continuously upgraded and transformed pollution prevention facilities and equipment, ensures their efficient and stable operation, and reduces the impact of its own operation activities on the environment. Meanwhile, the Company pays environmental protection-related taxes and fees in full to create a sustainable operation model.

Standardized Management

In terms of system guarantee, Tianqi Lithium has established internal management systems such as the Exhaust Gas Discharge Management Measures, the Wastewater Discharge Management Measures, the Solid Waste Disposal Management Measures, the Hazardous Waste disposal Management Measures, and the Soil and Underground Water Pollution Prevention and Control Management Procedures to actively promote the construction and improvement of the environmental management system. We have established management teams such as the Soil and Underground Water Pollution Prevention and Control Team, and clearly defined the responsible persons and members of the management team and their corresponding responsibilities, as well as the responsibilities of relevant departments. The production plant in Kwinana, Western Australia has also established an Environmental Management Procedure, which regulates various processes such as environmental management responsibilities, strategies, emergency control, training and audit.

As of the end of the Reporting Period, the Company's domestic production plants and overseas Talison resource base have obtained certification to ISO14001 environmental management system, and have conducted an internal audit and external audit annually. In addition, Zhangjiagang Jiangsu Production Plant has introduced environmental protection services consultants and conducts compliance audits on-site semi-annually; Talison initiated the Life Cycle Assessment project. During the Reporting Period, Tianqi Lithium's discharge of all pollutants met the discharge standards, and no environmental penalties were incurred due to excessive or illegal discharge of pollutants. There were no environmental accidents or major environmental pollution accidents.

Environmental Management System of Shehong Sichuan Production Plant

Shehong Sichuan Production Plant has established a Safety and Environmental Protection Committee, which consists of a dedicated environmental protection management department and dedicated environmental protection administrators. The committee identifies main environmental factors in the design, production, sales and service process of the main products, such as industrial wastewater, noise, industrial solid waste, etc., and takes targeted control measures for the production process and business activities. At the same time, Shehong Sichuan Production Plant authorizes a third-party agency to monitor wastewater and organized exhaust gas emissions every month, monitors exhaust gas and noise emissions every quarter, and the third-party agency issues monitoring reports. For the issues identified in the audits, Shehong Sichuan Production Plant took continuous and effective measures to rectify them in a timely manner. In March 2022, Shehong Sichuan Production Plant passed the certification audit of the environmental management system by the Quality Assurance Center of China Association for Quality.

In terms of investment projects of lithium resources, we engage third-party agencies to conduct due diligence on the proposed investment projects and require them to focus on ecological and environmental protection factors, including but not limited to:

- Whether the project has obtained an environmental permit and whether there is an environmental emergency plan;
- Whether there is a risk of pollutant leakage in the project site;
- Water withdrawal plan and wastewater treatment plan of the project;
- Disposal of solid waste (including hazardous waste) of the project;
- The impact of the project on the habitats of animals and plants.

For resource projects at the early stage of development and construction, the Company simultaneously promotes due diligence on ecological and environmental protection, and will continue to deepen the degree of investigation of ecological and environmental protection factors, and determine monitoring plans to collect relevant information, so as to evaluate the impact on future development.

Moreover, Tianqi Lithium has established an environmental protection assessment mechanism, promoting a target-oriented closed-loop management of green development. Every year, the Company formulates annual environmental targets based on the targets and achievement of targets in previous years, and decomposes them into each production plant. The statistical methods and responsible persons are specified for the targets of each base, and monthly target assessments are implemented. The Company further improves its environmental performance and establishes a green brand image by establishing a target performance assessment system.

Completed Environmental Targets of Tianqi Lithium’ s Domestic Production Plants in 2022

Aspects	Shehong Sichuan Production Plant	Tongliang Chongqing Production Plant	Zhangjiagang Jiangsu Production Plant
Emissions management targets	100% compliance discharge and disposal rate of wastewater	100% compliance discharge and disposal rate of wastewater	100% compliance emission rate of environmental pollution factors
	100% Compliance emission and treatment rate of exhaust gas emission	100% compliance emission and treatment rate of exhaust gas emission	
Waste management targets	100% compliance rate of solid waste disposal	100% compliance rate of solid waste disposal	100% standardized disposal rate of solid waste (including hazardous waste)
	100% compliance rate of hazardous waste treatment	100% compliance rate of hazardous waste treatment	
Energy use efficiency targets	2.53 tons of standard coal equivalent/ton of product (lithium carbonate)	5.86 tons of standard coal equivalent/ton of product (lithium metals)	2.14 tons of standard coal equivalent/ton of product (lithium carbonate)
	2.25 tons of standard coal equivalent/ton of product (lithium hydroxide monohydrate)		
Water use efficiency targets	45 tons of water/ton of product (lithium carbonate and lithium hydroxide monohydrate)	80 tons of water/ton of product (lithium metals)	21.8 tons of water/ton of product (lithium carbonate)



Compliant Emissions

Tianqi Lithium attaches great importance to pollutants during production and operation, and adheres to the concept of green production. Each production plant of the Company has established corresponding management policies in accordance with the environmental management system, and has regarded wastewater, exhaust gas and waste management as the focus of environmental protection work, so as to control the generation of pollutants from the source and implement total volume control.

Wastewater Management

All production plants are equipped with sewage treatment equipment to actively carry out wastewater management. The Company strictly monitors pH value, COD value, total nitrogen, total phosphorus and other indicators of water inflow and outflow in all links of wastewater treatment in accordance with relevant national requirements to ensure compliance with discharge standards. In addition, we improve the utilization rate of wastewater and reduce discharge of wastewater through the construction of wastewater comprehensive utilization projects. The plants also reduce water consumption through water-saving equipment and reuse technology. For example, during the Year, we implemented the ion-exchange project to remove calcium and magnesium, which reduced wastewater discharge and improved the utilization efficiency of water resources.

Zhangjiagang Jiangsu Production Plant's Wastewater Management Measures

During the Reporting Period, Zhangjiagang Jiangsu Production Plant:

Improved the ion-exchange resin process to reduce wastewater discharge;

Reused cooling water and pump seal water generated during the production process to reduce wastewater discharge and save water resources at the same time;

Upgraded and renovated the rainwater system to realize a fully automatic function of up-to-standard discharge of rainwater;

Added an online ammonia nitrogen detector to improve the quality of discharged rainwater.



Wastewater Management Measures at the Production Plant in Kwinana, Western Australia

The main water source of the production plant in Kwinana, Western Australia is the Kwinana Water Reclamation Plant, which receives and treats wastewater to manufacture high-quality water and reduce effluent discharge into the surrounding ocean. In addition, the production plant in Kwinana, Western Australia has two onsite reverse osmosis water treatment plants to collect, treat and reuse wastewater onsite.

Exhaust Gas Management

Tianqi Lithium is committed to reducing exhaust gas emissions in the production process from two perspectives of reducing pollutant concentration and pollutant emissions amount. We select high-quality materials, clean energy and advanced technologies to protect air quality. Tianqi Lithium continues to promote the installation and application of real-time exhaust gas monitoring system, and implements timely and effective control of harmful gases.

Zhangjiagang Jiangsu Production Plant Renovated Production Equipment, Optimized Production Processes, and Reduced Exhaust Gas Emissions

During the Reporting Period, Zhangjiagang Jiangsu Production Plant upgraded the burners, which reduced the concentration of nitrogen oxides in exhaust gas emissions. At the same time, the treatment facilities for environmental protection were optimized to reduce and stabilize the emission concentration of particulate matter.



Waste Management

Tianqi Lithium conducts comprehensive waste management in strict accordance with the principles of reduction, recycling and harmlessness and the 3R² management concept. We aim to reduce the generation of waste and increase the added value of products from comprehensive waste utilization. We dispose solid waste (including hazardous waste) compliantly and continuously promote projects such as the comprehensive recovery and utilization of lithium slag, so as to improve waste management level constantly. Each production plant has a dedicated department for waste management, which is responsible for coordinating the daily management and quantity statistics of various types of waste, and promoting relevant waste reduction and recycling work. We implement waste separation management, collect and comprehensively use non-hazardous waste in a unified manner, and transfer hazardous waste to qualified third parties for harmless treatment in a unified manner as well. The production plant in Kwinana, Western Australia, has also issued the Waste Management Procedure to promote recycling of resources in accordance with the principle of circular economy and sustainable development.

Tianqi Lithium Continued to Promote the Development of “High-value Comprehensive Recovery and Utilization Process for Lithium Slag” Project

Relying on the demonstration plant, Tianqi Lithium continuously optimized the existing production process, and promoted the use of solid waste recycling products downstream, gradually replacing primary minerals in a high proportion (e.g. using lithium silicon aluminum powder to replace "shale and kaolinite" for glass ceramics production).

The product has the following main advantages:

1. Containing lithium oxide, which can effectively reduce the melting temperature and increase the melting rate, thus reducing energy consumption, increasing the output and reducing production costs;
2. After modification treatment, it has good dispersion in the polymer matrix and has certain reinforcing properties;
3. After high-temperature calcination, the chemical composition is stable with relatively low COD.

In the composite material industry, we have reached strategic cooperation with many tier 1 enterprises. We strive to do a good job in green transformation and upgrading, to contribute to the realization of the national “Dual Carbon” strategy goals, and to provide customers with more environmentally friendly raw materials.

² The 3R means reduce, reuse, and recycle, which is the principle of behavior for developing a circular economy.



Ecological Protection

The Company is well aware of the potential impact of mining activities on the ecological environment. In accordance with the Green Mine Construction Specification of Non-ferrous Metal Industry and the Evaluation Index for the Construction of Green Mines, and with reference to relevant indicators from the International Mining Metals Council (ICMM) and the Responsible Minerals Initiative (RMI), we continuously track and pay attention to the restoration of the ecological environment at all stages, and attach importance to the protection of biodiversity.

Management and Control System of the Whole Process of Mining Activities of Tianqi Lithium	
Before mining	We conduct a comprehensive assessment of the potential impact of the project on the ecological environment, and formulate ecological protection and pollution prevention measures based on the assessment results;
Mining in progress	We analyze and evaluate the mining areas during mining. For potential impacts on the ecological system, we carry out restoration simultaneously with mining operations to minimize the impact on soil, atmosphere, environmental water body and species;
After closure of mines	We implemented ecological restoration of retreat sites to ensure the health of the local ecological environment in mining areas.

Tianqi Lithium adopts scientific and environmentally friendly mining methods and processing techniques to minimize the generation and storage of solid waste, and adopts advanced processes to comprehensively utilize solid waste in the tailings industry. Upon decommissioning of the solid waste storage facilities, we strictly follow the relevant national regulations to close the site to prevent environmental pollution and ecological damage. Through optimizing the layout of exploration and development, establishing a team and experimental platform via R&D for comprehensive utilization of mineral resources, promoting the adjustment of the industrial structure of the mining industry, strengthening the protection, governance and restoration of the geological environment of mines, we continue to extend the life cycle of mineral resources, and actively explore new ways of harmonious development of mines together with surrounding communities.

In addition, biodiversity conservation is an important part of our ecological protection efforts. We follow the principle of “Avoid, Reduce, Repair and Offset”. Before the implementation of all new, renovation and expansion projects, we conduct a comprehensive assessment of the impact of biodiversity around the projects, including the composition of local species and the species of a high level of concern, as well as the potential habitats of the species in local areas, regions and even the world. Based on the assessment results, we formulate biodiversity protection measures for the whole process throughout construction, operation and post-closure, and formulate targeted subsequent biodiversity management plans according to the mitigation level of the impacts.

Tianqi Lithium’s Construction Measures of Green Mines

Operating and managing mines in accordance with laws and regulations

- Comply with construction standards of green mines and norms to achieve reasonable layout and green mining;
- In accordance with the requirements of the Law of the People's Republic of China on Environmental Impact Assessment, a strict environmental access system is implemented. Before the implementation of new, renovation and expansion projects, we conduct environmental impact assessments to comprehensively assess the possible ecological and environmental impacts of the projects.

Environmental treatment and ecological protection

- We pay close attention to biodiversity protection. For the protection of animals in the mining areas, we mainly adopt the way of habitat migration, and for the protection of plants in the mining areas, we mainly adopt the way of transplantation;
- Promote technological innovation in the exploration, mining and comprehensive utilization of mineral resources, and effectively protect the environment through clean production, energy conservation and consumption reduction and other technologies;
- Strictly manage materials that may cause soil pollution, prevent leakage in their stacking and storage places, and reserve comprehensive anti-leakage materials;
- Prioritize the use of water inflow within the affected areas of mining to reduce the damage to the aquatic environment;
- In terms of wastewater discharge, we reduce wastewater discharge and total water withdrawal by improving the reuse rate and recycling rate of wastewater;
- Unified use of dust removal equipment during operation to reduce dust pollution;
- Select low-energy equipment and introduce new energy such as solar energy to reduce energy use and emissions.

Community engagement to create harmony

We pay close attention to the impact of mining on the environment of surrounding communities, strengthen the connection and interaction with local governments and community residents, and respect local customs.

Ecological protection measures for the spodumene mine project in Cuola

In order to reduce the impact of lithium mining on the local ecological environment, during the Reporting Period, Shenghe Lithium formulated the Environmental Protection of Spodumene Mine in Cuola, Yajiang County of Sichuan Shenghe Lithium Industry Co., Ltd., which clarified the ecological environment protection and recovery measures.

Shenghe Lithium has clarified the following three principles of ecological impacts and protection:

- 1) compensation for loss of natural resources,
- 2) restoration of damaged areas in the regional natural system,
- 3) coordination between human needs and ecological integrity maintenance.

Based on these three principles, Shenghe Lithium has further clarified the specific protection measures for terrestrial plants and animals, as well as the measures for ecological restoration, covering different stages of the project, including the construction period, operation period and closure period.



Energy Conservation and Consumption Reduction

Tianqi Lithium always attaches great importance to energy conservation and consumption reduction in its operation. It strictly abides by the Energy Conservation Law of the People’ s Republic of China and other relevant laws and regulations in the places where it operates, and has formulated the Management Measures for Energy Conservation and Emission Reduction accordingly. By continuously implementing the “6S” field management³, advocating energy conservation concepts and electricity consumption specifications, optimizing energy conservation design, rationally allocating resources, monitoring energy consumption and other measures, the Company optimizes energy conservation and consumption reduction management in all aspects of work and production process to maximize energy use efficiency.

