

SUSTAINABILITY REPORT 2023

TIANQI LITHIUM SUSTAINABILITY REPORT 2023



TIANQI LITHIUM

Tianqi Lithium Corporation

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TIANQI LITHIUM



共创鋰想

CHANGING THE WORLD WITH LITHIUM

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About the Report

Overview

This Report is the seventh Sustainability Report (“the Report”) published by Tianqi Lithium Corporation (A-shares stock code: 002466, H-shares stock code: 9696). The report will systematically illustrate Tianqi Lithium’s sustainable development concept, practice and performance with respect to environmental, social and governance (“ESG”) aspects in 2023. 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 2023 Annual Report to gain a more comprehensive understanding of our sustainability performance.

Reporting Period

The Report covers the period from January 1, 2023, to December 31, 2023 (the “Reporting Period” or “this 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 Production Base” refers to Tianqi Lithium (Shehong) Co., Ltd.;

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

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

“Anju Production Base” refers to Suining Tianqi Lithium Co., Ltd.;

“Yanting Production Base” refers to Yanting New Lithium Co., Ltd.; “Shenghe Lithium” refers to Shenghe Lithium Co., Ltd.

“Established Domestic Production Bases” refers to Shehong Production Base, Zhangjiagang Production Base, Tongliang Production Base, and Anju Production Base;

“Talisson” 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 C2 to the Listing Rules issued by The Stock Exchange of Hong Kong Limited (the “HKEX”), 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”), IFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information, IFRS S2 Climate-related Disclosures, 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: analysing 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 Sustainable Development Committee, functional departments of the headquarter 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 aesthetic, readability, innovation, etc.;

Report publication: publicly discoursing the sustainability report to convey the Company’s ESG concept and performance to all stakeholders;

Summary and improvement: summarizing and analysing 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 Renminbi (“RMB”) originally unless otherwise specified. The financial data in the English version and Spanish version of the Report were converted based on the exchange rate of United States Dollar (“USD”) to RMB as of 29 December, 2023, given by the China Foreign Exchange Trade System and National Interbank Funding Centre, which is 1 USD = 7.0827 RMB and 1 AUD = 4.8484 RMB¹. If there is any discrepancy between the financial data in the Report and the data in the Company’s 2023 Annual Report, please note that the data in the 2023 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 Sustainable Development Committee of the Board of Directors on 28th April, 2024.

Contact Us

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

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Chairman's Message

Globally, accelerating the transition towards green and low-carbon energy has become a broad pursuit. At the same time, it has been a consensus of every industry to promote a low-carbon and green-oriented industrial system upgrade. As a 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 people’s safety and well-being”. While promoting the Company’s high-quality development, we have been enhancing innovation capability and ESG governance, exploring a sustainable business model of the New Era, injecting “Tianqi Energy” to the world’s sustainable development.

Capacity deployment consolidates long-term development

Tianqi Lithium is committed to the long-term development strategy of “Consolidating the Upstream, Strengthening the Midstream and Penetrating the Downstream”. With the responsibility concept of “Changing the World with Lithium”, we have actively deployed global lithium battery materials resources and processing capacity. Despite facing the challenges of overall market and economic environment, the Company has always stayed true to its original development aspiration by actively deploying lithium resources and the capacity enhancement of lithium chemical products. The total annual capacity of five established production bases for lithium chemical products has amounted to 88.8 thousand tons* of lithium compounds. Meanwhile, the Company plans to develop battery-grade lithium hydroxide projects with annual capacity of 30 thousand tons and 24 thousand tons in Zhangjiagang and Kwinana, Australia (Train II) respectively in order to ensure the supply of high-quality lithium resources and lithium chemical products, thereby steadily providing long-lasting drivers for the long-term sustainable development of new energy industry chain.

Sound governance safeguards sustainable development

In terms of ESG governance, the Company integrates the sustainable development concept of “Changing the World with Lithium” into the strategic goal of overall development and implementation in its daily operation and management. We have established and continuously improve a professional ESG governance structure and implementation system with a clear hierarchy, defined rights and responsibilities. This enables us to better carry out ESG actions, which in turn enhances the Company’s overall ESG performance, thereby increasing its value and global influence. The Company has established a ESG governance structure with the Board of Directors as its highest responsible body. At the same time, we have enhanced the Board’s professional diversity to ensure scientific and effective decision-making. As an active advocate of global sustainable development, Tianqi Lithium has continuously strengthened multilateral cooperation in the field of ESG by holding diversified ESG-themed activities, attending international ESG forums, etc, thereby increasing our global influence on sustainable development with practical actions.

Active responses facilitate low-carbon and environmentally friendly development

In terms of environmental management, based on the national strategic goals of “Carbon Peak” and “Carbon Neutrality”, Tianqi Lithium has actively addressed climate change. Moreover, while ensuring the Company’s green and low-carbon development, we are committed to driving the green and low-carbon transformation of the entire industrial chain for sustainable development. During the Reporting Period, the Company completed a structural change to a three-year US\$400 million loan linked to sustainability and

obtained dual certification. This represents the first syndicated loan linked to sustainability completed in the Chinese lithium industry. Moreover, we have published the White Paper on Sustainable Lithium Industry in Achieving Net Zero 2023 and put forward the initiative of “Changing the World with Lithium - Net Zero” calling for efforts across the lithium value chain to reduce pollution and cut carbon emissions, and we took the lead in proposing our carbon reduction commitments and the roadmap to implementation. Besides, we have been strengthening the construction of circular economy by actively researching on comprehensive recycling and utilization of lithium slag as resources. Environmental protection and compliance are the foundation of the path to low-carbon and green development, and Tianqi Lithium’s persistent high-standard operations exemplify its proactive approach in promoting the high-quality development of the industry chain. This truly fosters win-win growth of the industry, steering us towards a green and sustainable future.

Persist in putting people first to protect employees’ rights and interests

Employees are the foundation of enterprises’ operation. For over three decades of dedicated effort, Tianqi Lithium has always been people-oriented and committed to promoting the mutual development of both talent and the Company. We continuously focus on and promote human rights protection, fully safeguarding employees’ legitimate rights and interests as we stand firmly against child labour, forced labour, modern slavery and similar practices. Meanwhile, we are committed to eliminating all forms of discrimination and inequality and we provide all employees with an equal, diverse, inclusive, and safe working environment and development platform. This aims to comprehensively and continuously protect the physical and mental health of our employees, offering solid talent support for the high-quality development of the Company.

Strive to achieve win-win cooperation with global vision

As a responsible company, Tianqi Lithium is committed to joining hands with business partners and social partners to achieve mutual

development. The Company always adheres to craftsmanship as it is committed to continuously improving product quality and service, and pursuing innovation and development with its remarkable advantage in R&D. Tianqi Lithium also integrates multiple advantageous resources actively to create and reinforce a mutually beneficial ecosystem with suppliers, which supports the sustainable development of the supply chain. In the meantime, Tianqi Lithium further deepens the bond between the Company and the places where it operates at home and abroad. In detail, relying on the “Tianqi Global Public Welfare Platform”, we empower the development of rural revitalization and public welfare. Moreover, while expanding our international business, we pay close attention and actively respond to the development demands of countries and communities where we operate in order to jointly promote industrial advancement, scientific and technological development, and talent cultivation.

In a world where challenges coexist with opportunities, Tianqi Lithium dedicates itself to enhancing long-term resilience in order to better steer development and boost growth. Grounded on the new development stage, the Company will implement the new development concept in a complete, accurate, and comprehensive manner, and focus on its main business to contribute to the global energy transformation. Based on the blueprint of sustainable development, Tianqi Lithium will further uphold its original development aspiration and strengthen its international sustainability connections through its steadfast footprints of green and low carbon development, high-quality product and sincere service, and global vision, writing a glorious new chapter of the lithium industry together with all sectors of society.



Weiping Jiang

Founder, Chairman, Tianqi Lithium Corporation

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Introduction



About Tianqi Lithium

Company Profile

With lithium at its core, Tianqi Lithium is a new energy material enterprise in China and the world. It is listed on the Shenzhen Stock Exchange (002466.SZ) and the SEHK (9696.HK). Since its establishment, the Company has continuously expanded its business and gone through several phases, including corporate restructuring, listing on the Shenzhen Stock Exchange, capital expansion, global mergers and acquisitions, and listing on the Hong Kong Stock Exchange. Been through the rapidly changing internal and external environment, with a realistic and pragmatic attitude, the Company has always remained true to the original mission and forged ahead with determination, always in pursuit of better product quality. Committed to the mission of “Changing the World with Lithium,” Tianqi Lithium keeps moving forward, delivering sincere and heartfelt results to all stakeholders.

Tianqi Lithium is dedicated to unleashing the value of openness and cooperation across various dimensions, including corporate concept, management teams, technological research and development, product quality, investment and financing, corporate culture, and sustainable development. In detail, by continuously optimizing resource allocation on a global scale and adhering to international operational regulations and standards, Tianqi Lithium strides towards its ambition of becoming a global leader in the energy transition.

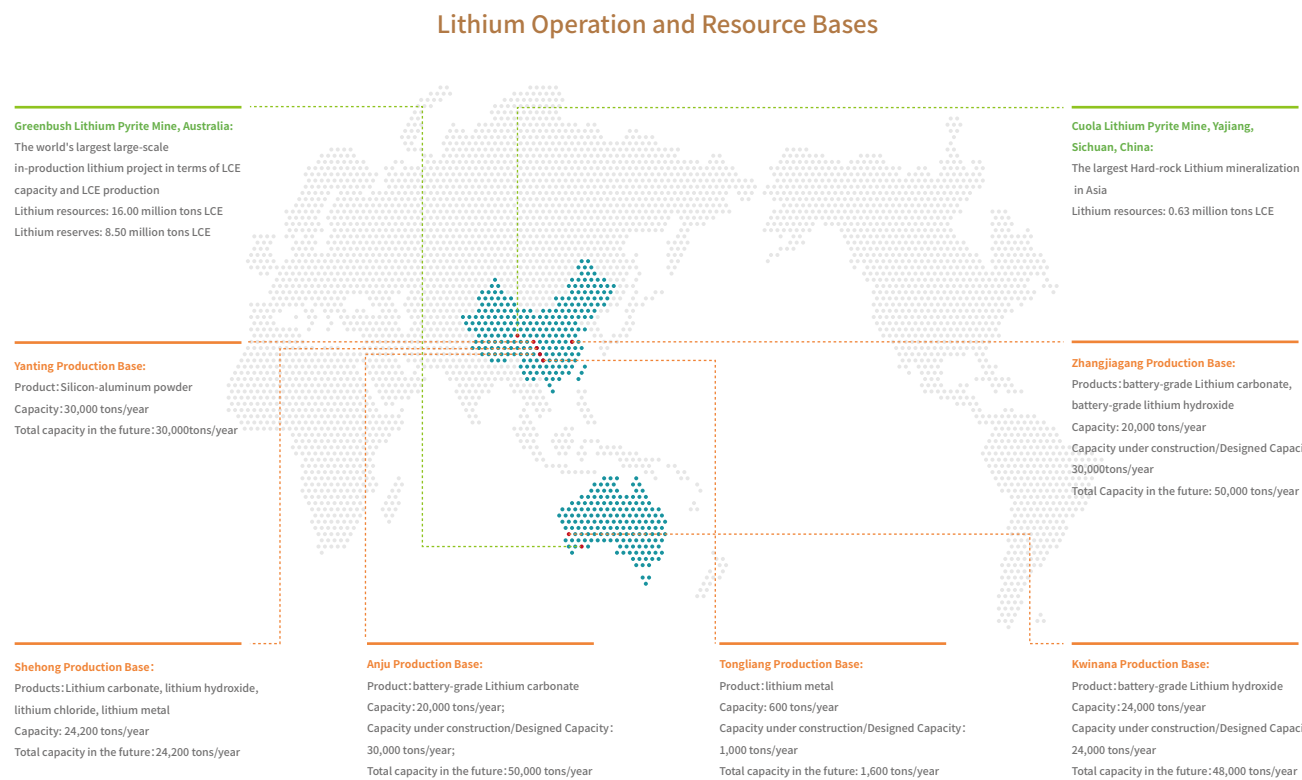
Business Overview

Business Segments

Tianqi Lithium has now established diverse main business layouts covering key stages of the lithium industry chain. 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 concentrates 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. According to Wood Mackenzie's data for the forth quarter of 2023, calculated on the production output of 2023, Tianqi Lithium has become the fifth-largest producer of lithium chemical products globally and the second-largest in Asia, with the company's lithium chemical production accounting for approximately 5% of the world's total output.