Energy Conservation and Consumption Reduction Measures of Tianqi Lithium

Green Production		Green Office	
Energy transition	accelerate the use of clean energy to replace traditional fuel with lower energy efficiency. Shenhong Sichuan Production Plant has achieved 100% green electricity consumption, and all green electricity comes from hydropower. Zhangjiagang Jiangsu Production Plant actively promoted the introduction of photovoltaic energy.	Energy-saving equipment	use products and energy-saving appliances that have passed the national energy-saving certification, and gradually replace old and high-energy-consuming air conditioners with energy-saving air conditioners.
		Air conditioning use	the temperature of air conditioners shall not be lower than 26 °C in summer and not higher than 20 °C in winter.
Equipment upgrade	actively apply advanced equipment with higher energy efficiency, such as replacing electrolytic silicon rectifiers with higher power factors.	Green commuting	give priority to new energy shuttle buses for business attendance, encourage employees to walk, cycle or take public transportation, and use shared transportation.
		Video conferencing	make full use of information-based channels such as remote videoconferencing and teleconferencing to reduce travel arrangements of branches and subsidiaries for meetings at the headquarters and save energy.
		Awareness raising	raise awareness of electricity conservation and promote employees to turn off lights when leaving.

³ “6S” field management is a management approach aimed at improving the overall work quality of an enterprises and includes six control elements, Sort (SEIRI), Set in order (SEITON), Clean (SEISO), Standardize (SEIKETSU), Sustain (SHITSUKE) and Safety (SAFETY).

Shenhong Sichuan Production Plant’ s Energy Management Reward and Punishment System

In order to respond to the national call and strengthen the effective management of energy usage, Shenhong Sichuan Production Plant has formulated the Energy Management Reward and Punishment System of Tianqi Lithium (Shenhong) Co., Ltd., setting targets and corresponding energy-saving measures for the use of coal, electricity, natural gas and other energy. It also incorporates the completion of various measures into the monthly and annual performance appraisal of relevant departments, and clarifies the reward and punishment system.

Zhangjiagang Jiangsu Production Plant has introduced Solar Energy

During the Reporting Period, Zhangjiagang Jiangsu Production Plant was promoting the installation of photovoltaic panels, and about 6,000 square meters of photovoltaic panels will be built, which is expected to achieve an annual power generation of 1,200-1,500 MWh.





Resource Utilization

Improving the efficiency of resource utilization is an important way to realize the green development of enterprises. Tianqi Lithium strictly abides by the Water Law of the People’s Republic of China and other relevant laws and regulations where it operates, and regulates the rational use of resources. We reduce the consumption of resources and minimize the adverse impact on the environment through equipment upgrading, process transformation and technology iteration.

Water Resources Management

Tianqi Lithium actively implements water conservation measures in all aspects of production and operation to continuously improve water use efficiency. Each production plant has established a strict water resource management system. Through the application of water-saving equipment and water resource reuse technologies, it strives to reduce the waste of water resources and improve the reuse rate of water resources. There is no issue in sourcing water that is fit for purpose of the Company.

Water Saving Policies and Measures of Shehong Sichuan Production Plant

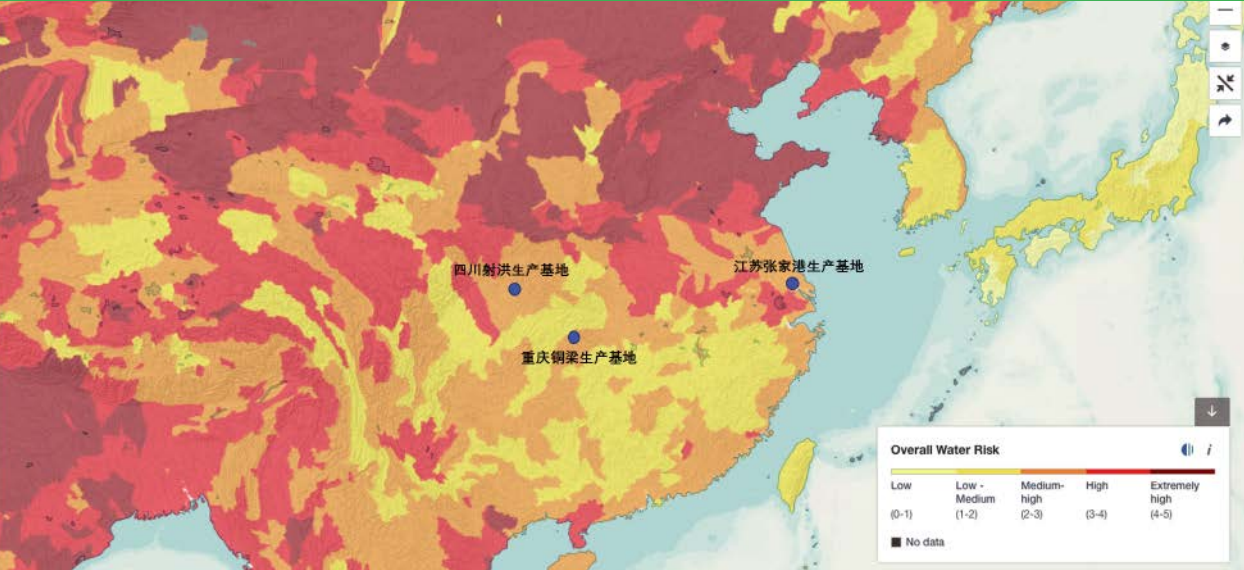
In order to promote water conservation and use water efficiently, Shehong Sichuan Production Plant has established and implemented water resources management policies such as the Water Planning Management System of Tianqi Lithium (Shehong) Co., Ltd. and the Water Conservation Management System of Tianqi Lithium (Shehong) Co., Ltd. In August 2021, Shehong Sichuan Production Plant established the Ten-year Plan for Water Conservation to make a long-term plan for water usage and water conservation.

Shehong Sichuan Production Plant has formulated a series of water-saving measures with the aim of using water reasonably and eliminating waste, and incorporated the completion of water-saving targets and measures into the monthly and annual performance appraisal of relevant departments, and established corresponding reward and punishment systems.

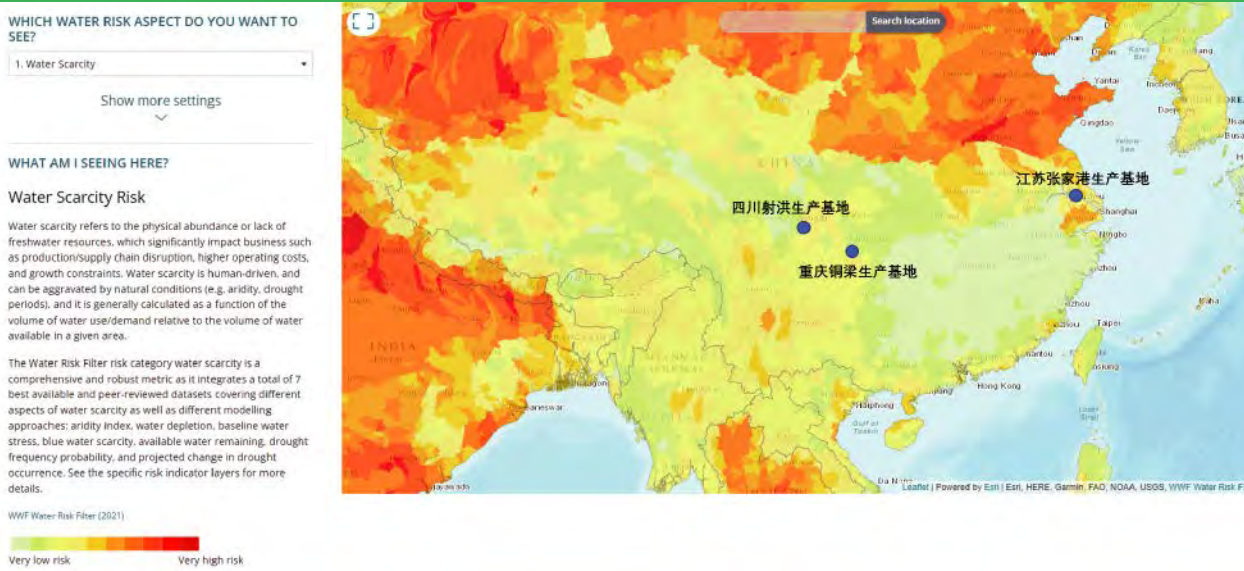
Relevant water-saving and water-saving transformation measures are as follows:

- Recycle and reuse condensate water;
- Recycle and reuse cooling water;
- Recycle and reuse wastewater from workshops;
- Strengthen the leakage inspection of water supply pipelines to reduce the leakage rate of water supply pipelines;
- Strengthen the system construction and related assessment of water resource conservation and protection;
- Carry out Water-saving Publicity Week activities annually, and promote energy-saving and water-saving publicity through making display boards and banners;
- Post water-saving slogans on the bulletin board and next to water facilities and equipment.

Tianqi Lithium is committed to identifying, managing and monitoring water resource risks faced by its operations. The sources of the Company’s production water vary according to the location of the projects, mainly including municipal pipeline network, surface water, rainwater recycling, etc. In the environmental impact assessment stage of projects, we evaluate the water supply risk of the project site, and effectively reduce water resource risks by establishing corresponding emergency mechanisms and equipping with backup water tanks. During the Reporting Period, we reviewed the water withdrawals in water stress areas in accordance with the World Resources Institute (“WRI”)’s water risk tool. According to the analysis of the tool, none of our domestic production plants obtained water from areas that are rated high or extremely high risk; We have also adopted the Water Risk Filter dataset of the World Wide Fund for Nature (“WWF”) to identify domestic production plants, all of which have water scarcity scores below 3, hence not belonging to a water stress areas.



The Result from WRI’s Water Risk Analysis Tool



The Result from WWF’s Water Risk Analysis Tool

Packaging Materials Management

The Company mainly involves packaging materials such as plastic trays, cardboard and PE film bags. We follow the principle of sustainable development and actively practice the concept of green packaging, and reduce the use and waste of packaging materials. During the Reporting Period, we promoted the recycling and reuse of packaging materials, and recycled a total of 39,637 packaging material items. The recycled plastic trays, cardboard and film bags were recycled 2 to 4 times, saving nearly USD485.53 thousand in packaging material costs.



39,637

Number of recycled packaging materials



485,530.00 USD

Cost saving





Operation

Adhering to Responsible Operation and Promoting the Development of the Lithium Industry



With the pursuit of high efficiency and excellence as the core principle, Tianqi Lithium adheres to becoming a global leader in the new energy materials industry with Lithium as the core. The Company continues to pursue products with higher quality and better services. Through R&D innovation and industry exchanges, we work with our partners to build a high-quality ecosystem of the lithium industry.

Quality Management

Tianqi Lithium adheres to the quality of craftsmanship, consolidates the foundation of quality management and improves the mechanism of customer service. Key to our quality policy is making full use of rich resources and excellent technologies to produce high-quality products, whilst at the same time striving to achieve quality leadership and customer satisfaction. To achieve this, we insist on: "being quality-oriented, focusing on process-critical aspects, constantly and systematically improving, leading the market through product quality and service, and creating demand."

Product Assurance

Quality Management System

Tianqi Lithium strictly abides by the Product Quality Law of the People's Republic of China and other laws and regulations related to health and safety of products and services provided in the places where it operates. The Company continuously improves the quality management system to ensure that product indicators meet the international advanced level. We have established a quality management team at our headquarters to coordinate the planning and control of the quality management of our branches and subsidiaries, supervise and manage the quality management of plants, and conduct periodic audits to comprehensively confirm the management system, products and production processes. As of the end of the Reporting Period, the Company's Shehong Sichuan Production Plant, Zhangjiagang Jiangsu Production Plant and Tongliang Chongqing Production Plant all obtained the IATF16949 certification for its automotive quality management system; Except for Zhangjiagang Jiangsu Production Plant, all other domestic and overseas resources and production plants have obtained the ISO9001 certification of the quality management system.

In terms of standardization, the headquarter of the Company implements unified management of quality targets, quality standards, quality costs, key indicators, process control, suppliers' quality management and other processes through the Quality Management and Control Procedure, Process Safety Management Procedure, Process Control and Management Specification, Quality and Cost Management Specification, Statistical Technology Application Procedure and other systems. At the same time, we have also established documents such as the Products Return Processing Procedure and the Short-Loss Processing Procedure to standardize the management of complaint feedback, recall and return of products.

Quality Assurance

Tianqi Lithium sustainably promotes quality assurance measures, actively implements quality management targets from the aspects of quality management supervision, quality management improvement and quality improvement, promotes continuous improvement of quality management and products, and creates a benchmark brand image.

Quality Audit	Quality Improvement	Quality R&D
<p>Conduct regular internal quality audits for all production plants and strengthen supervision and management on a regular basis</p> <p>Carry out annual reviews of the quality management system</p>	<p>Conduct analysis and review on the completion of key process and quality indicators of each production plant, formulate and strictly regulate future quality targets, promote special improvement projects at plants, such as QCC⁴ and Six Sigma⁵ projects, and put forward higher requirements for the quality management capabilities of each production plant</p>	<p>The Company’ s production plant in Anju, Sichuan ,which is under construction, combines the lithium carbonate production technologies of Zhangjiagang Jiangsu Production Plant and Shehong Sichuan Production Plant, so as to achieve the best practice of designing quality products</p>

In the aspect of quality management and control, the Company has established a consumer-oriented management mechanism. The Company’ s production plants set targets such as “One-time Pass Rate for Products” as well as other key indicators and stability indicators for products, and conduct monthly and annual analyses to strictly control product quality.

During the Reporting Period, no products sold or shipped by Tianqi Lithium were subject to recalls for safety and health reasons.

Quality Culture

Tianqi Lithium attaches great importance to the development of quality culture. By holding quality-month activities, engaging external lecturers, inviting internal experts, we continuously strengthen the quality awareness of employees, and comprehensively implement the concept of quality first in production and operation.

⁴ QCC refers to “Quality Control Circle”, which is a spontaneous quality management group formed by employees to improve quality, reduce consumption and improve the environment, using theories and methods of quality management to launch activities.

⁵ Six Sigma is a quality management method that focuses on customer needs and reduces possible errors to a minimum by designing and monitoring processes to reduce costs and improve quality.

Excellent Service

Customer Communication

With a customer-oriented approach, Tianqi Lithium strives to create a smooth communication channel to carefully listen and respond to all customer’ s needs and expectations. The Company has established systems such as the Customer Complaint Control Procedure and the Customer Satisfaction Control Procedure to standardize the management of customer communication and service process. Customers who have any doubts about products and services can report their complaints through phone calls, emails, WeChat official account and other forms. During the Reporting Period, the Company received a total of 9 complaints about products and services, all of which have been handled in accordance with the customer complaint management process.



Tianqi Lithium is committed to providing customers with a high-quality service experience to enhance their satisfaction and trust. The Company conducts satisfaction surveys on a regular basis each year to collect customer suggestions and facilitate the closed-loop management of quality improvement. In addition, the sales team monitors and analyzes the market in their daily work to understand customer satisfaction in real time. During the Reporting Period, all production plants achieved a customer satisfaction rate above 95%, reflecting our excellent product quality and service.