At the same time, Tianqi Lithium keeps an eye out for investment opportunities that are conducive to enhancing corporate value, proactively adapts to market development trends and actively invests in new energy and lithium assets to promote the Company's operation'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 Australia is our resource base while the Cuola lithium mine in Yajiang, Sichuan, China is another important resource base of us. They jointly ensure that Tianqi Lithium has a stable supply of high-quality lithium raw materials. In terms of production, Tianqi Lithium has large-scale and advanced Production Bases in China and Australia. The Company continuously optimizes production

processes to enhance the operational efficiency, stability, and flexibility of lithium product manufacturing. Leveraging an industrial layout that encompasses several key nodes across the supply chain along with a global advantage, Tianqi Lithium actively establishes partnerships with global customers to jointly promote the long-term sustainable development of the new energy industry.

Investment and Finance Segment

Tianqi Lithium has always promoted and consolidated strategic cooperation actively, promoting the strategic development of the Company with a forward-looking vision. In March 2023, the Company established Tianqi Lithium Innovation Research Institute, which accelerates the construction of world-class research and development platform, serving as an incubation base for innovative development and the application of achievements in science and technology research. In May 2023, the Company planned to invest in the construction of a battery-grade lithium hydroxide monohydrate plant project with a designed capacity of 30,000 tons per year at the Zhangjiagang Production Base, to expand the company's production capacity and strengthen its ability to ensure the supply of high-quality, low-cost, and diverse categories of new energy materials. In July 2023, the Company's wholly-owned subsidiary Tianqi Lithium HK planned to participate in the Series A equity financing of smart Mobility Pte. Ltd. by subscribing for additional registered capital, representing 2.83% of the total share capital of the company after the investment. In September, the Company officially signed a Memorandum of Understanding (MoU) with Mercedes-Benz AG, laying a solid foundation for possible cooperation between the two companies in the field of electrification. In October 2023, Tianqi Lithium officially signed the "Strategic Cooperation Agreement"² with the Bank of China Sichuan Branch, leveraging their respective industrial advantages to achieve more fruitful outcomes in cross-border finance, domestic and international financing, and fund management, jointly promoting the transformation of traditional energy towards

low-carbon and environmentally-friendly green energy. Besides, Tianqi Lithium has been promoting green financing steadily, tightly seizing the opportunities of green development. In May 2023, the Company, in collaboration a syndicate of banks led by Standard Chartered Bank (China) Co., Ltd and BNP Paribas completed a structural change to a three-year US\$400 million loan linked to sustainability. The Company also obtained dual certification from CECEP Environmental Consulting Group Limited (CECEPEC) and ISS. This linkage involved two ESG-related indicators, aiming at reducing the carbon emission intensity and improving water recycling efficiency. This financing represents the first loan linked to sustainability completed in the Chinese lithium industry, and it is also the first sustainability-linked loan for a Chinese capital upstream enterprise in the electric vehicle industry chain. It holds milestone significance for encouraging Chinese capital electric vehicle industry chain enterprises to achieve sustainable development goals through green financial tools.

As a lithium company with a global presence, Tianqi Lithium understands the importance of taking environmental and social responsibility in our business locations. We have continuously improved our investment management system and practiced responsible investment. We have proactively identified and assessed ESG risks in the process of investment decision-making and project management, while analysing the impact of the Company's production and operation on the local area.

² The "Strategic Cooperation Agreement" signed by Tianqi Lithium and the Bank of China Sichuan Branch serves as a guiding agreement for strategic cooperation between the two parties. The clauses contained within are not legally binding, and there is uncertainty regarding specific cooperation matters. These will be subject to further negotiation and agreement. Investors are kindly advised to be aware of the investment risks.

Highlights in 2023



Governance

- For the composition of the Board, female members account for **50%** and independent non-executive Directors account for **50%**.
- A **100%** coverage of ESG indicators in the Company's executive compensation performance has been ensured.
- The first loan linked to sustainability in the Chinese lithium industry has been completed by the Company.
- The Company's MSCI ESG rating has been upgraded from BB to **BBB** and the Company has also been included in the S&P China A300 ESG Tilted Index (in 2024).
- Ranked **10th** (by percentile) in the Bloomberg Intelligence - CSI 300 Index ESG Score. This information was issued in 2024.



Environmental

- The White Paper on Sustainable Lithium Industry in Achieving Net Zero, and the GHG emission reduction goal of the Company have been compiled and issued.
- **0** significant environmental pollution accident.
- Shehong Production Base has completed the renovation for **zero** discharge of reusable wastewater.
- Zhangjiagang Production Base's distributed photovoltaic system has been connected to the grid for power generation, with an electricity output of approximately **700,000** kWh.
- Maintained a high-level rating in the industry of **B** for the CDP's water security questionnaire and upgraded the climate change questionnaire rating from B- to **B**.



Social

- The world's first Li Science Museum has officially opened, which tells the story of lithium science and conveys the concept of sustainable development.
- A total of **425** patents were filed globally and **229** patents were granted within the validity period.
- Led and participated in the formulation/revision of **24** national standards and industry standards, participated in the development of ISO/TC 333 lithium international standards, led and participated in the development of **10** lithium international standards.
- Invested **1,915,455.97** USD in employee training, reaching average training hours per employee to **30.33** hours.
- Invested a total of **537,619.83** USD in the community, reaching volunteer service time to **1,528** hours.
- Program NET (New Energy Talents) has been held successfully to promote cultural and talent exchanges between China and Chile.

The Strategy and Investment Committee of Tianqi Lithium is responsible for conducting research and making recommendations and proposals on the Company's major investment decisions, while supervising the implementation of the Company's strategies and investment plans. Ms. Wu Changhua, an independent director among the Committee members, has actively incorporated the consideration of ESG factors in the committee's proposal by virtue of her expertise in the field of environment and sustainable development. She points out the ESG risk factors in the Company's proposed investment projects and puts forward corresponding suggestions, while also imparting the ESG concepts and knowledge to the other members of the Board and the management level of the Company during Board and Committee meetings.

In the process of domestic and overseas M&A, we have established a comprehensive investment management system and formulated the "Investment Management Procedures" to clarify the specifications for pre-investment review, mid-investment monitoring, and post-investment management. In 2023, the Company focused more on ESG in outbound investments and completed the revision of the "Outbound Investment Management Procedures", so as to ensure that the principles of responsible investment are effectively implemented:

- Added ESG-related questions to the pre-investment due diligence checklist;
- Involved the ESG and Sustainability Department in the investment management process, which is responsible for the pre-investment ESG due diligence and preliminary assessment. When necessary, third-party organisations can be hired to provide independent opinions based on professional analysis. They can also assist in tracking and identification of potential ESG risks in projects after investment, while proposing and assisting in the implementation of improvement plans.

As an industrial enterprise, Tianqi Lithium's domestic and

international investments are guided by a responsible long-term and catalytic spirit, aiming to drive the development of local upstream and downstream industrial chains and job creation through its physical projects. Specifically, at the Shehong Production Base:

- In terms of technological advancement: With the outstanding technical capabilities and innovative prowess, Tianqi Lithium provides robust technical support for the lithium battery industry in Shehong. Continuously incorporating advanced production techniques and equipment, the Company effectively propels the overall technological upgrading and transformation of the industrial chain. By elevating the technological standards of Shehong's lithium battery industry, Tianqi Lithium significantly aids local enterprises in keeping pace with international markets. At present, the Company is actively supporting the establishment of a provincial-level lithium battery product quality supervision and inspection centre as well as a lithium battery material innovation centre in Shehong, further fostering industrial technological development.

- In terms of industrial leadership: The rapid growth and ongoing expansion of Tianqi Lithium have effectively attracted a multitude of upstream and downstream enterprises to invest and establish facilities in the region. As per statistics, propelled by the brand influence of Tianqi Lithium, Shehong has successfully drawn in 10 listed companies such as Contemporary Amperex Technology Co., Ltd. and Shengxin Lithium Energy, along with industry-leading enterprises. Furthermore, 39 lithium-related industrial enterprises and over 50 industrial projects have been introduced, facilitating employment for more than 4,000 individuals. The arrival of these aforementioned enterprises has further enriched the ecological chain of Shehong's lithium battery industry, fostering the soundness and perfection of the industry chain. In 2023, Shehong's lithium battery industry achieved a total output value of 8.58 billion USD.



ESG and Sustainable Development Honors and Awards Won by Tianqi Lithium in 2023 (Partial)

Honors and awards	Awarding body
A rating of A awarded in the 2022 annual information disclosure of SME board-listed companies assessment by Shenzhen Stock Exchange	Shenzhen Stock Exchange
Listed in the Compilation of Excellent ESG Practice Cases of Listed Companies (2023)	China Association for Public Companies
Listed Company Board of Directors Excellent Practice Case Award (2023)	China Association for Public Companies
2022 China Enterprise Carbon Neutrality Performance Ranking - Energy Conservation and Emission Reduction Achievement Award	Yicai, Shanghai Jiao Tong University's Research Institute of Carbon Neutrality, and Envision Group
"ESG" Activist Data Rating: A	National Business Daily, Central University of Finance and Economics International Institute of Green Finance (IIGF)
Outstanding Director of the Year 2023	Hong Kong Institute of Directors
2022 Caring Enterprise of the Year	Sichuan Charity Federation
Ganzi Advanced Charitable and Public Welfare Enterprise	Sichuan Charity Federation
2023 China New Growth · ESG Trailblazing 2023	Harvard Business Review
Annual Charity Role Model	China Philanthropy Times
Southern Weekly Brand Conference Annual Public Welfare Dissemination Case — Program NET (New Energy Talent)	Southern Weekly
Ranked 32nd at the Southern Weekly Chinese Enterprise Social Responsibility Ranking List (2022)	Southern Weekly
2023 "Barron's China Top 100 President Secretaries" — "Excellent ESG Value Dissemination" Subcategory Evaluation	Barron's
Golden Disclosure Award	China Securities Journal
2023 China Financial Capital Forum Award for Excellence in Governance	Economic Information Daily
Social Responsibility Vanguard Enterprise Award	Finance Association
Best Disclosure Award	China IR Annual Awards
The Best "Sustainable Corporate Culture" Film — SDGs Contribution Film Award	UK-China Film Collab (UCFC)
ESG IN BUSINESS SHORT FILM AWARD	TVE Global Sustainability Film Awards (GSFA)
ISSB PARTNERSHIP FOR EARLY AWARENESS OF SUSTAINABILITY-DISCLOSURE TODAY	IFRS Foundation Beijing Office

Stakeholder Engagement and Materiality Assessment

Stakeholder Engagement

Through the “Stakeholders’ Rights-Interests Model”, Tianqi Lithium has established a long-term 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 this Reporting Period, we identified a total of 9 types of major stakeholders. Based on the different types of stakeholders, we understood and analysed their major concerns, and adopted different methods to respond to the concerns of various stakeholders in a targeted manner.



Category of stakeholders	Issues of concern	Responses from Tianqi Lithium	Frequency
Customers	Product responsibility	Product quality testing	Regular and irregular
	Research and development (“R&D”) and innovation	Increasing investment in R&D and innovation	Annual
	Opportunities in Clean Technology	R&D of clean technology	Annual
Employees of the Company	Employment and employee management	Implementing legal employment	Annual
	Diversity, equality and inclusiveness	Safeguarding employee rights and interests	Irregular
	Career development and training of employees	Expanding employee development channels	Quarterly
	Occupational health and safety	Establishing a sound occupational health and safety management system	Annual
	Human rights protection	Fully considering and respecting local and internal employees’ rights	Irregular
Shareholders and investors	Corporate governance	Complaint reporting and monitoring mechanism	Irregular
	Compliance and risk management	Improving legal affairs and risk control system	Annual
	Business ethics and transparency	Strengthening information disclosure	Irregular
	Economic performance and financial responsibility	Publishing the annual report, interim and quarterly reports, and paying tax according to law	Annual, semi-annual, and quarterly
Government / regulatory authorities	Greenhouse gases emission management	Promoting carbon management projects	Monthly
	Climate resilience	Identifying climate change risks and opportunities, developing and implementing management strategies	Semi-annual
	Energy management	Implementing energy conservation and emission reduction measures, and building a digital energy management system	Quarterly
	Water resources management	Recycling water and developing related technologies	Semi-annual
	Air quality management	Implementing air pollutant management measures	Irregular
	Material, solid waste and tailings management	Perfecting waste disposal management ,high-value utilization of lithium slag	Irregular
	Biodiversity conservation	Strengthening the construction of green mines	Annual
	Chemical safety	Developing management process and response plan	Irregular
	Economic performance and financial responsibility	Publishing the annual report, interim and quarterly reports, and paying tax according to law	Annual, semi-annual, and quarterly
Partners	Research and development (“R&D”) and innovation	Increasing investment in R&D and innovation	Annual
Public/ communities	Social inclusion and contributions	Enhance communication with communities, increasing community investment, and launching a number of public welfare programs and volunteer service programs	Quarterly
Suppliers	Responsible supply chain	Establishing a fair and transparent procurement management system	Quarterly
		Supplier training and assistance	Annual
Professional institutions/ scholars	Opportunities of clean technology	R&D of clean technology	Annual
	Research and development (“R&D”) and innovation	Increasing investment in R&D and innovation	Annual
Media	Corporate governance	Complaint reporting and monitoring mechanism	Irregular
	Business ethics and transparency	Strengthening information disclosure	Irregular
	Economic performance and financial responsibility	Publishing the annual report, interim and quarterly reports, and paying tax according to law	Annual, semi-annual, and quarterly

Materiality Assessment

To better respond to the demands and expectations of stakeholders, the Company conducted a materiality assessment during the preparation of the Report to accurately understand the issues of concern to all the stakeholders and to assist the Company in orderly identification and management of its own risks and opportunities. Through the materiality assessment, we identified the material ESG issues in 2023, which are the focus points of the Report.

Procedures of Materiality Assessment



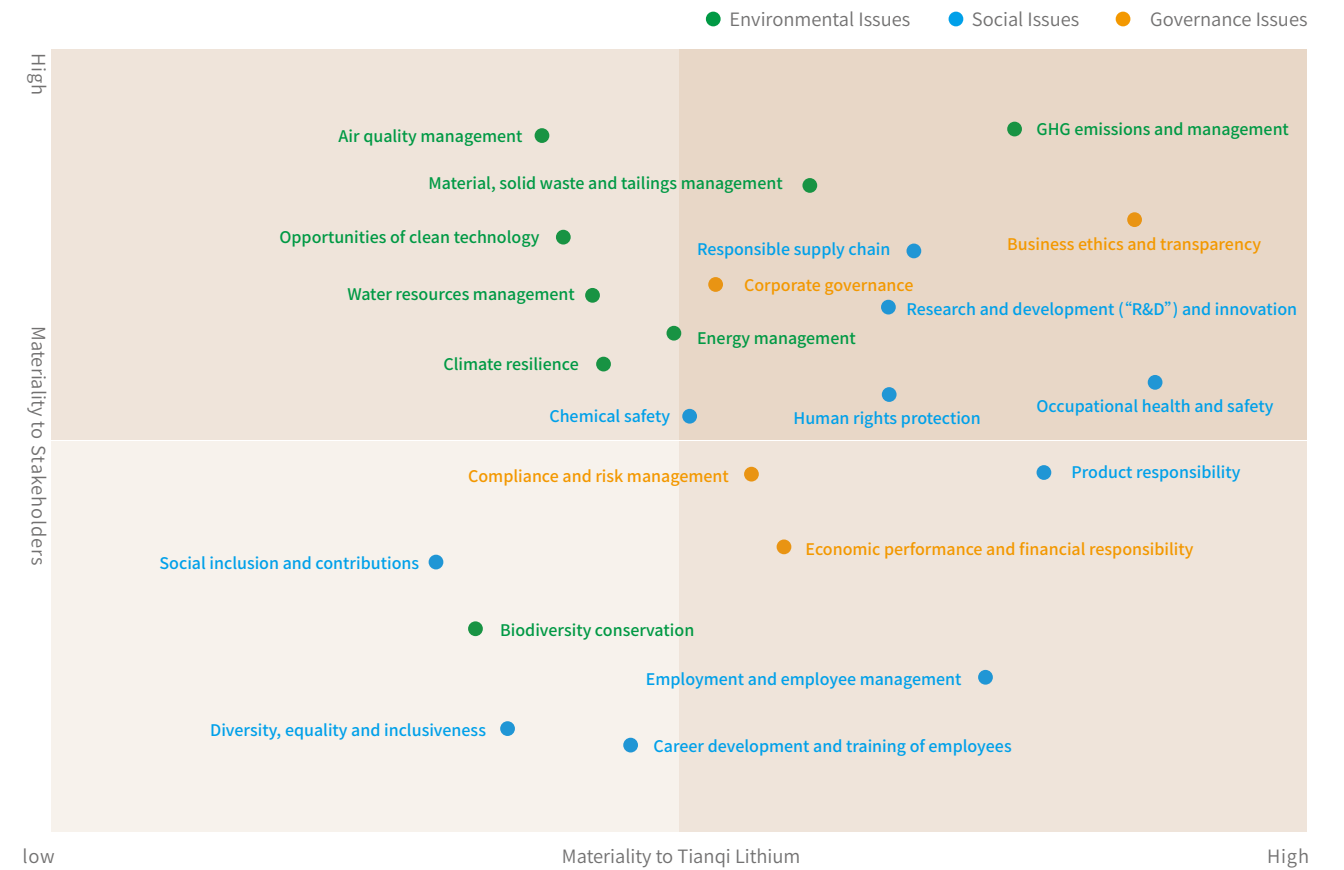
Materiality Matrix

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 22 material issues, in which 18 were identified as high-materiality issues, including 7 environmental issues, 7 social issues and 4 governance issues.

Tianqi Lithium 2023 ESG Issues Pool and Materiality of Issues³

Environmental issue		Social Issues		Governance issues
GHG emissions and management	Air quality management	Product responsibility	Chemical safety	Corporate governance
Climate resilience	Material, solid waste and tailings management	Research and development (“R&D”) and innovation	Human rights protection	Compliance and risk management
Energy management	Opportunities of clean technology	Responsible supply chain	Diversity, equality and inclusiveness	Business ethics and transparency
Water resources management	Biodiversity conservation	Employment and employee management	Career development and training of employees	Economic performance and financial responsibility
		Occupational health and safety	Social inclusion and contributions	

³ Material issues are in bold.



2

Governance

Tianqi Lithium is committed to integrating the sustainable development concept into operation, management, and the overall development strategy. Based on that, the Company has been continuously improving and perfecting its governance practice to construct a compliant governance system with Tianqi characteristics. Under the governance structure featuring sound coordination, clear rights and responsibilities, the Company fully implements the strategy of sustainable development, continuously enhancing risk monitoring and management, and strictly adhering to business ethics. While promoting digital construction, the Company strives to ensure information security and privacy protection, thereby laying a solid foundation for the Company's stable operation.

This chapter responds to the following SDGs:



This chapter responds to the following material issues:

- Corporate governance
- Compliance and risk management
- Business ethics and transparency
- Economic performance and financial responsibility



A Story of Responsibility:

Under the Sustainability Governance, Zhangjiagang Production Base Has Taken on an Entirely New Look

Normative corporate governance and outstanding management skills together laid a solid foundation for Tianqi Lithium's sustainable and high-quality development. They have also served as the core driving force behind the successful integration following each corporate merger and acquisitions, as well as the realization of strategic benefits. During acquisitions, merges and expansions, the Company, profoundly committed to advancing the manufacturing industry and unleashing its value, has achieved multiple times of "turning losses into gains". A typical example is the Company's acquisition of its Zhangjiagang Production Base, in which the Company skilfully transformed assets to be optimized into its production strengths.

In 2012, the first fully automatic production line in China was completed in Zhangjiagang, Jiangsu. This factory introduced China's first fully automatic lithium carbonate production line, with a designed capacity of 17,000 tons/year. It was the largest lithium carbonate Production Base in the Asia-Pacific region at that time. However, the original Zhangjiagang production line failed to achieve economies of scale even long after it started production. The actual annual output was less than half of the designed capacity, and it continued to operate at a loss. This was because of bad management, the lack of the experience in producing lithium products, original design flaws of the production line, unsatisfactory quality of lithium concentrates, etc.



In 2015, Tianqi Lithium acquired the original Zhangjiagang Production Base. After the acquisition, the Company continuously implemented its business philosophy "Change the World with Lithium". Leveraging its vast experience in lithium production and rich skills, it thoroughly reevaluated and upgraded the plant's operations. This included enhancing the management model, human resources, safety, and environmental protection. The result was a transformation of the plant from a bleak future to an advanced production base with high-tech, green production and other advantages.

- Stick to complete and normative governance mechanisms: Continuously enhance professional management skills by introducing Tianqi management philosophy and corporate culture. After acquisition, the original staff from Galaxy Resources were still accepted, whose production initiative and creativity have been fully stimulated. This has filled the production base with vitality and energy.

- Fully automatic production accelerates development: The

Zhangjiagang Production Base manages all control points from input to output at the Control Centre, with every valve and temperature point precisely monitored. Production management personnel can remotely monitor in real-time through user interfaces, ensuring the efficiency and stability of automated production lines and improving the safety of the final product right from the raw material stage.