Responsible Marketing

Tianqi Lithium strictly abides by the Advertising Law of the People’ s Republic of China, the Trademark Law of the People’ s Republic of China and other laws and regulations related to publicity and marketing in the places where it operates, to ensure that all promotional materials and information released to the outside are true and accurate, so as to protect the rights and interests of customers. At the same time, we provide marketing compliance training for employees in sales positions and stipulate that all publicity content and forms should be reviewed for compliance and appropriateness, strictly prohibiting exaggerated or false content and striving to create a responsible brand image.

Technology Empowerment

Tianqi Lithium commits to scientific and technological innovation, empowers technological transformation, cultivates new impetus for development, strives to build a world-class R&D platform, and is committed to leading the world's green recycling and collection of lithium resources, and leading the efficient and comprehensive utilization of resources and the development of advanced material application technology. With respect to advanced technology and resource advantages, Tianqi Lithium actively shares scientific research and innovation achievements with industry partners, continuously promotes the integration and innovation of the new energy industry chain, and accelerates the green transformation of the energy industry.

Technology-oriented Development

R&D Management

Tianqi Lithium has established a sound internal management system to regulate corresponding R&D work, including scientific research, design, investment and incentives for researchers and developers. The R&D Project Management Standards specifies the types of R&D projects that the Company will commit to, and implements different approval processes and progress management processes for different types of R&D projects. The BPC, OA and SAP systems have been introduced to manage budget, approval and implementation of R&D projects, so as to continuously standardize and make routine, the development. At the same time, in order to promote the Company's technological innovation and obtain independent intellectual property rights, the Company has formulated the Incentive Standards for Intellectual Property in accordance with the Patent Law of the People's Republic of China and the Detailed Rule for the Implementation of the Patent Law of the People's Republic of China to guide the Company's employees to actively carry out technological innovation, mobilize the enthusiasm and creativity of employees, and increase the output of intellectual property achievements. The rule establishes the Company's reward mechanism for technological innovation to incentivize patent applications and publication of papers, and clarifies the principles, categories, standards of reward and corresponding distribution principles. During the Year, we distributed innovation incentive funds of USD25.67 thousand to 94 employees.

Construction of R&D Platforms

We have actively promoted the construction of a laboratory for high-value comprehensive recovery and utilization of lithium slag, to facilitate the comprehensive recovery and utilization of lithium ore, lithium slag, and other resources by the Company, and provide technical support for extending the lifecycle of mineral resources.

Guarantee of R&D Resources

Our businesses have transformed from pure lithium processing and manufacturing to a combination of lithium resource reserves, development, and trade as well as the processing of lithium-based products. We have extended the industry chain to upstream and downstream. The value chain has been extended to a higher end. Hence, a stable supply of resources to meet high-quality R&D needs is provided.

Tianqi Lithium's Entrepreneurship Competition "Born with a Special Talent, and Change the World with Lithium"

During the Reporting Period, Tianqi Lithium held an entrepreneurship competition with the theme of "Born with Talents, and Change the World with Lithium". The competition aimed to stimulate the innovation potential of the lithium battery industry, explore and cultivate high-quality projects, and promote the sustainable innovation and development of the lithium battery industry.

The competition attracted the attention of many experts and scholars from universities and research institutes at home and abroad. Participants applied for a number of key cutting-edge technologies in the industry. For the results of the competition, the Company will incubate and cultivate excellent entrepreneurship and innovation projects.



R&D Achievements

Relying on a sound research management mechanism, Tianqi Lithium continues to improve its R&D standard. The Company’s R&D direction has gradually evolved to cover the core new materials and technologies in the midstream and downstream of the lithium-ion battery industry value chain from traditional resource development and basic lithium salt manufacturing.

During the Reporting Period, Tianqi Lithium entered into a cooperation agreement with Beijing WeLion New Energy Technology Co., Ltd. The two companies will carry out in-depth cooperation in R&D, production and sales of lithium precursor cathode materials and recycling, lithium metal cathode and lithium-based alloy (compound) cathode materials, lithium precursor reagents (raw materials) and lithium prefabrication manufacturing equipment products, so as to promote the R&D and marketization of next-generation energy storage batteries. In addition, in the research of energy storage batteries, we obtained 5 relevant patents during the Year.

The Main R&D Achievements of Tianqi Lithium during the Year

The technology of lithium sulfide products

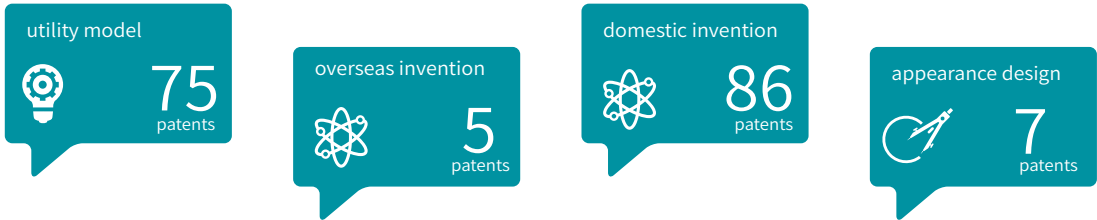
During the Year, Tianqi Lithium developed a new synthesis process and low-temperature drying technology for lithium sulfide. Compared with the traditional process, the technology does not use organic solvents, does not generate organic waste liquid, and has lower safety and environmental risks. Lithium sulfide products lay a foundation for the Company to cope with the development of the next generation of solid-state battery technology based on sulfur materials and enhance the diversification of products and added value.

High-value comprehensive recovery and utilization

By building the production line of high-value comprehensive utilization for lithium slag, Tianqi Lithium realizes resourceful, reduced and harmless treatment of lithium slag, while bringing low-carbon and clean raw materials of products to the downstream industry. Currently, the Company's lithium slag reuse products include:

- Aluminum silicon powder:** it contributes to reducing the amount of raw material of minerals mined for glass-ceramic and reducing the energy consumption of glass-ceramic production. Tianqi Lithium has completed the pilot test and is expected to build a plant in 2023 with an annual production capacity of 200,000 tons;
- Niobium-tantalum concentrate:** it is widely used in electronics, biomedical engineering, special alloys, cemented carbide industry, chemical industry, superconducting industry and precision ceramic glass production, etc. Currently, 80% of niobium-tantalum concentrate depends on imports, while niobium can be used in high-quality steel and tantalum can be used in military production. At present, 5 tons of tantalum and niobium could be recovered from 200,000 tons of lithium slag. A small trial was completed by the end of 2022, and the pilot trial is expected to be completed in 2023;
- High-purity gypsum:** high-purity gypsum can be widely used in construction, handicrafts, sculpture, industrial molds, medical treatment, etc. After the lithium slag has been recycled by completing the pre-processing, Tianqi Lithium treats and processes the remaining lithium slag into gypsum;
- Zeolite processing:** lithium slag contains a silicate component which could be processed to produce a porous material.

The Company’s R&D work has achieved several technological achievements with significant application prospects and economic benefits. During the Reporting Period, we continued to increase investment in R&D, with a total investment in R&D of USD3.83 million. The number of new patent applications and authorized patents reached a new high, and the achievement of intellectual property rights was fruitful. During the Reporting Period, Tianqi Lithium obtained 12 authorized invention patents and 13 utility model patents, and cumulatively obtained 75 utility model patents, 5 overseas invention patents, 86 domestic authorized patents and 3 exterior design patents.



Protection of Intellectual Property Rights

Tianqi Lithium places emphasis on the creation, application, management and protection of intellectual property rights. We consciously abide by the Patent Law of the People’s Republic of China and the Detailed Rule for the Implementation of the Patent Law of the People’s Republic of China, the Anti-Unfair Competition Law of the People’s Republic of China, the Specifications for the Administration of Intellectual Property Rights of Enterprises, and other relevant laws and regulations in the places where we operate, and strictly protect the Company’s intellectual property rights.

System establishment
<ul style="list-style-type: none">•Implement information-based management by building an intellectual property rights management system to increase management efficiency;•R&D personnel sign non-disclosure and non-competition agreements to help protect our intellectual property rights and promote industry fairness.
Support by policies
Standardize intellectual property rights management by formulating a number of systems, such as Control Procedures for External Intellectual Property Documents and Records, the Control Procedures for Legal and Other Requirements, and the Control Procedures for Basic Intellectual Property Management, Management and Control Procedures for Intellectual Property Related Risks, based on the Specifications for the Administration of Intellectual Property Rights of Enterprises.
Process standardization
<ul style="list-style-type: none">•Improve the Patent Application Process, stipulating the standard operating procedures for patent application;•Clearly define the responsibilities for technology R&D, patent application and protection, and management of patented technology, and standardize the application of patented technology, so as to protect the Company’s intangible assets;•Implement full process intellectual property rights management, covering R&D, procurement, production, sales, human resources and other business activities, so as to achieve comprehensive standardization of intellectual property rights management.

Industry Cooperation

Tianqi Lithium is dedicated to working with upstream and downstream strategic partners in the industrial chain to strengthen mutually advantageous relationships, actively explore and seek new paths to promote high-quality development of the entire industry, and create a harmonious development pattern. During the Reporting Period, we continued to jointly promote the vigorous development of the new energy industry through industry exchanges, technology discussions and the improvement of industry standards, and we devoted ourselves to creating an industry ecology with mutual knowledge sharing, mutual benefits and mutual prosperity.

Tianqi Lithium Participated in the 2022 China (Suining) International Lithium Battery Industry Conference and the International Exchange Conference on New Energy Vehicles and Power Battery

On November 9, 2022, the 2022 China (Suining) International Lithium Battery Industry Conference and the International Exchange Conference on New Energy Vehicles and Power Battery, was successfully held in Suining. With the theme of “Creating Ideal Life and Low-Carbon Future with ‘Lithium’ ”, in-depth discussions on hot issues in the industry were initiated, aiming to actively build a new ecology of the lithium battery industry under the guidance of green and low-carbon goals. Mr. Jiang Weiping, founder and chairman of Tianqi Lithium, was invited to give a speech. He stated that the Company will, based on industrial development and its own advantages, deeply practicing the development concept of “ESG”, and actively integrating into the domestic and international markets. He also expressed that the Company would make good use of the two resources, to actively explore and seek a new path to promote the high-quality development of the entire industry, and to make a greater contribution to the construction of a new industrial development pattern that meets the requirements of the new era. At the same time, during the conference, Mr. Xia Juncheng, the director and president of Tianqi Lithium, signed the Strategic Cooperation Framework Agreement with Peng Cui, an academic of the Chinese Academy of Sciences and the director of China-Pakistan Joint Research Center on the Earth Sciences, for the exploration, exploitation and utilization of lithium resources in Pakistan.



Tianqi Lithium Joined the International Lithium Association

In October 2022, Tianqi Lithium officially became a core member of the International Lithium Association. Tiaqi Lithium joined the Association at a time when the global lithium industry chain was undergoing profound changes, Tianqi Lithium will actively practice the concept of sustainable development, accelerate the high-quality development of the new energy industry, and join hands with other members of the association and global enterprises in the lithium industry to change the world with “Lithium”.

Relying on extensive industry experience and technology accumulation, the Company has actively participated in the formula-tion of production standards and specifications for various lithium compound products in China, and has continued to promote the standardization and specialization of industry production. During the Reporting Period, Tianqi Lithium participat-ed in the preparation or revision of the following industry and national standards:

No.	Name of standard	Level of standard	Classification of standard
1	Crude Lithium Chloride	Industry standard	Product standard
2	Methods for Chemical Analysis of Crude Lithium Carbonate – Part 1: Determination of Lithium Content – Flame Atomic Absorption Spectrometric	Industry standard	Analytical standard
3	Methods for Chemical Analysis of Crude Lithium Carbonate - Part 2: Determination of Nickel, Cobalt, Manganese, Copper, Aluminum, Iron, Calcium, Magnesium, Sodium, Potassium, Lead, Chromium, Arsenic and Phosphorus Contents - the Inductively Coupled Plasma Atomic Emission Spectrometry	Industry standard	Analytical standard
4	Methods for Chemical Analysis of Crude Lithium Carbonate - Part 3: Determination of Fluoride Ion Content - Ion Selective Electrode Method	Industry standard	Analytical standard
5	Methods for Chemical Analysis of Crude Lithium Carbonate - Part 4: Determination of Sulphate Content – Ion Chromatography	Industry standard	Analytical standard
6	Methods for Chemical Analysis of Crude Lithium Carbonate – Part 5: Determination of Chloride Content - Silver Chloride Nephelometry Method	Industry standard	Analytical standard
7	Methods for Chemical Analysis of Crude Lithium Carbonate – Part 6: Determination of Insoluble Substance in Hydrochloric Acid – Gravimetric Method	Industry standard	Analytical standard
8	Methods for Chemical Analysis of Lithium Silicon Alloys – Part 1: Determination of Lithium Content – Gravimetric Method	Industry standard	Analytical standard
9	Methods for Chemical Analysis of Lithium-Silicon Alloys - Part 2: Determination of Iron, Chromium, and Nickel Contents - Inductively Coupled Plasma Atomic Emission Spectrometry	Industry standard	Analytical standard
10	Battery Grade Lithium Carbonate	Industry standard	Product standard
11	Methods for Chemical Analysis of Lithium Carbonate, Lithium Hydroxide Monohydrate and Lithium Chloride – Part 2: Determination of Lithium Hydroxide Content - Acid-alkali Titrimetric Method	National Standard	Analytical standard
12	Methods for Chemical Analysis of Lithium Carbonate, Lithium Hydroxide Monohydrate and Lithium Chloride – Part 9: Determination of Sulfate Content - Barium Sulfate Nephelometry Method	National Standard	Analytical standard
13	Methods for Chemical Analysis of Lithium Carbonate, Lithium Hydroxide Monohydrate and Lithium Chloride – Part 16: Determination of Calcium, Magnesium, Copper, Lead, Zinc, Nickel, Manganese, Cadmium, and Aluminum Content - Inductively Coupled Plasma Atomic Emission Spectrometry	National Standard	Analytical standard
14	Battery Grade Lithium Oxalate	Industry standard	Product standard
15	Lithium-Magnesium Alloy	Industry standard	Product standard
16	Requirements and Reporting Guidelines of GHG Emissions for Lithium Salt Companies	Industry standard	_____
17	ISO/TC 333 Lithium Vocabulary	International Standard	_____
18	ISO/TC 333 Determination of Main Content of Lithium Carbonate – Potentiometric Titration	International Standard	Analytical standard
19	ISO/TC 333 Lithium Carbonate – Determination of Metallic Magnetic Impurities by ICP-OES	International Standard	Analytical standard

Supply Guarantee

Tianqi Lithium emphasizes the quality and safety of the supply chain, and is devoted to cooperating with upstream and downstream industries to build a developing ecosystem, and integrating the concept of sustainable development into supply chain management. We focus on responsible mineral supply chain management, strengthen mutual trust, close cooperation and coordinated development with suppliers and partners to create a green, sunny new energy industry chain and achieve shared wins.