- Build up a team of talents featuring excellence and efficiency: Leveraging the regional advantages of Zhangjiagang, the production base attracts professionals in operation, management, and production skills. The workers of the automatic production line are required to be experienced in chemical engineering, automation, security and environmental protection; compared to the 500 to 700 members of staff of traditional non-automatic lithium salt plant under the same production scale, Zhangjiagang Production Base boasts less than 200 members of staff, which includes administrative and laboratory staff. This significantly cuts down the human resource budget.



· Grounded in the concept of energy and resource conservation: While enhancing management efficiency and performance, and capacity utilisation rate, Zhangjiagang Production Base emphasizes higher standards of security and environmental protection, committed to fully resolve perennial environmental protection issues. The base always uses natural gas as the sole combustible energy, which compared to traditional fossil fuels can reduce sulfur oxides and dust emissions by nearly 100%, and reduce nitrogen oxide emissions by about 70%; responding to the latest emission standards for inorganic chemical industry, the base has proactively conducted technological transformation, applying strict standards for waste discharge and ensuring compliant exhaust gas emission; the based has also focused on energy conservation and consumption reduction. In detail, it has implemented projects such as the recovery and utilization of lithium oxide from slag and the recycling of hot water to comprehensively reduce resource consumption.

The revitalised Zhangjiagang Production Base has fully unleashed its management and capacity advantages as a fully automatic lithium carbonate production base: Its production

line incorporates functions such as storing, integration and analysis, which can help the technical team with optimising technological parameters and procedure control; each batch of product's consistency of quality is ensured as the introduction of Greenbushes high-quality spodumene concentrates facilitates the continuous production of high-quality product; the capacity has reached 20,000 tons/year, making the base the world's leading fully automatic battery-grade lithium carbonate production base.

Zhangjiagang Production Base will consolidate the foundation of sound operation, leveraging the advantages of large-scale high capacity and high-quality product to further enhance comprehensive competitiveness. Tianqi Lithium will maintain the development strategy of "consolidating the upstream industrial advantages, enhancing business development in the midstream, and expanding to downstream sectors." With "Changing the World with Lithium" as its responsibility concept, Tianqi Lithium will strengthen its advantage of sustainability governance and forge ahead with stability to lead the industry's high-quality development.

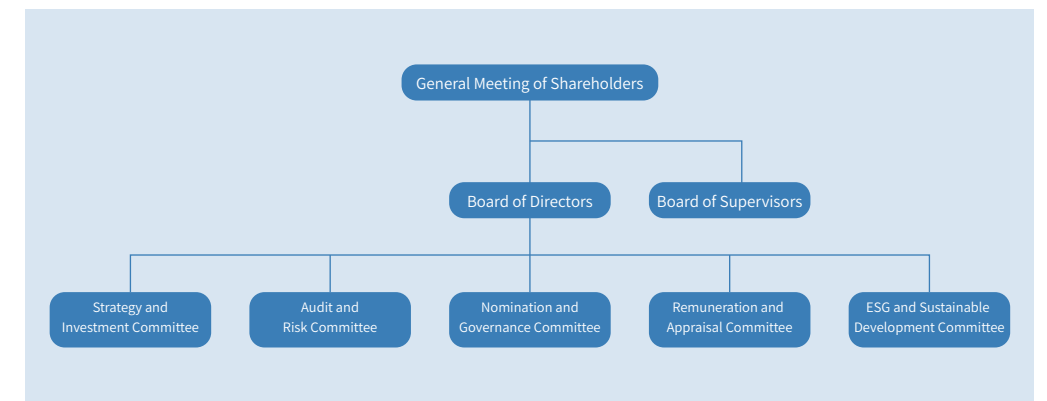


ESG Governance

Adhering to the sustainable development responsibility concept of "Changing the World with Lithium", Tianqi Lithium has been continuously optimising corporate governance framework to promote sustainable development and upgrade ESG governance. Moreover, with the governance mechanism featuring effectiveness, balance and professional decision-making, the Company is able to respond to the demands of internal and external stakeholders and ensure their rights and interests. This lays a solid foundation for the Company's normative corporate operation and globalisation.

Governance Structure

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, and established a modern corporate governance structure comprising the General Meeting of Shareholders, the Board of Directors, the Board of Supervisors, and the management. This formed a corporate governance mechanism that is normative, scientific and effective.



The General Meeting of Shareholders is the highest governing body of the Company. The company holds the General Meeting of Shareholders in strict compliance with the Articles of Association and the Procedure Rules of Shareholders' General Meeting, ensuring that all the shareholders, especially minority shareholders, can enjoy equal right and fully exercise their voting rights. The Board of Directors is responsible for the overall governance and business development of the Company. It has established the Audit and Risk Committee, Remuneration and Appraisal Committee, Strategy and Investment Committee, Nomination and Governance Committee, ESG and Sustainable Development Committee to assist and support the Board of Directors in performing its functions. The Board of Supervisors, as the supervisory body of the company, oversees the compliance and performance of the Board of Directors and management, effectively safeguarding the legal rights and interests of the Company and its shareholders.

Tianqi Lithium considers the concept of sustainable development as an indispensable part of the Company's governance, operation and management, establishing an ESG governance structure with clear division of rights and responsibilities. The Board of Directors is the highest body responsible to the Company's ESG governance while the ESG and Sustainable Development Committee is responsible for the formulation of ESG and sustainable development vision, goals, and strategies, and supervising the implementation of specific management affairs. The Company has also established the ESG and

Sustainability Department to establish the ESG-BP (ESG-Business Partner) mechanism among various departments and production bases home and abroad. In cooperation with Carbon Management, Sustainable Supply Chain Management and other inter-departmental working groups, the ESG and Sustainability Department is responsible for implementing the specific affairs of each ESG material issues. Its duty also includes promoting the work of ESG and sustainability based on the Company's overall sustainable development planning, working with other departments, production bases and resource bases.

In 2023, a new independent non-executive Director, Ms. Wu Changhua⁴, an expert in sustainable development joined the Board of Directors and elected as the convenor of the ESG and Sustainable Development Committee. This aims at further enhancing the professionalism of the Board of Directors, encouraging members of the Board to actively put forward proposals related to ESG and sustainable development during the meetings of the Board, and strengthening the Board's awareness and competence of incorporating ESG factors into decision-making. During the Reporting Period, the ESG and Sustainable Development Committee held 2 special meetings to review the company's annual Sustainability Report and Social Responsibility Report. And the ad hoc meetings were held from time to time for the committee to review ESG-related documents.

The Independence and Diversity of Board of Directors

Tianqi Lithium understands the importance of having a standardised board structure to enhance corporate governance. In 2023, the Company updated its Articles of Association, Rules of Procedure for Meetings of the Board of Directors, Working System for Independent Directors and Working Rules of Specialised Committees in accordance with the Measures for the Administration of Independent Directors of Listed Companies issued by the China Securities Regulatory Commission⁵, thereby ensuring that the composition and appointment of the Board's members comply with relevant regulations.

The Company places great importance on the independence and diversity of the Board's structure and takes into account various factors such as gender, educational background, and industry experience when selecting board members, to ensure the scientifically effective decision-making of the Board. As of

the end of this Reporting Period, the Board of Directors of Tianqi Lithium has a total of 8 members, with rich experience in multiple domains such as lithium industry, corporate governance, finance and accounting, risk management, ESG and sustainable development, strategy, etc. Among the Board of Directors, the independent non-executive directors account for 50%, and the proportion of female directors is 50%. All five specialized Board committees are chaired by independent non-executive directors, and all members of the Audit and Risk Committee are independent non-executive directors. Additionally, matters pertaining to professional fields must be reviewed by the Board's specialised committees before submission to the Board of Directors, leveraging the expertise and impartial perspective of independent non-executive directors to provide valuable references for the Board's decision-making.

Tianqi Lithium Corporation's sustainable development and ESG governance structure



The proportion of female directors of the Board has reached **50%**



The proportion of independent non-executive directors of the Board has reached **50%**



2 experts in sustainable development has joined the Board **2**人

⁴ Ms. Wu Changhua has served as the China Program Director at the World Resources Institute and the President of the Climate Group Greater China. She is currently the Vice Chair of the Asia-Pacific Water Forum Executive Committee, Chair of the Future Innovation Centre, a member of the Steering Committee for the Innovation for Cool Earth Forum (ICEF) in Japan, and a member of the Water Security Advisory Committee for the Asian Development Bank. She has extensive experience and expertise in the fields of ESG, sustainable development, and new energy.

⁵ For the details of Tianqi Lithium's corporate governance, please refer to its official website: http://www.tianqilithium.com/relationship/relationship_i.html

⁶ Ms. Huang Wei was appointed as an independent non-executive director of the Company since June 2022. She obtains a PhD degree of real estate economics from at University of Hong Kong, and has extensive experience in appraisal, finance and business analysis, ESG strategy, advisory, risk evaluation and prevention. Ms. Huang is the founder and CEO of Hong Kong Appraisal Advisory Ltd., and also the independent director of Tenfu (Cayman) Holdings Company Limited. She is an Accredited Senior Appraiser of American Society of Appraisers (ASA), a Chartered Member of the Royal Institution of Chartered Surveyors (MRICS), and a Registered Business Valuer registered with the Hong Kong Business Valuation Forum (RBV).

Sustainability Remuneration

Tianqi Lithium has been improving and strengthening the incentive and restraint mechanisms of its Directors and senior management, with internal files such as Remuneration Management System of Directors and Supervisors and Remuneration Packages for Senior Management made to promote the Directors, Supervisors, and Senior Management to fully perform their functions, thereby enhancing the effectiveness of the Company's governance. According to relevant regulations, the remuneration of the company's senior management personnel consists of basic salary and performance appraisal, and it is implemented after the Remuneration and Appraisal Committee and the Board of Directors review and approve the proposal for the adjustment of senior management remuneration for the year. Meanwhile, the Company has also established a clawback mechanism of senior executives' remuneration, which clearly states that in the event of significant changes in external conditions of the Company or senior executives causing significant adverse

effects to the company, the Remuneration and Appraisal Committee has the authority to adjust the remuneration plans of the involved senior executives for the current or subsequent years.

Furthermore, during the Reporting Period, the Company, based on the functional authorities of senior executives in different departments, has established corresponding qualitative and quantitative ESG performance appraisal indicators (covering three dimensions: environment, social, and governance, totalling 22 indicators), achieving a 100% coverage ratio of senior executives' remuneration linked with ESG indicators. This has motivated the management to continuously advance the work related to ESG management. As of the end of this Reporting Period, all senior executives of the company have achieved their ESG performance appraisal targets for the Year.



Management Strategies

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.

During this Reporting Period, we have continuously promoted

the implementation of our sustainable development strategy based on the sustainable development model. We have achieved phased objectives in governance mechanisms, management measures, and information disclosure. At the same time, we have constantly enhanced the granularity of management requirements, innovated the collaborative working framework within the Company, and forged ahead towards our goal of "becoming a global leader in sustainable development in the new energy sector." In 2023, Tianqi Lithium as a member of the United Nations Global Compact (UNGC), supporting the ten principles in areas such as human rights, labour, environment, and anti-corruption. This commitment is closely integrated with the Company's sustainable development and ESG efforts and helps promote the achievement of the United Nations Sustainable Development Goals.

Sustainable Development Strategy

In 2023, guided by our Company's sustainable development planning, we further strengthened the comprehensive enhancement work of the new phase. In terms of ESG governance, the ESG and Sustainable Development Committee kept abreast of the latest information on sustainable development and ESG through biweekly newsletter, monthly work reports, and special reports, and are clearly informed about the Company's major ESG matters and management progress. Regarding ESG management, the ESG and Sustainability Department has now

completed the construction of the ESG indicator system, incorporating ESG-related performance indicators into senior executives' remuneration and appraisal system, and maintaining real-time tracking of ESG performance indicators. In terms of ESG disclosure and communication, the Company benchmarks against domestic and international mainstream sustainability disclosure standards, rating systems, and frameworks, actively engages in communication with external stakeholders, and enhances the company's influence in sustainable development.

The ESG Business Partnership

While steadily implementing our ESG strategy and achieving our set goals, we have explored and established a professional and effective "ESG-BP" (ESG-Business Partner) mechanism. We positioned the ESG and Sustainability Department as the ESG

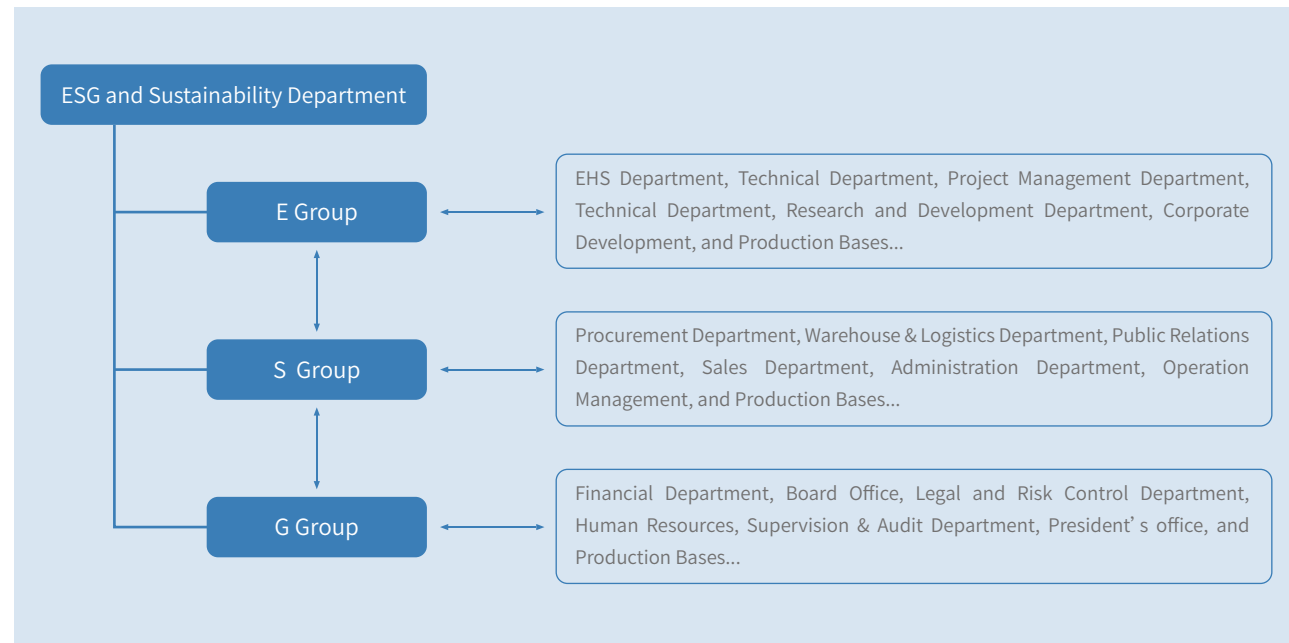
partner for other departments, fostering close collaboration between the ESG and Sustainability Department and other relevant departments, thereby providing a solid foundation for the implementation of various ESG initiatives.

To ensure the “ESG-BP” mechanism provides precise and effective support, we have internally divided the ESG and Sustainability Department into three teams: Environment (E), Social (S), and Governance (G). Each team acts as an “strategy team” for ESG, serving as the strategy group for other functional departments, production bases, and resource bases in carrying out ESG activities. They are responsible for directly liaising with designated department or base personnel, closely understanding the needs or challenges in the execution process, and promptly formulating response strategies to facilitate the implementation of ESG initiatives. We organise regular visits for members of the ESG-BP teams to our production bases, ensuring that sustainable development

management practices are integrated into production and operations, and facilitating the flow of ESG information between our headquarter and bases.

At the same time, the three “ESG-BP” teams maintain communication within the ESG and Sustainability Department, sharing expertise on specific ESG issues, conveying challenges encountered by different departments, and leveraging ESG issues managed by each team to address effectively the needs of all departments, promotion, and resource bases. They also promptly update, summarize, and report on the Company’s current ESG management.

Tianqi Lithium ESG-Business Partnership



The function of “Customer Manager”:

Timely response to ESG-related issues and support needs encountered by various departments in their daily work. Organize the ESG requirements of various departments, discuss and evaluate them within the ESG and Sustainability Department.

The function of “Professional Manager”:

Combine ESG expertise with the practical work of various departments to develop actionable ESG work plans that can be integrated into regular management processes; jointly propose solutions, and when necessary, contact, communicate and cooperate with other relevant departments.

Sustainable Development Influence

Tianqi Lithium fully understands the importance of external communication on sustainable development and the collective effort to drive social transformation. The Company is committed to conveying a positive and responsible ESG concept, exchanging practical experiences with external partners, engaging in various domestic and international sustainable development dialogues, thereby enhancing the Company’s influence on sustainable development.

Case: Tianqi Lithium Was Invited to Attend the 28th United Nations Climate Change Conference (COP28)

The COP28 officially commenced in Dubai, United Arab Emirates, on November 30, 2023. Tianqi Lithium, as a representative of Chinese new energy materials enterprises, was invited to attend the China Corner’s side event of COP28, with the theme “Innovation Leading Development and Assisting Global Governance – China’s Policy and Practices for Pollution Reduction, Carbon Reduction, and Coordinated Efficiency Enhancement.” Jiang Anqi, Vice Chairwoman of Tianqi Lithium, delivered a speech introducing that Tianqi Lithium has fully implements its ESG strategy by systematically managing carbon at the operational and product levels, following the European Union Product Environmental Footprint (PEF) standard, adopting the carbon neutrality approach consisting of accounting, emission reduction, and disclosure. In exploring pollution and carbon reduction pathways, the Company has undertaken initiatives such as energy substitution, energy and material conservation, and process innovation. Mr. HA, Frank Chun Shing, Executive Director & Chief Executive Officer of Tianqi Lithium, in the event published Tianqi Lithium’s White Paper on Sustainable Lithium Industry in Achieving Net Zero and put forward the initiative of “Changing the World with Lithium - Net Zero”, showcasing the efforts and responsibility of Chinese enterprises in achieving the “dual carbon” goals to the international community.



Jiang Anqi, Vice Chairwoman of Tianqi Lithium, Delivered a Keynote Speech



Mr. HA, Frank Chun Shing, Executive Director & Chief Executive Officer of the Company, in the Event Published Tianqi Lithium’s White Paper on Sustainable Lithium Industry in Achieving Net Zero



Tianqi Lithium unveiled and presented at COP28 with the Lithium Industry’s First White Paper on Sustainable Lithium Industry in Achieving Net Zero



Wang Weina, Tianqi Lithium’s Director of ESG & Sustainability, Participated in the Discussion of the Conference

Risk Management and Internal Control

Tianqi Lithium operates on the fundamental principle of compliance, paying close attention to various risks in its business lines and operations. It integrates ESG factors into its risk management system and optimizes the system comprehensively through pre-event, mid-event, and post-event management processes, steadfastly reinforcing its risk prevention measures. Concurrently, the Company is dedicated to continuously enhancing the promotion of legal compliance culture and the strength of internal control supervision, employing multiple strategies to improve its risk prevention capabilities.

Strengthen Risk Management

We have established a risk management system with three lines of defence as the management guarantee, which is built around the centralised management and control of internal risks and continuous monitoring of external risks. The Legal and Risk Control Department is responsible for strengthening and perfecting the Company's risk management policies, with a primary focus on changes in laws, regulations, and regulatory policies. It conducts risk identification and assessment for all company business activities to ensure compliance in operations.

First line of defence



Functional departments

Organize daily work in accordance with basic compliance requirements

Second line of defence



Legal and Risk Control Department

Establish a risk management system to promptly identify and assess the risks faced by the Company

Third line of defence



Supervision and Audit Department

Strengthen risk prevention and identify potential deficiencies in management and control

The Company has incorporated ESG-related risks into its risk management framework, designating the ESG and Sustainability Department as the first line of defence for ESG risks responsible for specialized risk identification, assessment, response, and monitoring. The Legal and Risk Control Department is tasked with conducting further professional research to effectively manage potential risks. In 2023, in response to new regulations such as the Regulation (EU) 2023/1542 concerning batteries and waste batteries, the Legal and Risk Control Department analysed the implications for the Company's business development. They also held a discussion forum on emerging ESG legal issues in collaboration with the ESG and Sustainability Department.

Tianqi Lithium Shared Lithium Battery Industry's Experiences in ESG and Sustainable Development

In October 2023, 2023 China (Suining) International Conference on Lithium Battery Industry and International Symposium on New Energy Vehicle and Power Battery Industry was held in Suining. Under the theme of "Low-carbon Era and Creating the Future with 'Lithium'", The conference gathered representatives from leading enterprises from related fields to exchange views on topics such as promoting a harmonious coexistence between humans and nature, adhering to ESG and sustainable development strategies, and advancing the green transformation of the energy structure.

At the conference, Mr. Tian Xingguo, the manager of the ESG and Sustainability Department at Tianqi Lithium, delivered a keynote speech. He shared the main content of Tianqi Lithium's White Paper on Sustainable Lithium Industry in Achieving Net Zero, detailing key strategies for achieving net-zero emissions along the industrial chain. He called for industry partners to join the net-zero movement and introduced Tianqi Lithium's own carbon reduction commitment and roadmap to implementation. His presentation contributes to the green and low-carbon development of the Sichuan-Chongqing economic zone and the high-quality development of the new energy industry in Sichuan and Chongqing.



Tianqi Lithium Shared Insights into Lithium Industry's Net-Zero Movement

Tianqi Lithium's Original Sand Animation "We Share" was Granted Awards for Sustainability Films

Tianqi Lithium hosted an ESG cocktail party event themed "WE SHARE" in Santiago, Chile, in 2022, and created a thematic video using the modern art technique of coloured sand animation. The video vividly demonstrated the company's social responsibility practices around the United Nations SDGs and its responsibility concept of "Changing the World with Lithium".

In September 2023, the sand animation was granted The Best "Sustainable Corporate Culture" Film — SDGs Contribution Film Award in Odyssey 2023's Inaugural "Sustainable Corporate Culture Film Awards" Ceremony. In November of the same year, "We Share" was invited and entered into the 11th TVE Global Sustainability Film Awards (GSFA) and won the ESG IN BUSINESS SHORT FILM AWARD, marking Tianqi Lithium the first Chinese company to receive this accolade. Utilizing sand painting, a low-carbon art form, the "We Share" narrated the interconnections between the world and lithium, Tianqi and lithium, as well as Tianqi and the world. It showcased Tianqi Lithium's active role in promoting the transition to clean energy and its commitment to co-creating a carbon-neutral future. The video's effective communication of the concept of sustainable development and business practices gained international recognition.