Supply Chain Management

The Company has formulated and implemented a series of supplier management systems and procedural standards such as the Supplier Management Specifications, the Procurement Management Specifications, the Supplier Admission Process, the Supplier Annual Appraisal Process, and the Downgrading or Elimination Process for Non-Performing Suppliers, to ensure that clear work guidelines are available for the whole process of supplier management.

We implemented grading and classification of our suppliers. Suppliers are divided into strategic suppliers, regular suppliers and platform-based suppliers according to the types of physical commodities or services provided. For different types of suppliers, we have different access requirements. We have formulated the Supplier Management Specifications to clarify the management of blacklisted suppliers and the on-site review process of suppliers, and systematically manage the screening, admission, audit, assessment and other aspects of suppliers.

During the Reporting Period, there were a total of 1,286 compliant suppliers in the Company's Supplier List; Among them, 340 suppliers were newly admitted in 2022, all of which passed the screening and audit of environmental and social risks. In addition, we monitored 651 suppliers with abnormal changes, covering ESG standards, and conducted on-site audits of 21 suppliers.

Supplier Screening

Undertake sourcing, investigation, grading, sample submission and testing of potential suppliers.

Assess suppliers through anomaly monitoring (including supplier performance of responsibility, quality, legal disputes, negative news, etc.). If any major cooperation risk is found, the Company will take risk control measures against the suppliers, including but not limited to termination of cooperation.

Supplier Admission

Strategic suppliers: Admission is subject to site visits and grading by supplier inspection teams.

Regular suppliers: audit suppliers through site visits, questionnaire surveys, teleconferences, etc., give scores, and prepare a Supplier Inspection Report.

Platform-based suppliers: The procurement department is responsible for collecting the information of platform-based suppliers.

Supplier Audit

Carry out on-site audits of key suppliers, instruct them to make up the deficiencies in production management, process and technical management, and quality management, and assist in rectification.

Supplier on-site audits have been extended to the upstream suppliers of suppliers, with six on-site audits completed during the Reporting Period.

Supplier Assessment


Regular suppliers: organize annual supplier assessment and rate regular suppliers according to our Annual Supplier Assessment Plan. Based on the assessment results, divide them into three categories: A, B and C, and adopt different management strategies.

Strategic suppliers and platform-based suppliers: Suppliers scoring ≥ 60 points are considered qualified and those scoring < 60 points are considered unqualified, with which the cooperation may be terminated.

Tianqi Lithium is looking forward to establishing and maintaining good cooperation with excellent suppliers, and further expanding the cooperation with excellent enterprises. We carry out supplier seminars, symposiums, professional training and other activities to publicize the Company's procurement policies, supplier management concepts, the Company's operation and the latest industry development situation, so as to grow together with suppliers and create a good business atmosphere of win-win cooperation.

Responsible Supply Chain


Tianqi Lithium puts an emphasis on the sustainable development of the supply chain, and promotes the improvement of the supply chain’s safety, quality and the capability to take responsibility through highly responsible management, so as to ensure that products and services meet the requirements of sustainable development from the source. We continuously enhance the ESG risk management of supply chains, understand and evaluate the performance of suppliers in environmental protection, employee rights and interests, anti-corruption, occupational health, social responsibility and other aspects through supplier development, supplier tracking and improvement, supplier change and other aspects. We evaluate suppliers from multiple dimensions to urge suppliers to jointly build a more responsible, growing and sustainable supply chain system.

**Occupational Health**

Obtain OHSAS 18001 certification

Arrange annual health check-up for all employees

Provide education and training in production safety for employees


**Environmental Protection**

Obtain ISO14001 certification

Pollutants discharged under certain standard


No serious environmental accidents and fines

Identify, safely manage and control hazardous waste

**Labor Rights and Interests**

Make insurance payments of social insurance and work-related injury insurance for employees

Prohibit child labor and forced labor

**Business Ethics**

Sign an agreement that includes clauses of integrity with suppliers to prevent any corruption and bribery

Immediately terminate cooperation once any unethical conduct is found

Under the same economic cost, we give priority to products that are more environmentally friendly. We constantly raise requirements of the product provided by suppliers to urge suppliers to provide environmentally friendly products. For instance, we require our suppliers to upgrade the standards of the pallets provided, and change the raw materials from wooden materials to more environmentally friendly materials for recycling and usage.

The Company actively promotes and leads the construction of the green supply chain, and helps each production plant of the Company realize the vision of the low-carbon supply chain in storage, logistics and other value chain linkages. For example, we promote the principle of proximity procurement to reduce the logistics radius and reduce the carbon footprint of our products caused by long-distance transportation.

Responsible Mineral Resources Management

Tianqi Lithium strictly prohibits mining, trading, processing, and exporting of mineral resources in conflict-affected and high-risk areas. We fully respect the rights and interests of workers in mining areas and attach great importance to possible environmental and social impacts.

The Company follows international and domestic management guidelines for responsible mineral supply chains, and has formulated relevant internal management policies to effectively identify, evaluate and manage supply chain risks in accordance with the five-step mineral management method, and implements strict responsible management and traceability of lithium materials.

Responsible Mineral Resources Management Steps of Tianqi Lithium

Step 1: Create a strong corporate management system

In accordance with instructions of the Chinese Due Diligence Guidelines for Responsible Mineral Supply Chains issued by the China Chamber of Commerce of Metals, Minerals & Chemicals Importers and Exporters (CCCME) and the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas (the third edition) issued by Organization for Economic Co-operation and Development (OECD), we have issued the Responsible Mineral Supply Chain Management Manual, the Responsible Mineral Supply Chain Due Diligence and Risk Identification and Control Procedures, and the Code of Conduct for Responsible Mineral Suppliers.

Step 2: Identify and assess supply chain risks

In order to effectively identify the risks faced by the Company's mineral supply chain, the Company has developed the procedure to identify conflict-affected and high-risk areas (CAHRAs):

Mineral suppliers fill out the Suppliers' Self-Assessment Questionnaire for Responsible Minerals, which includes basic supplier information, legal information, identity information and surveys on the implementation of responsible mineral supply chain management;

Mineral suppliers provide information of original production place for every major transaction, ensuring that the source of the transaction, the route of transportation, and the name and location of the direct supplier are known;

Compare all information collected by the Responsible Mineral Supply Chain Working Group and information provided by mineral suppliers with CAHRAs, sanctions lists, local laws, etc. for risk identification;

Conduct enhanced due diligence on raw material and mineral suppliers identified as “Possibly at Risk”.

Step 3: Develop and implement strategies to address identified risks

After risk identification and assessment, if we have reasonable grounds to believe that a mineral supplier has responsible mineral risks, the Company will immediately suspend or discontinue cooperation with the supplier and include it in the Supplier Blacklist;

Tianqi Lithium will make claims for direct and indirect losses and transfer them to the relevant government authorities for handling if major economic losses or negative social impacts are made to the Company.

Step 4: Conduct independent third-party audits of mineral suppliers' due diligence practices

Initiate an independent third-party audit of mineral suppliers' due diligence practices for mineral suppliers with warning signals after a comprehensive assessment by the Responsible Mineral Supply Chain Working Group;

The third-party agency completes a comprehensive assessment of mineral suppliers and generates a mine site survey report through mine site visits, document inspections, interviews with miners, and consultation with local communities and other stakeholders.

Step 5: Supply chain due diligence annual report

Form the assessment opinion and generate Identification and Assessment Report of Responsible Mineral Risk after a comprehensive assessment conducted by the Responsible Mineral Supply Chain Working Group of Tianqi Lithium based on relevant information provided by the mineral suppliers and the information collected by the Responsible Mineral Supply Chain Working Group of Tianqi Lithium. (Please find the attached file for details)

Moreover, during the Reporting Period, Talison commenced and progressed significantly on the self-assessment phase of the Initiative for Responsible Mining Assurance (IRMA) with independent auditors engaged.



Informatization Construction

In recent years, Tianqi Lithium has comprehensively promoted the informatization of operation management and production management. During the Year, we formulated a five-year plan for informatization development. The medium and long-term informatization development will help the Company realize automation, digitization and integration of business, make full use of information technology and Internet of Things technology to integrate internal data resources and business processes, improve the utilization efficiency of data assets, and create an efficient, agile and safe business operating environment.

In addition, Tianqi Lithium actively promotes the construction of digital factories, including environment, health and safety (“EHS”) management system in Shehong Sichuan Production Plant and Anju Sichuan Production Plant, and manufacturing execution system (“MES”) system in Zhangjiagang Jiangsu Production Plant, and other automatic management tools, which will cover on-site operation and management of the factories and gradually achieve production visualization, management refinement, and intelligent operation and maintenance.

Information and Privacy Protection

Tianqi Lithium attaches great importance to the use and protection of information. The Company strictly abides by Personal Information Protection Law of the People's Republic of China and regulations in the places where it operates, and has established the Confidentiality Management System in accordance with the ISO27001 information security management system, which clearly stipulates the information security management and control procedures for use control of operation software, information storage management, information transmission management and other aspects.

To protect the Company's trade secrets, employees must sign a written Non-Disclosure Agreement with the Company to ensure the security of the Company's information.

Customer privacy protection is one of the key points in the Company's information management. We have included customer files into the Company's trade secrets for protection, encrypted all sensitive information and controlled access rights to strictly protect customer privacy. During the Reporting Period, the Company did not receive any complaints due to the leakage of customer information.



Employees

Loving, Cultivating, and Retaining Talents,
and Creating a Harmonious Working Environment



Tianqi Lithium regards employees as the driving force for the vigorous development of the enterprise and always adheres to the people-oriented concept. We are devoted to creating a harmonious, equal, inclusive and safe working environment for employees, building a broad learning and development platform, and developing together with employees with a standardized employee management system.



Employment Overview

Protection of Employee Rights and Interests

Tianqi Lithium strictly abides by the Labor Law of the People's Republic of China, the Employment Promotion Law of the People's Republic of China, the Law of the People's Republic of China on the Protection of Minors, the Provisions on the Prohibition of Using Child Labor and other laws and regulations of the countries and regions where it operates, respects and protects the rights of employees in employment and career development. The Company has formulated and implemented human resources policies and systems, such as the Recruitment Management System, the Labor Contract Management Specifications, the Employee Attendance and Leave Management System, and the Employee Handbook to standardize the management of working hours, recruitment, promotion, rewards, wages, leaves, benefits, training, social security, employment termination, dismissal or retirement of employees to effectively protect their rights and interests. Our overseas base in Kwinana has also established internal documents, including Diversity and Inclusion Policy and Code of Conduct Policy to achieve standardized and systematic management.

Focusing on strategy and the future, ensuring quality, morality first, and equal competition, Tianqi Lithium insists on the recruitment principles of matching people with posts, and formulates and implements a standardized personnel management system. The Company strictly reviews the personal information of new employees, and will not hire applicants who have been verified as providing fake documents or information. Meanwhile, the Company strictly prohibits the recruitment of child labor, forced labor and gender discrimination, and incorporates relevant norms into the Code of Ethics and Professional Conduct, and strictly reviews the personal identification information of candidates to prevent

child labor. If the relevant situation is found, it will be dealt with in a timely manner in accordance with the requirements of laws and regulations, and the relevant responsible personnel will be warned or disciplined. In addition, the risk of labor employment violations is included in the performance assessment indicators of the human resources heads of each production plant. During the Reporting Period, no child labor, forced labor, discrimination or harassment occurred in Tianqi Lithium.

In terms of working hours of employees, we follow the laws, regulations, local industry standards of places of business, and implement a standard and flexible working hour system. In terms of remuneration and benefits, we have formulated reasonable remuneration policies based on employees' positions, grades and prevailing market levels and other factors. In addition, the Company is dedicated to treating all employees equally, creating a diversified working environment, and resolutely eliminating discrimination on the basis of gender, skin color, nationality, age, religion, ethnicity, race, place of origin or any other forms. We discuss and improve employee rights and interests through employees' congresses and other channels, with a focus on the protection of female employees' rights and interests, collective contracts and other protection measures for employee rights and interests.

Diverse Recruitment

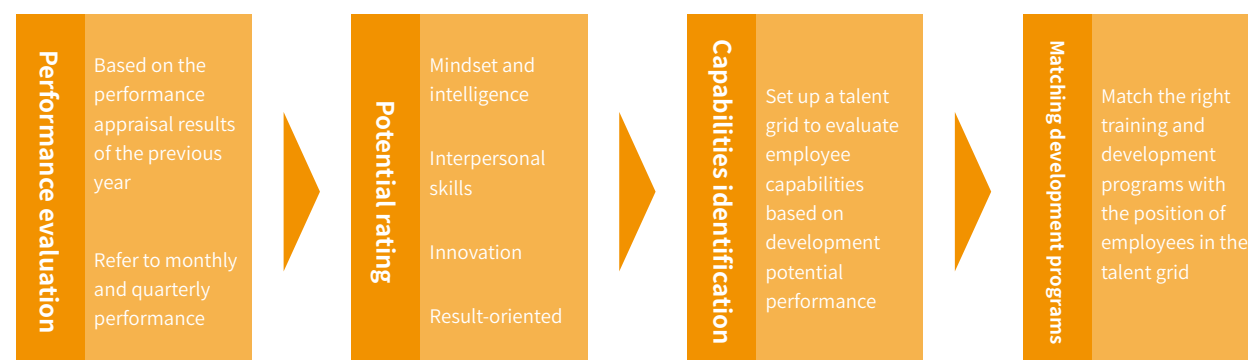
Tianqi Lithium employs a mixed approach to attract talent, utilizing campus recruitment, social recruitment, and other channels to bring in the right people and skills to strengthen team building. We draw up talent recruitment plans for each production plant and functional department, and we have actively practiced the "Dreamers of Lithium" campus recruitment program and have built a long-term internship base with Sichuan University, so as to support the forging of a talent team. Moreover, we focused on exploring appropriate local business talents in places we operate to guide business activities with the goal of community integration and employment development following local cultural norms.

Employee Development

We sustainably improve the talent training system, attach importance to the capacity building of employees, and support their career development, to lay the foundation for the upgrading and reservation of global talent teams of Tianqi Lithium.

Talent Empowerment

To contribute to the achievement of the Company's employee cultivation goal and retain a high-quality talented team, we actively identify the capabilities and potential of existing employees and launch targeted training programs tailored to the needs of individual employees, providing solid support for our talent strategy.



Tianqi Lithium's Talent Identification Matching Training Program

Vocational Promotion and Development

The Company provides employees with rich career development opportunities and smooth promotion channels and cultivates interdisciplinary talent through rotation to help employees to broaden their horizons and accumulate experience. At the same time, we enhance internal communication, understanding, coordination and cooperation within the Company to support individualized development of employees. We have continuously improved the vocational evaluation and promotion system of key talents. Through the establishment of the qualification system of process technology sequence, we clarified the career development channels, qualification standards and qualification evaluation system.

Employee Training

Tianqi Lithium is dedicated to providing employees with diversified learning and development opportunities, combining personal development with corporate development, so that employees can improve professional skills, personal capability and comprehensive skills through training. The Company has formulated the Training Management Measures to regulate and systematically manage employee training-related issues. We provide employees with diversified training through a combination of internal training and external training. The types of training cover management, professional and general knowledge.

Management training

According to the Company's development strategy, the Company organizes training in management skills for management personnel at all levels and reserve management personnel;

Professional training

Organizing professional training in R&D, sales, investment, procurement, finance, quality, EHS, and human resources to ensure broad exposure to different systems and departments;

General knowledge training

In order to improve the general skills of employees, the Company provides employees with general knowledge training, including new employee induction training, corporate culture, management system publicity, time management and communication skills.

In addition, to ensure that the training plans meet the Company’s strategies and business needs and could be implemented smoothly, we regularly conduct research on training needs, make annual training plans, and evaluate the implementation after the training is implemented:

Management Procedure of Employee Training of Tianqi Lithium

Research and analysis of training needs

The Company regularly conducts annual research on training needs at the company level, department level and employee level, and comprehensively analyzes various factors, covering the Company’s development strategy and annual goals, market competition needs and core competitiveness development needs, common problems discovered in employee performance appraisal, or common training needs;

Formulating training plans

Based on the results of annual demand research and analysis, we formulate the annual training plan from two dimensions of the Company’s strategic development and employee development;

Implementation and evaluation of training

The Human Resources Department and functional departments organize and implement training according to the annual training plan. Participants of the training activities are required to submit the Evaluation Form of Training Effectiveness to the Human Resources Department.

During the Reporting Period, we organized training activities in different formats with rich content for employees, with a total training investmentof USD948.63 thousand and a total employee training duration of 74,940 hours.



Total investment
948.63 USD thousand



Total employee training duration
74,940 hours

The First “Dreamers of Lithium” Growing Camp of Tianqi Lithium in 2022

On July 12, 2022, the first “Dreamers of Lithium” growing camp of Tianqi Lithium in 2022 was officially launched in Shehong Sichuan Production Plant. The “Dreamers of Lithium” growing camp is a one-year talent training plan formulated by the Company’s Human Resources Department for newly enrolled employees from campus recruitment in the Year, providing them with training of general skills in the workplace and one-on-one professional skill counseling.



Tianqi Lithium’s Employee Skills Competition 2022 with the Theme of “Craftsmanship Focusing on Lithium and Changing the World with Lithium”

From June 7 to 15, 2022, Shehong Sichuan Production Plant of Tianqi Lithium carried out an employee skills competition with the theme of “Craftsmanship Focusing on Lithium and Changing the World with Lithium”. The training program covers more than 10 positions such as analysis, testing, maintenance and electrical engineering, with a total of 160 participants. Through diversified platforms such as “skills competition”, the skill-level of employees is effectively improved.





Employee Care

By establishing a sound employee care mechanism, Tianqi Lithium provides employees with more competitive remuneration and benefits, and a more comfortable working environment. Through smooth communication channels, caring projects, practical assistance and condolences, and diversified employee activities, we spread warmth to every employee.



Basic Benefits

- Social insurance
- Housing fund
- Legal holidays
- Paid annual leave



Supplemental Benefits

- Free meals
- Commercial insurance
- Annual health check-ups
- Birthday gifts

Remuneration and Benefits

In accordance with the Labor Contract Law of the People’s Republic of China and other laws and regulations of the places where we operate, and following the principles of professionalism, differentiation and unification, Tianqi Lithium has established and continuously improved the remuneration management system, actively built a remuneration and welfare system that takes into account external competitiveness and internal fairness. We provided employees with a comprehensive compensation package consisting of fixed salary, short-term incentives and employee benefits. During the Year, we continued to improve the talent incentive scheme. After launching the first restricted share incentive plan in 2015, we promoted the first phase of employee stock ownership plan, so as to establish and improve the mechanism of “Risk Sharing and Benefit Sharing” for the Company, shareholders and core backbone employees; Moreover, the Company has purchased supplemental commercial medical insurance for domestic employees to further enhance their sense of belonging and cohesion. We constantly practice the concept of common development between the Company and its employees.



Employee Activities

Adhering to the people-oriented principle, Tianqi Lithium pays attention to the physical and mental health of employees, and encourages employees to combine work and rest and work-life balance. We organize various cultural and sports activities from time to time to enrich employees' spare time.

Tianqi Lithium's Spring Festival Event of 2022

On January 24, 2022, Tianqi Lithium held the 2022 Spring Festival Event with the theme of "Moving Forward with Lithium and Gaining Wellbeing with Tianqi Lithium" in Chengdu. The Chairman led the management of the Company to award the "Special Contribution Award of Tianqi Lithium" to a number of leaders and colleagues who have accompanied the Company for many years and worked hard for the Company. Chairman Jiang said that he would like to express his gratitude to all staff for their wisdom and contribution. He emphasized that the hard-earned achievements of the current development of Tianqi Lithium are inseparable from the hard work of the staff over the years! He expected all employees to continue to adhere to the original aspiration of "Striving to Become Stronger and Work Harder", firmly grasp the strategic opportunities given by the times, and fully practice the Company's various strategic tasks, keep moving forward and achieving greater achievements in the new year!

Employee Communication

Tianqi Lithium values the demands and expectations of employees, and is committed to establishing and improving the employee communication mechanism. We respond to employees' suggestions and demands through a smooth and efficient communication system. We provide employees with upward communication channels such as employee congress, and give full play to the democratic management awareness of employees to help boost healthy development of the Company. During the Year, we continued to provide various communication channels for employees, including telephone, WeChat and email, and encouraged employees to put forward reasonable suggestions and positive thoughts on the Company's operation and development through launching corresponding point-based reward mechanisms.

During the Reporting Period, Tianqi Lithium conducted a satisfaction survey on the employees on probation, and obtained feedback from new employees themselves and their immediate superiors through interviews with the Human Resources Department. We collected their comments and suggestions through a satisfaction questionnaire, which covered the onboarding experience, work arrangement, work environment, and other elements. The overall satisfaction reached 92.6%.



Health and Safety

Tianqi Lithium is committed to providing employees with a safe and healthy workplace. The Company has established a sound EHS management structure and relevant policies, which systematically integrate compliance, governance, measures, procedures and resources to effectively identify, mitigate and monitor existing and potential EHS risks related to the Company's business activities.

Production Safety

We strictly abide by the Work Safety Law of the People's Republic of China, the Labor Law of the People's Republic of China, the Measures for the Administration of Contingency Plans for Work Safety Accidents, and other applicable laws and regulations in places we operate, constantly improve the occupational health and safety management system, proactively organize self-inspection in production safety, and strengthen our EHS management level. As of the end of the Reporting Period, all domestic production plants of Tianqi Lithium have obtained the ISO 45001 occupational health and safety management system certification. Domestic production plants conduct an external audit and an internal audit for ISO 45001 annually.

In terms of the internal system, we have set up a series of safety management systems, such as the EHS Introduction and Training Procedures, the Safety Management Procedures for Primary Level Teams and Groups of Functional Departments, the EHS Inspection and Audit Procedures, and the Management Specifications of Announcement for Safety Risk Assessment and Commitment, and the Noise and Hearing Protection Procedures. We strive to improve our overall production safety management capability by raising safety awareness among employees, identifying, investigating and rectifying potential safety hazards, and building a culture of safety, etc. Safety management systems including the Health and Safety Management Plan and Work Hazard Analysis have been formulated at the production plant in Kwinana, West Australia. As of the end of the Reporting Period, Tianqi Lithium had no work-related fatalities or major safety accidents for three consecutive years.

In order to ensure the smooth implementation of the health and safety management regulations, we have included EHS management as one of the key annual performance assessment indicators of senior executives and included EHS accident grade assessment into the performance assessment of the general manager of each production plant, so as to comprehensively supervise and manage our EHS efforts. Meanwhile, each production plant of Tianqi Lithium has also set corresponding annual EHS targets to achieve target-oriented and continuous supervision of safety and health management. Regular monitoring and assessment of targets have been conducted on a monthly, annual or other frequency basis.

Completed the EHS Targets (Partial) of Tianqi Lithium’s Domestic Production Plants of the Year

Shehong Sichuna Production Plant

- 0 EHS-related accidents above level 4
- The occupational health and safety management system passed the annual supervision and audit

Tongliang Chongqing Production Plant

- 100% coverage of EHS training
- The rate of EHS hazard investigation and rectification within a time limit ≥ 96%
- 100% inspection & maintenance rate of EHS protection facilities

Zhangjiagang Jiangsu Production Plant

- 100% implementation rate of EHS inspection plan
- 100% timely EHS hazard rectification rate
- 100% implementation rate of emergency drill plan
- 100% implementation rate of EHS monitoring plan

According to the annual EHS targets, the Company practices the concept of production safety in all processes of production, and implements a series of safety management measures to ensure production safety, including hazardous chemical management, daily safety management, safety hazard investigation and emergency prevention and control. In addition, Shehong Sichuan Production Plant plans to introduce a digitalization program of production safety in 2023 to further improve the efficiency of daily supervision and improve the level of supervisory decision-making.

Daily safety management	Share EHS management requirements with operators through weekly workshop meetings and team shift meetings and educate them on relevant accident handling measures with an emphasis on standardized operation.
Identification of potential safety hazards	Carry out EHS inspections on a monthly basis, organize managers of workshops and departments to identify hidden hazards on production sites and in offices, and implement rectification measures.
Emergency prevention and control management	Conduct emergency drills such as lithium metal fire, sodium hydroxide leakage, and chlorine gas leakage on a regular basis.

Tianqi Lithium attaches great importance to the management of contractors’ health and safety, and has formulated relevant management standards. For instance, Shehong Sichuan Production Plant signed the Contractor EHS Agreement with contractors, requiring contractors to formulate EHS plans for construction projects in line with national standards; The Company would assist contractors in the management of safe production and fire prevention, and the supervision and inspection of EHS work. It is a requirement that any accident that occurs during the construction process or endangers the safety of production and operation shall be immediately reported to the Company and contractors shall actively cooperate in the investigation.



Management of Hazardous Chemicals

Tianqi Lithium attaches great importance to the management of hazardous chemicals, and in accordance with the Regulations on the Safety Management of Hazardous Chemicals, the Notice of the Ministry of Emergency Management on the Comprehensive Implementation of the Publicity System of Safety Risk Assessment and Commitment of Hazardous Chemical Enterprises and the Implementation Guidelines for the Identification and Control of Potential Accidents of Hazardous Chemicals Enterprises, we have formulated the Chemical Management Procedures, the Chemical Management Specifications, and the Management Specifications of Announcement for Safety Risk Assessment and Commitment. We have implemented the two-level management structure, “Headquarters and Production Plants”, in which each production plant is responsible for the management of hazardous chemicals in their own manufacturing process while the headquarters oversees the management of each production plant, so as to implement chemical safety management and ensure production safety. In addition, we put on record the material safety data sheet and chemical reaction matrix table of all chemicals at the production plants, and urge each production plant to update them in a timely manner when introducing new chemicals, further ensuring the comprehensive control of hazardous chemicals.

Risk assessment of hazardous chemicals	Warehousing management of hazardous chemicals
Conduct safety assessment on the hazardous chemicals tank area to avoid leakage and over-limit operation; Upgrade management for fire operation of the hazardous chemicals tank area, and identify risks before each special operation.	Require that managers of the hazardous chemicals warehouse familiarize themselves with the names and physical and chemical properties of the chemicals, as well as fire prevention and control, explosion prevention, and toxicity prevention measures, and be equipped with necessary protective equipment and appliances; Forbid the setting of offices and restrooms in the hazardous chemicals warehouse and strictly control the entry and exit of persons.

Hazardous Chemicals Management Measures in Zhangjiagang Jiangsu Production Plant

In order to standardize the management of hazardous chemicals, Zhangjiagang Jiangsu Production Plant has set up management and control plans such as the Chemical Management Procedures, Chemical Assessment Form and Chemical Registration Form for Access. During the Reporting Period, Zhangjiagang Jiangsu Production Plant has set a management target of “Coverage of Hazardous Chemicals Submitted for Review before Entering the Plant of 100%”. The equipment department, production department, technology laboratory, and procurement department are all responsible departments. The monitoring method of the target is to compare the difference between the quantity and name of the chemicals submitted for review with the ones on the current year’s as well as previous year’s chemical survey table managed by various departments in the plant

Safety Training and Activities

Tianqi Lithium places emphasis on the popularization of employees’ health and safety prevention knowledge and skills, and formulates regular learning and testing plans, such as safety training, drills, EHS theme advocacy activities, etc., to enrich employees’ safety knowledge reserves, and improve employees’ emergency response capabilities and accident prevention capabilities. Moreover, the Company has set up a special EHS bonus to incentivize the employees in their daily EHS performance and motivate them to engage in safe production practices.

The Fourth EHS Advocacy Week of 2022 of Tianqi Lithium

In November of each year, Tianqi Lithium held a series of Advocacy Week activities with the theme of "safer, more environmentally friendly and more responsible". In the fourth EHS Advocacy Week of 2022, the headquarters of Tianqi Lithium in Chengdu collaborated with three domestic production plants and the production plant in Kwinana, Western Australia, to carry out various themed activities such as fire safety drills, emergency skills contests and safety knowledge lectures simultaneously, so as to improve the awareness and skills of all employees on EHS and further enhance corporate culture.



Production Safety Month in Tongliang Chongqing Production Plant

On July 7, 2022, Tongliang Chongqing Production Plant organized the theme activity of Production Safety Month. This activity had a total of 5 sections, including watching production safety publicity films, investigating hidden dangers, playing safety-related games, safety knowledge contests and air respirator-wearing competitions.



Occupational Health

Tianqi Lithium strictly abides by the Law of the People’s Republic of China on the Prevention and Control of Occupational Diseases, the Measures for the Administration of Occupational Health Examination, the Regulation on Work-Related Injury Insurance and other national and local laws and regulations on occupational health in places it operates. We have established and optimized personal occupational health records and regularly organized occupational health examinations for employees who may be exposed to occupational disease hazard factors. Domestic production plants have set occupational health management targets. During the Reporting Period, we invested a total of USD5.16 million in occupational health, with 0% incidence of occupational disease.

Occupational Health Targets of Domestic Production Plants of Tianqi Lithium of the Year (Partial)

Shehong Sichuan Production Plant	0% occupational disease rate
Tongliang Chongqing Production Plan	100% compliance rate for occupational health monitoring and management, 100% coverage of health examination for employees exposed to occupational hazards, and 100% completeness rate of occupational health records
Zhangjiagang Jiangsu Production plan	100% coverage of occupational health examination

The Company has implemented a series of occupational health protection measures in four aspects, namely hazard control, optimization of personal protective equipment, physical and mental health support, and pandemic prevention and control, so as to identify employees’ occupational health hazards and ensure their occupational health.