"Sustainable Corporate Culture Film Awards" by 2023 Odyssey Film Festival



Tianqi Lithium attended the 2023 TVE Global Sustainability Film Awards Ceremony

In addition, Tianqi Lithium has actively established a risk management training system, effectively enhancing all employees' awareness of risk control. The Company issues monthly legal risk control newsletters to senior executives, providing training materials that are both timely and practical, and conducts risk awareness training for all new employees, emphasising the importance of risk management and standardized practice. During this Reporting Period, we organised a "Legal Risk Control Culture Promotion Month", inviting internal and external experts to provide specialized training at the headquarter; we also held a "Risk Control Awareness Implementation" event, where the Legal and Risk Control Department visited various production bases in person for communication and exchanges, enhancing the legal compliance awareness and capabilities of the base employees.



Enhance 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, Tianqi Lithium has established Terms of Reference of the Audit and Risk Committee of the Board of Directors of the Company, the Internal Audit Management System, the Basic Internal Control System, the Internal Accountability System and the Internal Control Defects Identification Standards, thereby improving the standardised system of internal control.

The Company conducts a self-evaluation of the effectiveness of its internal controls twice annually. Based on the accuracy and authenticity of the self-evaluation results, a comprehensive inspection plan is devised, and evaluation work is carried out, resulting in the Internal Control Self-Evaluation Report. At the same time, an external accounting firm is hired to conduct an internal control audit at the end of each year. The scope of our internal and external audit evaluations encompasses all operating units including the Company's headquarter and various production bases, and covers aspects involving environmental, health and safety, compliance, and other ESG-related risks. For any internal control deficiencies identified during audits, the Company's Supervision and Audit Department is responsible for overseeing the rectification work and regularly tracking the progress of the rectifications to ensure that findings are resolved promptly and effectively. During this Reporting Period, no significant internal control deficiencies were found in the Company's internal and external audits.

Business Ethics and Transparency

Tianqi Lithium integrates commercial value with corporate social responsibility, committing to conducting business with high standards of business ethics. We adhere to operating with integrity, strictly following all applicable laws, regulations, and business ethics where we operate. We continuously improve our business ethics system and corporate integrity culture, leading the construction of a positive business ecosystem.

Improve the System

Tianqi Lithium strictly complies with the Company Law of the People's Republic of China, the Anti-monopoly Law of the People's Republic of China, the Anti-Unfair Competition Law of the People's Republic of China, and the Interim Provisions on Banning Commercial Bribery, among other legal and regulatory requirements in the areas where it operates. The Company has established internal management 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, the Gifts and Entertainment Management Procedures, and the Code of Ethics and Professional Conduct. Furthermore, Tianqi Lithium has issued the Global Code of Business Conduct[†], which articulates the Company's stance and requirements on anti-corruption and anti-fraud, avoiding conflicts of interest, whistleblower protection, and fair competition, thereby regulating the professional behaviour of its employees and suppliers.

During this Reporting Period, the Company further enhanced its supervisory functions by renaming the "Audit Department" to the "Supervision and Audit Department", strengthening its management in overseeing risk-related businesses, handling complaints and reports, and promoting integrity awareness. The Audit and Risk Committee of the Board of Directors is responsible for overseeing the effectiveness and compliance of the Company's operations. The Supervision and Audit Department is responsible for supervising the implementation of various business ethics standards and investigating and verifying potential fraudulent activities. At the same time, the Company and each subsidiary has set up a COC working group or a supervision group, which have continued to promote the construction of business conduct standards throughout the year, comprehensively supervise the implementation of the code of conduct, and inspect violations in the workplace.

[†] For Tianqi Lithium's Global Code of Business Conduct, please refer to: http://www.tianqilithium.com/Upload/File/202210/20221010160719_0123.pdf

A Complete Whistle-Blowing Mechanism

Tianqi Lithium is committed to building itself as an organisation characterized by integrity, honesty, and transparency, encouraging both internal and external stakeholders to report instances of unethical business conduct anonymously or openly. Upholding a pragmatic approach, the Company has established a comprehensive reporting acceptance and handling procedure. It is explicitly stipulated that the Supervision and Audit Department is responsible for investigating and dealing with reports concerning non-audit personnel, while the office of Board of Directors handles reports against audit staff. Meanwhile, the Company will implement necessary avoidance mechanisms, requiring that the individuals being investigated or relevant stakeholders do not participate in the decision-making of the disciplinary outcomes to ensure the fairness and justice of the reporting handling results. We will severely punish those who are found to be in violation of the rules and promptly rectify any identified internal management oversights.

Channels for Anti-fraud Complaints and Reports

WeChat Official Account: Yangguang Tianqi (Tianqi Integrity)

Tel: 028-8513 4967

Email: shenji@tianqilithium.com (Supervision and Audit Department), ir@tianqilithium.com(Board Office)

Furthermore, the Company is dedicated to protecting the legitimate rights and interests of whistleblowers, promising to strictly safeguard the confidentiality of whistleblower information to protect them from retaliation. In our Anti-Fraud and Whistle-blowing Policy⁸, we explicitly prohibit any discriminatory or retaliatory actions, forbid hostile measures against employees participating in investigations, and will seriously deal with any personnel who breach the confidentiality of complainant and whistleblower information or retaliate against them. Depending on the circumstances, we will consider demotion, termination of employment contracts, or referral to judicial authorities for those who violate these principles. During the Reporting Period, neither the Company nor its employees were involved in any litigation related to corruption or bribery.

⁸ For details of our Anti-Fraud and Whistle-blowing Policy, please refer to: <https://static.cninfo.com.cn/finalpage/2020-01-11/1207241402.PDF>

Enhance Training and Communication

Tianqi Lithium requires all employees, suppliers, and related partners to adhere to the Company's Code of Conduct and Ethics, emphasizing the importance of promulgating business ethics awareness and capacity building, and guiding both internal and external stakeholders to practice a culture of integrity. The Company actively carries out business ethics training activities, achieving a 100% participation rate, and broadly communicates the awareness of responsible business behaviour and standards to all employees. In 2023, the Company's management team and the ESG team participated in specialized training on the topics of business ethics risks and governance, with an in-depth study on the Anti-Corruption Programme — A Guide for Listed Companies by the Hong Kong Independent Commission Against Corruption; 100% of new employees signed the "Business Ethics Commitment Letter"; and the Supervision and Audit Department conducted specialized anti-fraud and whistleblowing training at the Shehong Production Base, with over 700 participants.

At the same time, we are dedicated to establishing a transparent supply chain characterised by integrity. Our sales contracts signed with customers include clauses on anti-commercial bribery, anti-money laundering, and anti-terrorism financing. Additionally, contracts signed with suppliers and contractors contain provisions for a commitment to transparent and integrity-based procurement. Furthermore, the Company has joined the "Corporate Anti-Fraud Alliance" to continuously enhance exchanges and learning with well-known enterprises about business ethics and anti-corruption, collaboratively building an integrity-based business community.

Tianqi Lithium Conducted Training on Business Ethics and Corporate Governance

In October 2023, Ms. Zhong Aiyun, Deputy Regional Officer of ICAC Regional Office (Hong Kong East) was specially invited to provide training courses on business ethics for the company management, the company's management and other colleagues participated in the training remotely online. This training focused on the business ethics and corporate governance, emphasizing the importance of business ethics in the context of economic globalisation. Based on the "Anti-Corruption Programme — A Guide for Listed Companies" and through case analysis, the Company's top management team was able to have an in-depth understanding of the business ethics risks and paths of corresponding governance, thereby deepening the Company's internal understanding of the practice of business ethics.



The Company's Senior Executives and the ESG and Sustainability Department Participated in Business Ethics Training

Construction and Safeguards of Information Systems

Tianqi Lithium closely follows the trend of technological development, actively carries out the planning and construction of information systems. On the one hand, it continuously improves the information security system to ensure the confidentiality, integrity, and availability of information systems, IT equipment, and the data. On the other hand, it fosters continuous innovation to enhance the efficiency of data asset utilization, effectively creating a business operating environment that is efficient, agile, and secure.

Information Security Management

Tianqi Lithium places a high emphasis on the usage and protection of information, strictly adhering to Cybersecurity Law of People's Republic of China, Data Security Law of People's Republic of China, Personal Information Protection Law of People's Republic of China as well as relevant laws and regulations in the place where it operates. The Company has established a comprehensive information security and privacy policy in accordance with the ISO 27001 Information Security Management Systems and based on its actual business operations, which clearly defines the requirements for data collection, storage, use, transmission, and protection, and continuously enhances the corresponding information security management and control procedures.

At the same time, the Company actively promotes a culture of information security, enhancing the awareness of employees and users regarding the importance of information security and privacy protection. The Company has also signed a written Non-Disclosure Agreement with employees to effectively safeguard data and privacy security. In addition, the Company has explicitly tasked the Information Management Department with developing training plans to ensure that employees understand and comply with relevant systems and regulations pertaining to information security and privacy protection.

Employee Training & Education

The Information Management Department is tasked with developing training plans to ensure that employees understand and comply with relevant systems and regulations pertaining to information security and privacy protection.

Risk Assessment

Potential information security threats and vulnerabilities are identified through regular risk assessments, with timely measures taken in response.

Data Encryption

Local data of key employees are encrypted to prevent data leaks in case of device loss and sensitive data are encrypted to ensure security during transmission and storage.

Security Auditing and Monitoring

Conduct inspections and troubleshooting regularly for key IT infrastructure and information systems in collaboration with professional third-party institutions.

Regulatory Safeguards

Comprehensive information security policies are in place, detailing regulations for access control, data protection, and password management.

Implementation of Access Control

Access permissions are set according to the roles and responsibilities of employees, restricting access to sensitive information, with authentication and permission management through information security approaches, and guest networks are isolated.

Data Storage and Backup

Important personal and departmental data are stored and backed up on Tianqi Cloud Drive, with daily data backups for core information systems, and an off-site backup centre established at the Chongqing base.

Security Devices and Technology

Enhance the security of information systems by employing technologies such as firewalls, VPNs, intrusion detection systems, and antivirus software.

Digital Construction

Tianqi Lithium profoundly understands the crucial role of digital construction in enhancing on-site production management and operational efficiency. The Company has formulated an information technology construction plan to comprehensively promote IT infrastructure upgrading, digital platform construction, and personnel capability development. It promotes the establishment of a comprehensive digital system to assist the efficient operations of each functions and the safe production of all production bases, which also improves data management and decision-making analysis, thereby aiding in the lean management of the production and manufacturing process.

Tianqi Lithium Empowers Production Management with Digital Systems

Tianqi Lithium is actively advancing the construction of digital factories. An Environmental, Health, and Safety (EHS) management system has been successfully developed for the Shehong Production Base and the Anju Production Base, and the manufacturing execution system ("MES") and other platform tools are under deployment in an orderly manner at each production base. These tools aid in achieving comprehensive visual monitoring for health, safety, and environmental management, as well as providing online closed-loop management and command assistance. They offer robust support for enhancing management in production and manufacture, equipment maintenance, quality analysis, process monitoring, energy management, pollution emission, safety monitoring, and early warning systems.