Hazard control

- Conduct hazard source detection on production sites and in offices to eliminate occupational hazard factors;
- Set up noise protection devices and separation walls to prevent and control noise and chemical hazards.

Optimization of personal protective equipment

- Distribute heatstroke prevention and emergency medical supplies;
- Implement unified requirements for the wearing and use of protective equipment on the construction site; conduct training on the wearing of protective equipment; purchase the new rain boots with steel tubes on the head and bottom, which are smash and puncture resistant.

Physical and mental health support

- Set up health cabins and equip employees with blood pressure monitors, blood glucose meters, weight scales, and other facilities;
- Regularly offer occupational health education, covering chronic disease prevention and control, physical and mental health protection, employee assistance program (EAP), etc.

Pandemic prevention and control

- Conduct targeted management and control of visitors and business travelers according to the real-time risk level (high, middle or low);
- Publicize and implement pandemic prevention and control measures through labor union WeChat groups, emails, and post boards, and raise awareness of pandemic prevention and control among all employees;
- Distribute pandemic prevention supplies, encourage employees to work from home, and organize nucleic acid tests for all employees to ensure their safety.

Tongliang Chongqing Production Plant Was Included in the National List of Excellent Cases of Healthy Enterprise Construction

On June 24, 2022, the General Office of the National Health Commission announced the list of excellent cases of healthy enterprise construction. The case of healthy enterprise construction of Tongliang Chongqing Production plant was selected as a national excellent case. The Company will continue to promote the construction of a healthy enterprise, improve health management and service level, and contribute to the development of “Healthy China”.

The Company carries out occupational health training activities with rich contents and diversified forms from time to time to enhance employees’ awareness of occupational health.

Occupational Health Training Activities in Tongliang Chongqing Production Plant

On April 19, 2022, Tongliang Chongqing Production plant invited experts from Tongliang Disease Control and Prevention Center and the People’s Hospital to the Company for training on hypertension prevention and control and mental health. A total of 49 participants attended the training.



Community

Practicing Social Responsibility
and Changing the World with “Lithium”

With the purpose of creating an ideal community with “Lithium”, Tianqi Lithium takes the initiative to shoulder social responsibilities as a responsible corporate citizen. We continue to actively perform our responsibility concept of “Changing the World with Lithium” in the communities where we operate through policy, organizational and financial support mechanisms.





Volunteer Services

Tianqi Lithium is dedicated to integrating the spirit of volunteer service into the sustainable development concept of the enterprise, and building a volunteer service culture of “Everyone Can Participate in Public Welfare Everywhere”. We have established the Tianqi Lithium Volunteer Service Manual and the volunteer service guarantee mechanism, built the “Tianqi Global Public Welfare Platform” and set up a special fund to support volunteer service, so as to encourage employees to deeply participate in volunteer service projects and conveyed the volunteer service spirit. Meanwhile, we guide and regulate the behaviours of employees to improve the quality and expand the scope of volunteer services.

Relying on the “Tianqi Global Public Welfare Platform”, we focused on the three themes of “Environment, Education and Community”, with an emphasis on infrastructure and public services in the communities where we operate, and other issues and opportunities that are related to the Company’s business and stakeholders to constantly provide public welfare services and promote construction and development of communities. During the Reporting Period, we invested a total of USD73.56 thousand in volunteer services while providing 1,220 hours and 229 participants in volunteer services.

National Volunteer
Service Information
Platform of
Tianqi Lithium



Education

Based on the science, technology, engineering, and mathematics (STEM) framework, Tianqi Lithium has developed the “Lithium Learning”, which is a branded educational volunteer service program. The program introduced teenagers to the form of existence of “Elemental Lithium”, lithium’s development and utilization, recycling and environmental protection, and other related knowledge. The program aimed at enriching the content of the popularization of the lithium industry and improving the education of comprehensive skills.

Tongliang Chongqing Production Plant Held Parent-Child Volunteer Service Activity with the Theme of "Happy Childhood – Changing the World with Lithium"

In June 2022, Tongliang Chongqing Production Plant organized a volunteer activity of the “Lithium Knowledge” class with the theme of “Happy Childhood – Changing the World with Lithium”, inviting employees’ children and relatives to participate in. The children visited the Company’s exhibition hall following volunteer teachers and participated in the “Lithium Knowledge” small interactive class. Volunteers from the Process Technology Department presented the scientific experiments of lithium to the children during the class. The activity is intended to enhance the emotional communication between employees as parents and their children.



Environment

Tianqi Lithium actively practices the concept of green, low-carbon and caring for the creatures, and improves the influence of sustainable development through the Tianqi Lithium’s volunteer service platform. The Zero-Carbon and Sustainable Development Innovation Center initiated by the Company created the first batch of zero-carbon emissions community pilot projects in Chengdu – the Qiyang Community in Peng Town, Shuangliu District. During the Reporting Period, the employee volunteers of Tianqi Lithium carried out low-carbon volunteer services in the community, allowing participants to experience low-carbon scenarios in the community closely and understand the application of low-carbon technologies.

Tianqi Lithium's "Exploring Dreams with Lithium, and Caring for Creatures" Volunteer Activity

On October 29, 2022, Tianqi Lithium organized 27 employees’ families to go to Qiyang Community, Peng Town, Shuangliu District, to hold the volunteer activity of "Exploring Dreams with Lithium, and Caring for Creatures", to understand the concept of environmental protection and ecological value. This volunteer activity adhered to the principle of low-carbon and sustainable development throughout the whole process. For unavoidable carbon emissions, 391 kg of carbon emissions generated by the volunteer activity were offset by purchasing Tanhui Tianfu CDCER. At the same time, in order to deepen the communication and interaction with the Qiyang community and actively practice social responsibility, the Company and the community jointly created the "Tianqi Volunteer Service Base" to continuously enhance the low-carbon driving force.



Shehong Sichuan Production Plant Launched an Environmental Protection Publicity Activity of “Protecting the Ecological Environment and Building an Ideal Homeland”

On June 5, 2022, Shehong Sichuan Production Plant held a voluntary environmental protection publicity activity of “Protecting the Ecological Environment and Building an Ideal Homeland”. The employees distributed publicity materials such as garbage classification proposals, environmental protection knowledge manuals and corporate sustainable development reports to the public. “Environmental Protection Knowledge Quiz with Prizes” was carried out at the activity site, to popularize environmental protection knowledge and promote a green and healthy lifestyle at the same time.



Community

Tianqi Lithium seeks the common development and growth of the enterprise and the places where it operates. By carrying out diversified volunteer services in communities, we care for vulnerable groups, effectively solving the basic needs of people in difficulties, and gathering the power of kindness with little actions.

Shehong Sichuan Production Plant Held the “Warming the Older” Volunteer Activity

In December 2022, the labor union and employee volunteers of Shehong Sichuan Production Plant went to the Taikong Community of Shehong to carry out the “Warming the Older” volunteer activity to deliver warmth to the “left-behind” elderly and the elderly, promoting the traditional virtues of respecting, loving and helping the elderly, and practicing corporate social responsibility.



Public Welfare and Charities

In order to help the society, resist natural disasters, build a harmonious ecological environment, help people in need and increase social welfare, Tianqi Lithium actively carries out charity work.

Tianqi Lithium Aided the Earthquake-stricken Area in Luding, Ganzi, Sichuan

On September 5, 2022, an earthquake of magnitude 6.8 occurred in Luding County, Ganzi Prefecture. After being informed of the disaster, Tianqi Lithium responded quickly and donated USD1.44 million to support earthquake relief and post-disaster reconstruction. At the same time, the Company urgently coordinated resource procurement and coordinated equipment production, assembly and transportation after being informed of the urgent need for movable health facilities at the resettlement sites of residents in disaster areas.



Rural Vitalization

Tianqi Lithium actively responds to the national strategy and supports the national rural revitalization plan from multiple dimensions as a responsible corporate citizen.

“Warm Winter in Ganzi” Volunteer Service Activity

During the Reporting Period, Tianqi Lithium organized an EAP psychological counseling team of Southwest University of Science and Technology and experts from Anyu Dental Implant Hospital to go to Kangding, Ganzi Tibetan Autonomous Prefecture, Sichuan Province to provide volunteer service with the theme of “Warm Winter in Ganzi”. We carried out free mental health consultations and free dental consultations for the cadres and employees of the designated assistance units in Ganzi Province to support the work of government departments to achieve rural vitalization.



Rural Vitalization Project in Xiuyun Village, Guangyuan

In 2021, Tianqi Lithium entered into strategic cooperation of rural vitalization with Xiuyun Village, Cangxi County, Guangyuan, Sichuan. During the Reporting Period, with the support of Tianqi Lithium, Xiuyun Village built a rural complex with the youth entrepreneurship center as the carrier, taking into account the functions of homestay catering, conference and training, e-commerce live broadcast and office. The rural complex lays the foundation for the integrated development of agriculture, culture and tourism in the future.



Fulfillment of Overseas Responsibilities

While continuously expanding its international business presence, Tianqi Lithium continuously fulfills its overseas responsibility, actively integrates into the local society, and supports local sustainable development. We strive to promote domestic and international cultural exchanges. When building production and resource plants overseas, we respect local culture, integrate internal and external resources, and embed the responsibility concept of “Changing the World with Lithium” into local communities to promote the integration of community culture.

Tianqi Lithium Visited the Boola Bardip Museum in Western Australia

On November 16, 2022, the Vice Chairman of Tianqi Lithium, Ms. Jiang Anqi, and the President of Tianqi Lithium, Mr. Xia Juncheng, visited the Boola Bardip Museum in Western Australia. Tianqi Lithium donated AUD3 million to name the “Tianqi Lithium Connections Exhibition Hall”. The contents of the exhibition hall are closely integrated with the commercial and cultural concepts of Tianqi Lithium, attracting a large number of visitors. Tianqi Lithium actively promotes the exchange and integration of education and cultural undertakings between China and Australia, and makes positive contributions to the educational cooperation and cultural exchanges between the two countries.



Shu embroidery Auction Event of Tianqi Lithium in Western Australia

During the Reporting Period, Tianqi Lithium held an auction event namely “The Brightest Star”, which was a charity program to auction off the works of students (who are from the school of the disabled in Shehong). The funds obtained from the auction were donated to support the education of Australian children, so as to promote cultural exchanges between China and Australia.

Community Support Program of the Talison Resource Base

The Talison resource base launched a long-standing Community Support Program to provide cash and in-kind donations to local communities, in order to promote the healthy and harmonious development of the local communities. In 2022, the Talison resource base made donations to the Bridgetown Football Club, Blackwood River Valley Arts Trial, Bridgetown Agricultural Show, etc.

To better support the development of local communities, six long-term partnerships have been established by the Talison resource base with organizations that have a direct and important influence on the local area, concentrating on education and health in communities for people of all ages.



Performance Summary

The Company has further improved its data collection and statistical system during the Reporting Period and therefore some of the data has changed from the previous year. “N/A” in each table indicates that relevant data was not disclosed or not available for the year.

Economic data:

Aspects	Indicators	Unit	2022	2021
Production	Lithium concentrate production	Ton	1,348,616.46	953,971
	Lithium chemicals production	Ton	47,262.58	43,696.41,
	Lithium carbonate equivalent (LCE)	Ton	47,540.12	44,874
Revenue	Revenue	USD thousand	5,807,782.79	1,187,835.53
	Domestic revenue	USD thousand	4,866,343.14	1,029,786.69
	Foreign revenue	USD thousand	941,439.65	158,048.86
Asset	Total assets	USD thousand	10,172,370.57	6,845,745.28
Gross margin	Domestic gross profit margin	%	85.32	63.27
	Lithium chemical gross margin	%	83.95	62.10
	Lithium chemical gross margin	%	85.85	61.89
Net cash flow	Net cash flows from operating activities	Thousand USD	2,914,393.25	324,645.26

Environmental data⁶:

Aspects	Indicators	Unit	2022	2021
Exhaust gas emissions	Nitrogen oxides (NO _x) ⁷	Ton	43.33	61.79
	Sulfur oxides (SO _x)	Ton	2.22	9.74
	Sulfuric acid mist	Ton	0.05	0.39
	Particulate matter (PM)	Ton	6.58	9.60
	Chlorine	Ton	0.17	0.20
	Total emissions of main exhaust gas	Ton	52.35	81.72
Wastewater discharge	Chemical oxygen demand (COD)	Ton	5.93	5.32
	Suspended solids (SS)	Ton	3.86	4.11
	Ammonia nitrogen	Ton	0.32	0.16
	Total phosphorus	Ton	0.01	0.01
	Total nitrogen	Ton	1.46	1.22
	Total wastewater discharge	Ton	390,910.95	328,927.67
GHG emissions	Direct GHG emissions (scope 1) ⁸	Ton of carbon dioxide equivalent	117,958.94	114,949.71
	Indirect GHG emissions (Scope 2) ⁹	Ton of carbon dioxide equivalent	142,606.09	140,206.33
	Total GHG emissions	Ton of carbon dioxide equivalent	260,565.03	255,156.04
	Intensity of total GHG emissions	Ton of carbon dioxide equivalent / ton LCE	5.48	5.69
Hazardous wastes	Used mineral oil (machinery oil, lubricating oil, etc.)	Ton	20.21	20.18
	Waste acid and alkali, waste alcohol and laboratory waste liquid	Ton	15.43	13.60
	Waste contaminated with chemical reagents	Ton	10.18	2.98
	Waste oil barrels	Ton	7.32	N/A
	Waste paint	Ton	0.03	N/A
	Waste inks	Ton	0.03	N/A
	Waste lead batteries	Ton	0.40	N/A
	Total hazardous waste	Ton	53.61	36.75
	Total disposed hazardous waste	Ton	53.61	36.75
	Intensity of total hazardous waste	Ton/ton LCE	0.001	0.001

⁶ The environmental data covers Shehong Sichuan Production Plant, Zhangjiagang Jiangsu Production Plant, and Tongliang Chongqing Production Plant. Due to product category, production process and other factors, some environmental data only covers part of the production plants.

⁷ The Company’ s data of nitrogen oxides emissions does not include nitrous oxide (N₂O).

⁸ Direct GHG emissions were sourced from the combustion of natural gas, diesel, gasoline and liquefied petroleum gas, and the use of liquid oxygen and carbon dioxide.

⁹ Indirect GHG emissions were sourced from the use of purchased electricity and purchased steam.