The EHS System of Tianqi Lithium's Shehong Production Base

3

Environment

Tianqi Lithium adheres to the concept of harmonious coexistence between humans and nature, continuously applying value chain thinking to elevate environmental management levels. With a comprehensive environmental management system, the Company strengthens natural resource management and pays close attention to the entire lifecycle management of lithium mining investment, as well as the mining and processing operations. It reinforces practices in the circular economy and proactively addresses climate change with a responsible attitude.

This chapter responds to the following SDGs:



This chapter responds to the following material issues:

- GHG emissions and management
- Climate resilience
- Energy management
- Clean technology opportunities
- Water resources management
- Air quality management
- Material, solid waste and tailings management
- Biodiversity conservation
- Research and development (“R&D”) and innovation

A Story of Responsibility:

Stay True to the Original Aspiration by Fulfilling the Green Mission at the Beginning

Tianqi Lithium's Shehong Production Base, located in Shehong of Sichuan Province which is part of the northern arc of the Chengdu-Chongqing Economic Zone, was established in October 1995 as the Company's earliest production base. Throughout its nearly 30 years of development, the Shehong Production Base has adhered to the principle that "creates value for customers, employees and partners at no expense of the environment, health and safety." While promoting the transformation of the new energy industry with excellent production practices, it has been paying close attention to pollution emissions management and the impact on the ecological environment. The base has also continuously carried out technological transformations and equipment upgrades to enhance resource efficiency, ensuring that its business and operations always embody the mission of leading green transformation. In 2023, the Shehong Production Base implemented a series of clean production projects, achieving new breakthroughs in the capabilities of waste gas and wastewater treatment.

Through systematic planning, the process wastewater achieves net-zero discharge

Due to the Shehong Production Base housing production lines for various lithium products, the wastewater generated from different workshops contains a diverse composition of impurities, each with varying types and concentrations. Common wastewater recycling methods pose significant risks to equipment operation and product quality assurance. In the face of these challenges, the base has tailored its approach to the specific water usage and wastewater characteristics of different processes. During the technical renovation of production workshops, careful consideration is given to maximize the potential for water recycling, thereby creating conditions to reduce water intake and wastewater discharge.

Reduce impurity content: By employing a novel impurity removal system to filter and replace impurities in the waste liquid from lithium carbonate production, the impurity content in the process wastewater of the lithium carbonate production line is reduced. After treatment by the wastewater system, it can be used for slurry adjustment in other production lines.

Increase the recycling and reuse of other wastewaters: Wastewaters such as condensation water from the jacket of the reaction kettle, water from the external cooler boiler, and treated inorganic wastewater are repurposed based on their compositional characteristics to be utilized in processes such as washing and slurry preparation, thereby reducing the input of initial industrial water or raw materials.

Recycle equipment cooling water: The implementation of a cooling water recycling renovation project has identified equipment cooling water phases that were not previously incorporated into the recycling process. Through technological upgrades, these phases have been integrated into the recycling cycle, thereby increasing the recycling efficiency of cooling water.

Through systematic design and scientific renovation, the Shehong Production Base achieved zero process wastewater discharge in December 2023. It can now recycle 420 tons of process wastewater daily, with an annual⁹ recovery of 26.4 tons of lithium oxide, equivalent to approximately 440 tons of lithium concentrate.

Optimize technical processes to protect the atmospheric environment

As a production enterprise listed in the local list of major air pollution emitters, the Shehong Production Base pays close attention to the disposal and emission of exhaust gases. While meeting the emission standards, it continues to optimize and strives to further reduce emission concentrations and volumes.

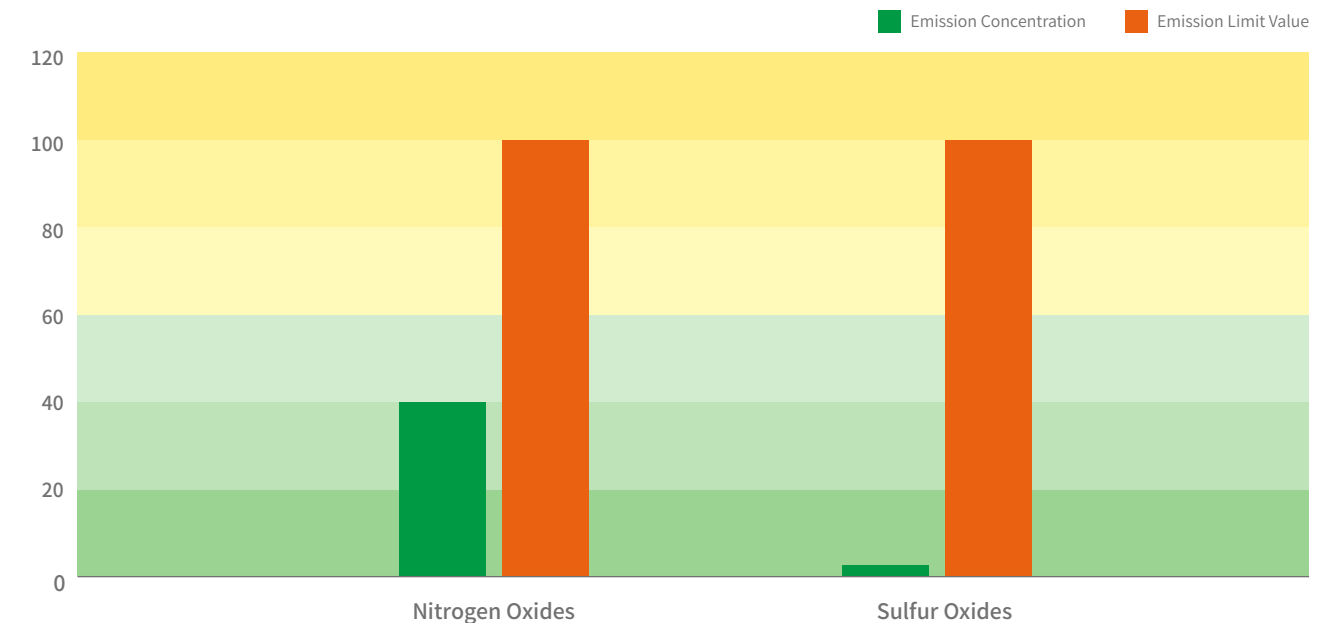
•Based on the analysis of the disposal process and technology, it was identified that the low oxygen content in the flue gas led to suboptimal disposal efficiency. To address this, ozone was introduced to increase the oxygen content in the flue gas and enhance the purification efficiency of the disposal equipment.

•We have explored and researched ways to reduce the direct emissions of production exhaust gases by optimizing the treatment process of the acidification kiln exhaust. This involves redirecting the exhaust into the rotary kiln system to achieve internal circulation treatment of the exhaust gases.

The Shehong Production Base significantly reduces its waste gas emissions to well below emission standard limits through a dual approach of lowering concentrations and reducing amount of air emissions. This continuous improvement in exhaust gas emission performance contributes to the protection of the local atmospheric environment.

As the Shehong Production Base marches forward on the path of capacity expansion, it remains true to the Company's concept of harmonious coexistence between humans and nature. It adopts green and environmental-friendly production and operation methods to kickstart Tianqi Lithium's chapter of "Trillithium" Dreams. In the future, the base will continue to focus on improving resource efficiency and reducing pollution emissions. It will explore potential improvements in resource input, production processes, and technological equipment, all with a committed effort to protect the ecological environment of Suining.

Rotary Kiln Denitration System Exhaust Emission (mg/m³)



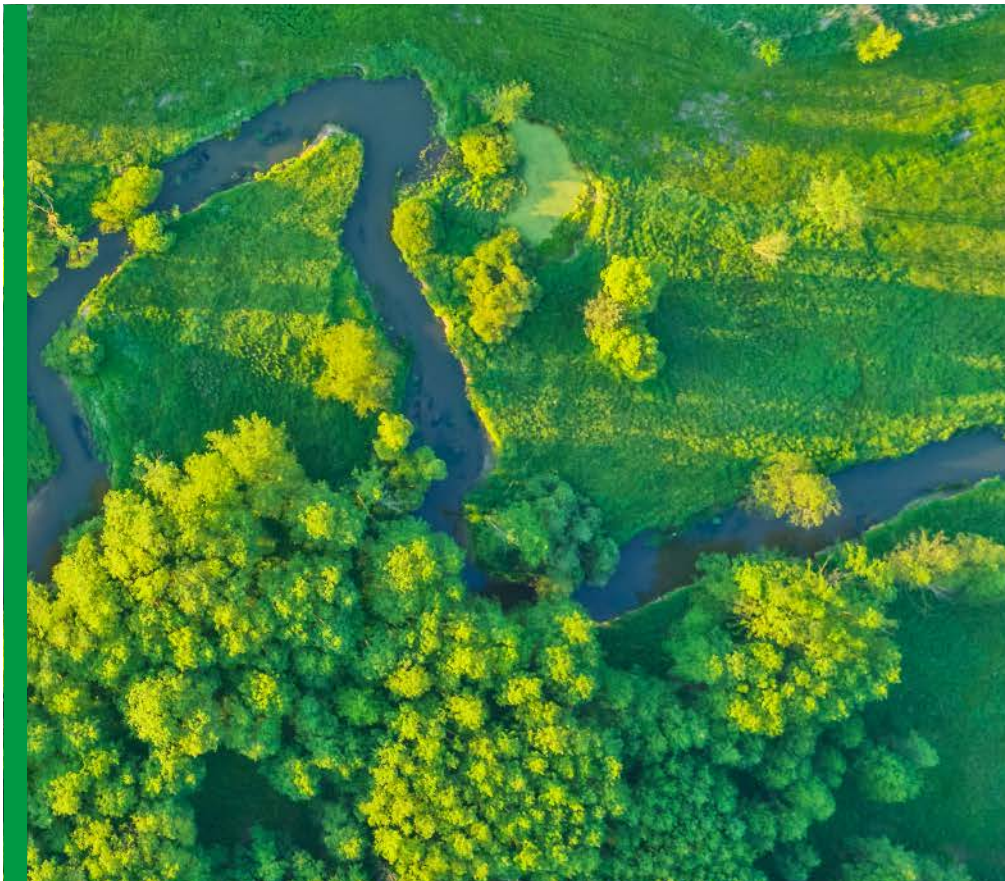
⁹ Annual production time is 330 days.

Response to Climate Change

Climate change is a major challenge for the sustainable development of human society today and has an extensive impact on all aspects of corporate production and operations. Tianqi Lithium actively responds to international and domestic policies such as the Paris Agreement and the Action Plan for Carbon Dioxide Peaking Before 2030 and the National Strategy for National Climate Change Adaptation Strategy 2035, integrating climate change response into the Company's operational management and considering it a crucial component of sustainable development.

Climate Change Management

Following the disclosure framework recommended by the TCFD, Tianqi Lithium has incorporated climate change management into its corporate management system across the dimensions of "governance", "strategy", "risk management", and "metrics and targets". The Company actively implements a range of strategies, measures, and actions aimed at mitigating and adapting to climate change, striving to enhance transparency, and working towards a net-zero future.