Aspects	Indicators	Unit	2022	2021
Non-hazardous wastes	Domestic waste (food waste, office waste, etc.)	Ton	402.10	523.00
	Non-recyclable non-hazardous waste	Ton	879.44	767.28
	Lithium slag	Ton	480,010.00	452,944.34
	Iron scraps	Ton	519.71	167.30
	Calcium slag	Ton	15,129.22	13,900.52
	Other recyclable non-hazardous waste	Ton	237.81	286.80
	Total non-hazardous waste	Ton	497,178.28	468,589.24
	Intensity of non-hazardous waste	Ton/ton LCE	10.46	10.44
Energy consumption	Purchased electricity	MWh	177,227.79	171,570.09
	Percentage of grid electricity in purchased electricity	%	100	100
	Purchased steam	MWh	104,918.65	102,355.28
	Natural gas	MWh	517,749.89	490,288.18
	Diesel	MWh	1,002.37	1,141.60
	Gasoline	MWh	131.04	135.77
	Liquefied petroleum gas	MWh	2.34	1.21
	Direct energy consumption	MWh	518,885.04	491,566.76
	Indirect energy consumption	MWh	282,146.44	273,925.37
	Oxygen gas	m ³	5.72	2.10
	Carbon dioxide gas	m ³	3,649.48	3,314.73
	Ethyne	m ³	963.49	262.80
	Comprehensive energy consumption ¹⁰	MWh	798,461.02	764,206.00
	Intensity of comprehensive energy consumption ¹⁰	MWh/ton LCE	16.80	17.03
	Percentage of renewable energy	%	12	12

¹⁰ The comprehensive energy consumption was calculated in accordance with the General Principles for Calculation of Comprehensive Consumption (GB/T 2589-2020) issued by the Standardization Administration of the People's Republic of China, while the conversion factor of purchased steam is referred to the General Principles for Calculation of Comprehensive Consumption (GB/T 2589-2008). The calculation was also referred to the Guidelines on Accounting Methods and Reporting of GHG Emissions of Enterprises in Other Industrial Sectors (Trial) issued by National Development and Reform Commission of the People's Republic of China. In the Report, the comprehensive energy consumption refers to the total energy consumption of the main production system, auxiliary production system, and subsidiary production system during the Reporting Period within the boundary of the production system. It includes:

(1) natural gas, purchased electricity, diesel, gasoline, liquefied petroleum gas, and acetylene of Shehong Sichuan Production Plant;

(2) natural gas, purchased electricity and steam, diesel, gasoline, liquefied petroleum gas, carbon dioxide gas and acetylene of Zhangjiagang Jiangsu Production Plant;

(3) natural gas, purchased electricity, diesel, gasoline, oxygen gas, carbon dioxide gas, and acetylene of Tongliang Chongqing Production Plant. The Company's data of comprehensive energy consumption and comprehensive energy consumption per product in 2021 were recalculated according to the aforementioned calculation guidelines.

Aspects		Indicators	Unit	2022	2021
Resource consumption	Water resource	Surface water withdrawal	Ton	1,023,971.00	1,202,649.00
		Tap water withdrawal	Ton	310,483.00	278,455.00
		Water withdrawal from other organizations ¹¹	Ton	261,522.00	251,721.00
		Total water withdrawal	Ton	1,595,976.00	1,732,825.00
		Intensity of total water withdrawal	Ton/ton LCE	33.57	38.62
		Recycled/reused water ¹²	Ton	21,337,670.40	16,514,660.00
		Total water consumption	Ton	22,933,646.40	18,247,485.00
		Percentage of recycled/reused water in total water consumption	%	93	91
		Percentage of total water withdrawn in regions with high or extremely high baseline water stress ¹³	%	0	0
		Percentage of total water consumed in regions with high or extremely high baseline water stress ¹³	%	0	0
	Number of incidents of non-compliance associated with water quality permits, standards, and regulations	Number	0	0	
	Packaging materials	Plastics ¹⁴	Ton	1,178.87	1,222.55
		Paper ¹⁵	Ton	46.65	43.93
		Metal ¹⁶	Ton	229.68	216.17
		Total packaging material consumption	Ton	1,455.20	1482.66
		Intensity of total packaging material consumption	Ton/ton LCE	0.03	0.03

¹¹ Water withdrawal from other organizations refers to reclaimed water purchased from industrial parks.

¹² The amount of recycled/reused water was estimated based on the water demand met by the recycled/reused water.

¹³ The determination of regions with high/extremely high water pressures were based on the WRI water risk tool.

¹⁴ Plastics include plastic trays, bags in ton, cover films, bottom films, stretch films, PE aluminum-plastics films, aluminum-plastic composite bags and other polyethylene packaging materials of various specifications.

¹⁵ Paper includes kraft paper packaging bags, self-adhesive stickers, valve pockets, cardboard and other paper packaging materials.

¹⁶ Metals include metal packaging materials such as iron drums and steel drums.

Social data:

Aspects		Indicators	Unit	2022	2021
17 Employment	Number of employees	Total employees	Person	2,191	1,773
		Full-time employees	Person	2,191	1,773
		Part-time employees	Person	0	0
		Male employees	Person	1,612	1,297
		Female employees	Person	579	476
		Chinese employees	Person	1,390	1,220
		Australian employees	Person	801	553
		Employees aged 25 and below	Person	147	100
		Employees aged 26-35	Person	727	596
		Employees aged 36-45	Person	674	548
		Employees aged 46 and above	Person	643	529
		Production personnel	Person	1,136	1,033
		Technical personnel	Person	572	401
		Sales personnel	Person	29	30
		Financial personnel	Person	77	71
		Administrative personnel	Person	377	238
	18 Employee turnover rate	Turnover rate of total employees	%	13.78	N/A
		Turnover rate of male employees	%	12.47	N/A
		Turnover rate of female employees	%	12.95	N/A
		Turnover rate of Chinese employees	%	10.79	13.53
		Turnover rate of Australian employees	%	18.98	20.03
		Turnover rate of employees aged 25 and below	%	38.10%	N/A
		Turnover rate of employees aged 26-35	%	15.63%	N/A
		Turnover rate of employees aged 36-45	%	13.29%	N/A
		Turnover rate of employees aged 46 and above	%	19.52%	N/A
		Turnover rate of employees with less than 1 year of service (passed the probationary period)	%	12.47	8.87
		Turnover rate of employees with 1-3 years of service	%	11.44	29.43
		Turnover rate of employees with 3-5 years of service	%	14.66	17.75
		Turnover rate of employees with more than 5 years of service	%	7.56	26.20

17 The statistical scope of data for employment in 2022 includes: domestic: headquarters, Shehong Sichuan Production Plant, Tongliang Chongqing Production Plant, Zhangjiagang Jiangsu Production Plant, and the production plant in Anju, Sichuan; overseas: Tianqi Lithium Energy Australia Pty Ltd., Talison Lithium Pty Ltd., Tianqi Lithium Kwinana Pty Ltd., Inverslones TLC SpA (Chile), and Tianqi Grand Vision Energy Limited. The statistical scope in 2021 includes: domestic: headquarters, subsidiaries, and production plants; overseas: Tianqi Lithium Energy Australia Pty Ltd., Talison Lithium Pty Ltd., Tianqi Lithium Kwinana Pty Ltd.

18 Turnover rate of employees under specified category = employees in the specified category leaving employment / number of employees in the specified category at the end of the Reporting Period.

Aspects	Indicators		Unit	2022	2021
Occupational health and safety	Number of work-related fatalities ¹⁹		Person	0	0
	Percentage of work-related fatalities ¹⁹		%	0	0
	Fatality rate for direct employees		%	0	0
	Fatality rate for contract employees		%	0	0
	Lost days due to work injury		Day	242.5	451.5
	Number of major safety incidents		Incidents	0	0
	Occupational disease incidence rate		%	0	0
	Total occupational health investment ²⁰		USD thousand	5,163.37	1,560.37
	Total safe production investment ²⁰		USD thousand	4,617.39	4,716.61
Employee development and training ²¹	Investment in training		USD thousand	948.63	92.92
	Total number of trained employees ²²		Person	1,032	807
	Total person-times of trained employees		Person-times	14,822	15,253
	Percentage of employees trained ²³		%	69.20	58.60
	Percentage of employees trained by gender ²⁴	Percentage of male employees trained	%	65.80	89.96
		Percentage of female employees trained	%	58.12	10.04
	Percentage of employees trained by grade ²⁵	Percentage of general employees trained	%	67.79	97.06
		Percentage of middle managers trained	%	31.82	2.26
		Percentage of senior managers trained	%	22.22	0.68
	Total training hours		Hours	74,940.10	63,160.35
	Average training hours per capita ²⁶		Hour	50.25	46.65
	Average training hours of employees by gender ²⁷	Average training hours of male employees	Hour	33.06	N/A
		Average training hours of female employees	Hour	29.20	N/A
	Average training hours of employees by grade ²⁸	Average training hours of general employees	Hour	34.06	N/A
		Average training hours of middle managers	Hour	15.99	N/A
		Average training hours of senior managers	Hour	11.17	N/A

19 There were 0 work-related fatality in 2020, and the ratio of work-related fatality in 2020 was 0%.

20 The statistical scope of data for occupational health investment and safe production investment includes: domestic: headquarters, Shehong Sichuan Production Plant, Tongliang Chongqing Production Plant, and Zhangjiagang Production Plant; overseas: Tianqi Lithium Energy Australia Pty Ltd., Tianqi Lithium Australia Pty Ltd., and Windfield Holdings Pty Ltd.

21 The statistical scope of data for employee training and development in 2022 includes: domestic: headquarters, Shehong Sichuan Production Plant, Tongliang Chongqing Production Plant, Zhangjiagang Jiangsu Production Plant; overseas: Tianqi Lithium Kwinana Pty Ltd., Inverslones TLC SpA (Chile), and Tianqi Grand Vision Energy Limited. The statistical scope in 2021 includes: domestic: headquarters, subsidiaries, and production plants; overseas: Tianqi Lithium Energy Australia Pty Ltd., Talison Lithium Pty Ltd., Tianqi Lithium Kwinana Pty Ltd. The statistical scope of data for 2022 training investment includes: domestic: headquarters, Shehong Sichuan Production Plant, Tongliang Chongqing Production Plant, Zhangjiagang Production Plant and Chengdu Tianqi; overseas: Tianqi Lithium Energy Australia Pty Ltd., Tianqi Lithium Australia Pty Ltd., and Windfield Holdings Pty Ltd.

22 Total number of employees trained refers to the number of trained employees in the month with the most participations from January to December in the Reporting Period (i.e. December), of which there were 785 male employees trained and 247 female employees trained.

23 Percentage of employees trained = total number of employees trained / average total number of employees during January to December in the Reporting Period.

24 The calculation method of the percentage of employees trained by gender has changed compared to 2021. For the Year, the percentage of male (female) employees trained = number of male (female) employees trained in December in the Reporting Period / number of male (female) employees at the end of the Reporting Period.

25 The calculation method of the percentage of employees trained by grade has changed compared to 2021. For the Year, the percentage of employees trained by grade = number of trained employees under a specified category / number of employees under that category at the end of the Reporting Period. The statistical method of number of trained employees by grade: according to the formula "person-times of employees in specified grade receiving training in the month / total person-times of employees receiving training in the month * total number of employees trained in the month", the number of trained employees by grade in each month of the Reporting Period could be estimated, and the number of employees trained in specified grade corresponds to the number in the month with the most participations from January to December in the Reporting Period. Accordingly, the numbers of trained general employees, middle managers and senior managers were 989 in July, 42 in December, and 6 in June, respectively.

26 Average training hours per capita = total training hours / average total number of employees during January to December in the Reporting Period.

27 The calculation method of the average training hours of employees by gender has changed. For the Year, the average training hours per male (female) employees = number of male (female) employees trained in December of the Reporting Period * training hours per capita / number of male (female) employees at the end of the Reporting Period.

28 The calculation method of the average training hours of employees by grade has changed. For the Year, the average training hours of employees by grade = number of trained employees under that category * average training hours per capita / number of employees under that category at the end of the Reporting Period. The number of trained employees in specified grade is estimated by the formula "person-times of employees in specified grade receiving training in the month / total person-times of employees receiving training in the month * total number of employees trained in the month", and the number of employees trained in specified grade corresponds to the number in the month with the highest number from January to December of the Reporting Period. Accordingly, the numbers of trained general employees, middle managers and senior managers were respectively 989 in July, 42 in December, and 6 in June.

Aspects	Indicators	Unit	2022	2021
Suppliers	Domestic suppliers	Number	1,211	1,141
	Overseas suppliers	Number	75	37
	Suppliers graded by levels	Number	625	564
	Class A suppliers	Number	1	2
	Class B suppliers	Number	474	406
	Class C suppliers	Number	148	149
	Unqualified suppliers	Number	2	7
	Strategic suppliers with system certifications	%	90	82
	Frequency of due diligence to strategic suppliers	Times/year	2	2
	Number of eliminated suppliers	Number	296	265
Products	Overall product qualification rate	%	>96	N/A
	Number of lawsuits for alleged safety and health reasons for products and services	Number	0	N/A
	Customer satisfaction rate	%	>95	>95
	Number of complaints about products and services	Number	9	10
	Revenue from products designed for use-phase resource efficiency ²⁹	USD thousand	1,790.77	N/A
R&D and innovation	Investment in R&D	USD thousand	3,834.10	2,918.14
	Annual investment in R&D of clean technologies	USD thousand	3,834.10	N/A
	Innovation incentive funds	USD thousand	25.67	N/A
Intellectual property rights	Cumulative authorized overseas invention patents	Item	5	4
	Cumulative authorized domestic invention patents	Item	86	74
	Cumulative design patents	Item	3	11
	Cumulative utility patents	Item	75	86
Community investment	Total number of person-times of volunteer activities	Person-times	229	107
	Total number of volunteer service hours	Hour	1,220	131.50
	Investment in volunteer service	USD thousand	73.56	30.27
	Investment in environmental protection programs	USD thousand	45.87	4.26
	Investment in education programs	USD thousand	37.13	6.20
	Investment in community programs	USD thousand	1,636.81	966.43

²⁹ In accordance with the definition of products designed for use-phase resource efficiency given by SASB, the Company includes the revenue from silica aluminum powder in statistical scope.

Independent Auditor's Report



Independent Auditor's Report

Beijing 2023

Tianqi Lithium Corporation

Independent Auditor's Report on the Sustainability Reporting Indicators of the Tianqi Lithium Corporation 2022.

Scope

In this report, you will find the outcomes of the revision of the Sustainability Report Indicators of the Tianqi Lithium Corporation 2022. The Report has been approved and it is a responsibility of the Tianqi Lithium Corporation. Our responsibility is to draw a conclusion based on our review.

The following indicators of 2022 performs a limited level of safety in the respective subject areas on the Sustainability Report of the Tianqi Lithium Corporation 2022.

- Tap water withdrawal (Ton)
- Surface water withdrawal (Ton)
- Recycled/reused water (Ton)
- Purchased electricity (MWh)
- Purchased steam (MWh)
- Used mineral oil (machinery oil, lubricating oil, etc.) (Ton)
- Waste acid and alkali, waste alcohol and laboratory waste liquid (Ton)
- Waste contaminated with chemical reagents (Ton)
- Waste oil barrels (Ton)
- Waste paint (Ton)
- Waste inks (Ton)
- Waste lead batteries (Ton)
- Direct GHG emissions (scope 1) (Ton of carbon dioxide equivalent)
- Indirect GHG emissions (Scope 2) (Ton of carbon dioxide equivalent)
- Lost days due to work injury (Day)
- Frequency of due diligence to strategic suppliers (Times/year)
- Customer satisfaction rate (%)
- Cumulative authorized domestic invention patents (Item)
- Overall product qualification rate (%)
- Total number of person-times of volunteer activities (Person-times)
- Total number of volunteer service hours (Hour)
- Investment in volunteer service (Thousand USD)
- Investment in environmental protection programs (Thousand USD)
- Investment in education programs (Thousand USD)
- Investment in community programs (Thousand USD)



Standards and Assurance Process

We have based our work on the international standard *ISAE 3000 (Revised)*, *Assurance Engagements other than Audits or Reviews of Historical Financial Information*, issued by the International Auditing and Assurance Standards Board (IAASB) of the International Federation of Accountants (IFAC).

Our revision consisted on requesting information regarding processes from different units and management areas, which have been involved in the development of the report, as well as in the application of analytic procedures and audit tests which are described below:

- Receiving the consolidated indicators and calculation tools for each of these (folders with information and evidence of the data that was considered for calculation).
- Review of consistency and coherence of calculations and conversion unit for each of the indicators.
- Requesting and receiving uncovered evidence in the verification process of the 2022 Sustainability Report Indicators.
- Identify conclusions, limitations and recommendations associated with the process.

Conclusions

- There is no evidence to suggest that the selected Tianqi Lithium Corporation 2022 Sustainability Reporting indicators have not been prepared in accordance with international standards of implementation.
- There is no evidence to suggest that the information provided about the selected Tianqi Lithium Corporation 2022 Sustainability Report indicators contains significant errors.

Responsibilities of Tianqi Lithium Corporation and Zhongcai Green Index

- The preparation of the Sustainability Reporting Indicators of the Tianqi Lithium Corporation 2022, as well as the content, is Tianqi Lithium Corporation responsibility, who is also responsible for defining, adapting and maintaining the internal management and control systems to obtain the information.
- Our responsibility is to issue an independent report based on the procedures applied in our review.
- This report has been prepared exclusively in the interest of Tianqi Lithium Corporation, regarding to the terms established in the Engagement Letter. We do not assume any liability to third parties other than the Company's Management.
- The verification findings made by Zhongcai Green Index are valid for the Tianqi Lithium Corporation 2022 Sustainability Report Indicators.
- We have done our work in accordance with the standards of independence required by the Code of Ethics of the International Federation of Accountants (IFAC).





- We believe that our work provides an appropriate basis for us to provide a conclusion with a limited level of safety in the respective subject areas. In this context, less guarantee is obtained than would be the case if an audit-level (financial) work had been carried out.

Sincerely,

Beijing Zhongcai Green Index Co., Ltd



Independent Assurance Statement

Content Index

Content Index of the ESG Reporting Guide of SEHK

Mandatory Disclosure Requirements of ESG Reporting Guide of SEHK

Subject Areas, Aspects, General Disclosures and KPIs			Location of Disclosure or Remarks
Governance Structure	A statement from the board containing the following elements: (i) a disclosure of the board’ s oversight of ESG issues; (ii) the board’ s ESG management approach and strategy, including the process used to evaluate, prioritise and manage material ESG-related issues (including risks to the issuer’ s businesses); and (iii) how the board reviews progress made against ESG-related goals and targets with an explanation of how they relate to the issuer's business.		Stakeholder Engagement and Materiality Assessment Responsible Governance ESG Management System
Reporting Principles	Describe or explain how the reporting principles were applied in the ESG report	Materiality: (i) the process to identify and the criteria for the selection of material ESG factors; (ii) if a stakeholder engagement is conducted, a description of significant stakeholders identified, and the process and results of the issuer’ s stakeholder engagement. Quantitative: Information on the standards, methodologies, assumptions and/or calculation tools used, and source of conversion factors used, for the reporting of emissions/energy consumption (where applicable) should be disclosed. Consistency: The issuer should disclose in the ESG report any changes to the methods or KPIs used, or any other relevant factors affecting a meaningful comparison.	Reporting Guideline
Reporting Boundary	A narrative explaining the reporting boundaries of the ESG report and describing the process used to identify which entities or operations are included in the ESG report. If there is a change in the scope, the issuer should explain the difference and reason for the change.		Reporting Period Reporting Scope

“Comply or explain” Provisions of ESG Reporting Guide of SEHK

A. Environmental

“Comply or explain” Provisions of ESG Reporting Guide of SEHK			Location of Disclosure or Remarks
Aspect A1: Emissions	General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.	Environmental Management
	KPI A1.1	The types of emissions and respective emissions data.	Performance Summary
	KPI A1.2	Direct (Scope 1) and energy indirect (Scope 2) greenhouse gas emissions in total (in tones) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Performance Summary
	KPI A1.3	Total hazardous waste produced (in tones) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Performance Summary
	KPI A1.4	Total non-hazardous waste produced (in tones) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Performance Summary
	KPI A1.5	Description of emissions target(s) set and steps taken to achieve them.	Environmental Management Compliant Emissions
	KPI A1.6	Description of how hazardous and non-hazardous wastes are handled, and a description of reduction target(s) set and steps taken to achieve them.	Environmental Management Compliant Emissions
Aspect A2: Use of Resources	General Disclosure	Policies on the efficient use of resources, including energy, water and other raw materials.	Energy conservation and consumption reduction Resource Utilization
	KPI 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).	Performance Summary
	KPI A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility).	Performance Summary
	KPI A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them.	Environmental Management Energy Conservation and Consumption Reduction
	KPI A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency target(s) set and steps taken to achieve them.	Environmental Management Resource Utilization
	KPI A2.5	Total packaging material used for finished products (in tones) and, if applicable, with reference to per unit produced.	Performance Summary
Aspect A3: The Environment and Natural Resources	General Disclosure	Policies on minimising the issuer’ s significant impacts on the environment and natural resources.	Ecological Protection
	KPI A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	Ecological Protection
Aspect A4: Climate Change	General Disclosure	Policies on identification and mitigation of significant climate-related issues which have impacted, and those which may impact, the issuer.	Addressing Climate Change
	KPI A4.1	Description of the significant climate-related issues which have impacted, and those which may impact, the issuer, and the actions taken to manage them.	Addressing Climate Change

“Comply or explain” Provisions of ESG Reporting Guide of SEHK

B. Social

“Comply or explain” Provisions of ESG Reporting Guide of SEHK			Location of Disclosure or Remarks
Employment and Labor Practices			
Aspect B1: Employment	General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.	Employment Overview
	KPI B1.1	Total workforce by gender, employment type (for example, full- or part-time), age group and geographical region.	Performance Summary
	KPI B1.2	Employee turnover rate by gender, age group and geographical region.	Performance Summary
Aspect B2: Health and Safety	General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards.	Health and Safety
	KPI B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	Performance Summary
	KPI B2.2	Lost days due to work injury.	Performance Summary
	KPI B2.3	Description of occupational health and safety measures adopted, and how they are implemented and monitored.	Health and Safety
Aspect B3: Development and Training	General Disclosure	Policies on improving employees’ knowledge and skills for discharging duties at work. Description of training activities.	Employee Development
	KPI B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	Performance Summary
	KPI B3.2	The average training hours completed per employee by gender and employee category.	Performance Summary
Aspect B4: Labor Standards	General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labor	Employment Overview
	KPI B4.1	Description of measures to review employment practices to avoid child and forced labor.	Employment Overview
	KPI B4.2	Description of steps taken to eliminate such practices when discovered.	Employment Overview

“Comply or explain” Provisions of ESG Reporting Guide of SEHK			Location of Disclosure or Remarks
Operating Practices			
Aspect B5: Supply Chain Management	General Disclosure	Policies on managing environmental and social risks of the supply chain.	Supply Guarantee
	KPI B5.1	Number of suppliers by geographical region.	Performance Summary
	KPI B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, and how they are implemented and monitored.	Supply Guarantee
	KPI B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	Supply Guarantee
	KPI B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	Supply Guarantee
Aspect B6: Product Responsibility	General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress	Quality Management
	KPI B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	Quality Management
	KPI B6.2	Number of products and service related complaints received and how they are dealt with.	Quality Management
	KPI B6.3	Description of practices relating to observing and protecting intellectual property rights.	Technology Empowerment
	KPI B6.4	Description of quality assurance process and recall procedures.	Quality Management
	KPI B6.5	Description of consumer data protection and privacy policies, and how they are implemented and monitored.	Information and Privacy Protection
Aspect B7: Anti-corruption	General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering.	Responsible Governance
	KPI 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.	Responsible Governance
	KPI B7.2	Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored.	Responsible Governance
	KPI B7.3	Description of anti-corruption training provided to directors and staff.	Responsible Governance
Community			
Aspect B8: Community Investment	General Disclosure	Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities’ interests.	Volunteer Services
	KPI B8.1	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	Volunteer Services
	KPI B8.2	Resources contributed (e.g. money or time) to the focus area.	Performance Summary

Content Index of SASB

Code	Indicators	Unit	Location of Disclosure or Remarks
GHG Emissions			
RT-CH-110a.1	Gross global scope 1 emissions	Metric tons (t)	Performance Summary
	Percentage of gross scope 1 emissions covered under emissions-limiting regulations	%	The Company has not yet compiled this data and will further improve data collection and statistics system in the future
RT-CH-110a.2	Discussion of long-term and short-term strategy or plan to manage scope 1 emissions, emissions reduction targets, and an analysis of performance against those targets	/	Addressing Climate Change
Air Quality			
RT-CH-120a.1	Air emissions of the following pollutants: •NOX (excluding N2O) •SOX •Volatile organic compounds (VOCs) •Hazardous air pollutants (HAPs)	Metric tons (t)	Performance Summary Due to the nature of our business, there are no emissions of volatile organic compounds (VOCs) or hazardous air pollutants (HAPs)
Energy Management			
RT-CH-130a.1	•Total energy consumed •Percentage grid electricity •Percentage renewable •Total self-generated energy	Gigajoules (GJ), %	Performance Summary (Total energy consumed is disclosed in MWh) The Company does not use self-generated energy for now
Water Management			
RT-CH-140a.1	•Total water withdrawn •Total water consumed	Thousand cubic meters (m³)	Performance Summary (Total water withdrawn and total water consumed are disclosed in tons)
	•Percentage of total water withdrawn in regions with high or extremely high baseline water stress •Percentage of total water consumed in regions with high or extremely high baseline water stress	%	Performance Summary
RT-CH-140a.2	Number of incidents of non-compliance associated with water quality permits, standards, and regulations	Number	Performance Summary
RT-CH-140a.3	Description of water management risks and discussion of strategies and practices to mitigate those risks	/	Resource Utilization

Code	Indicators	Unit	Location of Disclosure or Remarks
Hazardous Waste Management			
RT-CH-150a.1	Amount of hazardous waste generated	Metric tons (t)	Performance Summary
	Percentage recycled of Amount of hazardous waste generated	%	The Company has not yet compiled this data and will further improve data collection and statistics system in the future
Workforce Health & Safety			
RT-CH-320a.1	•Total recordable incident rate (TRIR)	Number	The Company has not yet compiled this data and will further improve data collection and statistics system in the future
	•fatality rate for direct employees •fatality rate for contract employees	%	Performance Summary
RT-CH-320a.2	Description of efforts to assess, monitor, and reduce exposure of employees and contract workers to long-term (chronic) health risks	/	Health and Safety
Product Design for Use-phase Efficiency			
RT-CH-410a.1	Revenue from products designed for use-phase resource efficiency	Reporting currency	Performance Summary
Safety & Environmental Stewardship of Chemicals			
RT-CH-410b.1	Percentage of products that contain Globally Harmonized System of Classification and Labeling of Chemicals (GHS) Category 1 and 2 Health and Environmental Hazardous Substances	%	The Company has not yet compiled this data and will further improve data collection and statistics system in the future
	Percentage of such products that have undergone a hazard assessment	%	The Company has not yet compiled this data and will further improve data collection and statistics system in the future
RT-CH-410b.2	Discussion of strategy to manage chemicals of concern	/	Health and Safety
	Discussion of strategy to develop alternatives with reduced human and/or environmental impact	/	Technology Empowerment

Code	Indicators	Unit	Location of Disclosure or Remarks
Genetically Modified Organisms			
RT-CH-410c.1	Percentage of products by revenue that contain genetically modified organisms (GMOs)	%	The Company' s products do not contain genetically modified organisms
Management of the Legal & Regulatory Environment			
RT-CH-530a.1	Discussion of corporate positions related to government regulations and/or policy proposals that address environmental and social factors affecting the industry	/	Addressing Climate Change
Operational Safety, Emergency Preparedness & Response			
RT-CH-540a.1	•Process Safety Incidents Count (PSIC) •Process Safety Total Incident Rate (PSTIR), and •Process Safety Incident Severity Rate (PSISR)	Number %	The Company has not yet compiled this data and will further improve data collection and statistics system in the future
RT-CH-540a.2	Number of transport incidents	Number	The Company has not yet compiled this data and will further improve data collection and statistics system in the future
Production by reportable segment			
RT-CH-000.A	Production by reportable segment	Cubic meters (m³) and/or metric tons (t)	Performance Summary

Attachment

Identification and Assessment Report of Responsible Mineral Risk （Partial）

The assessment of Tianqi lithium responsible mineral supply chain in 2022	
Evaluation subject	Talison Lithium Pty Ltd
Evaluation Subject information	Lithium pyroxene mining plant and crude refinery in Greenbush, Western Australia, Australia
Evaluator	The management group of Tianqi Lithium responsible Mineral Supply Chain
Evaluation proof	Talison public information, Public enrollment information, Tianqi lithium External announcement, Procurement order, Customs declaration document, Original site proof Domestic Logistics contract, Sign-in records, CAHRAS resources
Evaluation conclusion	1. Talison satisfied the requirement of Tianqi Lithium Responsible Mineral Supply Chain management; 2. There were no relevant risks listed in the Responsible Mineral Supply Chain guidance for Talison.
The evaluation of Tianqi Lithium responsible supply chain management system	There was no updating requirement for Tianqi Lithium responsible supply chain management system, which complied with CCCMC and OECD guidance.
Suggestion for next year	Please establish responsible supply chain page in official website.