Climate Change Governance

Tianqi Lithium has established a robust climate change governance structure that effectively drives the design and implementation of the Company's low-carbon strategy. The ESG and Sustainable Development Committee oversees climate change management. This committee has designated groups responsible for managing specific climate-related issues, and the Board supervises climate-related topics through the ESG and Sustainable Development Committee.

The main duties of the ESG and Sustainable Development Committee include formulating and reviewing the Company's climate-related visions, goals, and strategies, and advising the Board of Directors on measures and actions needed to enhance the Company's performance in responding to climate change. Besides, the Committee monitors external trends related to climate change and assesses relevant risks and opportunities to minimize adverse impacts on the Company and support the identification of climate-related business opportunities.

Furthermore, to further drive climate change-related management, Tianqi Lithium has established designated departments/groups responsible for carbon management, with specific individuals handling internal communications and external liaisons. Meanwhile, the Company continues to focus on cultivating internal expertise in carbon accounting and management, progressively perfecting its carbon management system.

Climate Change Strategies

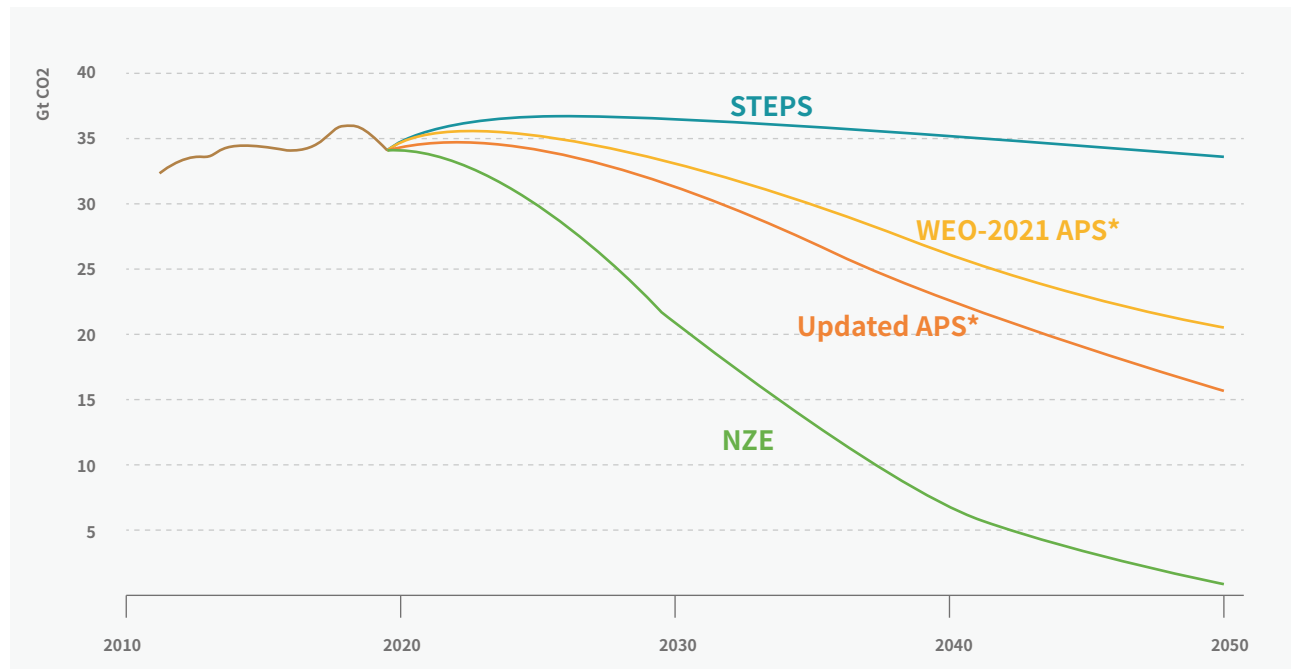
During the Reporting Period, Tianqi Lithium referenced the TCFD disclosure recommendations to identify potential climate-related risks and opportunities facing its main business. In our climate risk analysis, we referred to climate scenarios outlined by leading international institutions (see table below) and incorporated the views of various stakeholders to fully identify the types of climate risks, transmission mechanisms, and the extent of risk impacts within the Company's operations. We described these risks from both the physical and transitional risk perspectives; in identifying climate opportunities, we also leveraged mainstream practice cases to explore the Company's climate opportunities. The Company's climate change strategy fully reflects the potential impacts of different climate scenarios on its business operations.

	Brown scenarios	Turquoise scenarios
Physical risks	<p>SSP5-RCP8.5 and other applicable scenario*: it is usually seen as a more pessimistic future development pathway, which will lead to climate change challenges in the future with the current greenhouse gas emission trends.</p> <p>•SSP5 represents a high-speed development path dominated by fossil fuels. It assumes that future socio-economic development will continue to rely on fossil fuels, leading to higher radiative forcing.</p> <p>•RCP8.5 refers to a concentration pathway that reaches a radiative forcing level of about 8.5 watts per square meter. This is a high-emission scenario, assuming that future greenhouse gas emissions will continue to increase without effective mitigation measures to control emissions.</p> <p>*For physical risk analysis, this scenario allows for a more comprehensive assessment of risk exposure under extreme conditions.</p>	<p>SSP1-RCP2.6 and other applicable scenarios:It is generally viewed as a more optimistic future development pathway, requiring global cooperation and robust policy support. It calls for rapid global action to reduce greenhouse gas emissions in order to limit the increase in global average temperatures to no more than two degrees Celsius above pre-industrial levels.</p> <p>•SSP1 represents a sustainable socio-economic development pathway, which is a scenario with low mitigation pressure that emphasizes environmental friendliness and sustainability.</p> <p>•RCP2.6 refers to a concentration pathway that achieves a radiative forcing level of about 2.6 watts per square meter. This is a scenario with relatively low greenhouse gas emissions.</p>
Transitional risks	<p>IEA APS/STEPS Scenario: The APS (Announced Pledges Scenario) is a scenario set by the International Energy Agency (IEA) based on the climate commitments of various countries under the Paris Agreement. It does not ensure the 1.5°C target and is similar in implication to the previously defined STEPS (Stated Policies Scenario).</p>	<p>IEA NZE/SDS Scenario: The NZE (Net Zero Emissions) scenario is proposed by the IEA as a pathway to achieve net-zero emissions by 2050, largely replacing the earlier SDS (Sustainable Development Scenario) set in response to the Paris Agreement and other sustainable development goals, serving as a scenario for achieving the 1.5°C target.</p>

Physical risks

We have conducted quantitative research on the disaster risks brought about by typical extreme weather events and long-term changes in climate patterns. We analysed the potential impacts of high-risk events such as floods, extreme heat, and severe cold under two scenarios, and have implemented measures to address these risks.

Types of risks	Categories of risks	Brown (SSP5-RCP8.5 and other applicable scenarios)	Turquoise (SSP1-RCP2.6 and other applicable scenarios)	Potential financial impacts	Responding measures
Acute risks	Extreme weather events	<p>Medium impact</p> <ul style="list-style-type: none"> • Extreme weather events and their secondary disasters. We use climate models to analyse the risk exposure characteristics of production bases in China, where the increased frequency of disasters such as floods caused by heavy rainfall, heatwaves, and continuous extreme cold will lead to direct asset losses and indirect losses from production and operational interruptions. These three types of events are the risk types that have the greatest impact on the at-risk value in this scenario. 	<p>Low impact</p> <ul style="list-style-type: none"> • A small increase in the severity and frequency of extreme weather events 	Low	<ul style="list-style-type: none"> • Enhance early warning capabilities, establish emergency plans for floods, high temperatures, and extreme cold, and use meteorological data services to reduce risk exposure for production facilities and supply chains. • Integrate extreme weather conditions into the assessment of future new project plans, pre-emptively enhance disaster prevention capabilities, and strengthen the climate resilience of technical facilities at production sites. • Support the research and development of climate-resilient, diversified lithium extraction technologies, expand the geographical and variety diversity of mineral resources, and enhance the climate resilience of the value chain.
		<p>Low impact</p> <ul style="list-style-type: none"> • Rising sea levels may affect the supply stability of lithium mines originating from salt lakes. • The likelihood of water shortages affecting some operational sites has increased. 	<p>Low impact</p> <ul style="list-style-type: none"> • Risk of change in climate pattern is relatively low 		
Chronic risks	Climate pattern's long-term changes	<p>Low impact</p> <ul style="list-style-type: none"> • Rising sea levels may affect the supply stability of lithium mines originating from salt lakes. • The likelihood of water shortages affecting some operational sites has increased. 	<p>Low impact</p> <ul style="list-style-type: none"> • Risk of change in climate pattern is relatively low 	Low	<ul style="list-style-type: none"> • Further diversify lithium sources, optimize production capacity and mineral layouts to reduce dependency on specific transportation modes. • Improve water resource management by reducing reliance on groundwater and surface water through techniques such as rainwater harvesting, wastewater recycling, and reuse.



*WEO-2021 APS: In 2021, the IEA releases the World Energy Outlook (WEO) report, proposing the initial scenario of the APS.

*Updated APS: Taking into account countries' updated climate legislation or independent commitment targets after the WEO-2021 APS, the APS scenario will be updated in 2023.

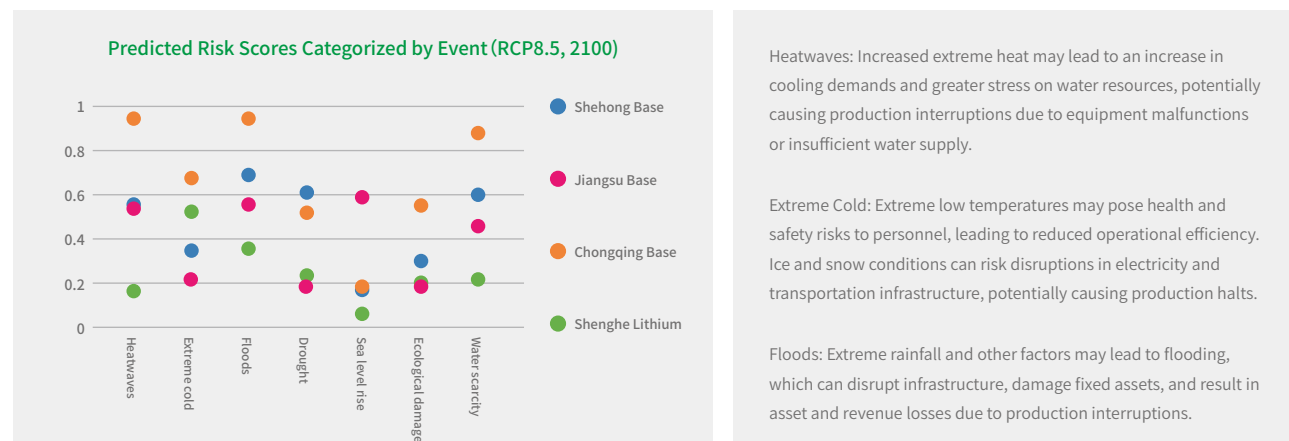




Special Topic: Quantitative Analysis of Climate Risks Based on Geographic Location

Since 2023, we have collaborated with professional institutions to establish climate scenario models tailored to the Company's business characteristics. The goal is to better understand the Company's exposure to physical and transitional risks, to proactively develop response strategies, and to create resilience plans to reduce the risks associated with physical operations.

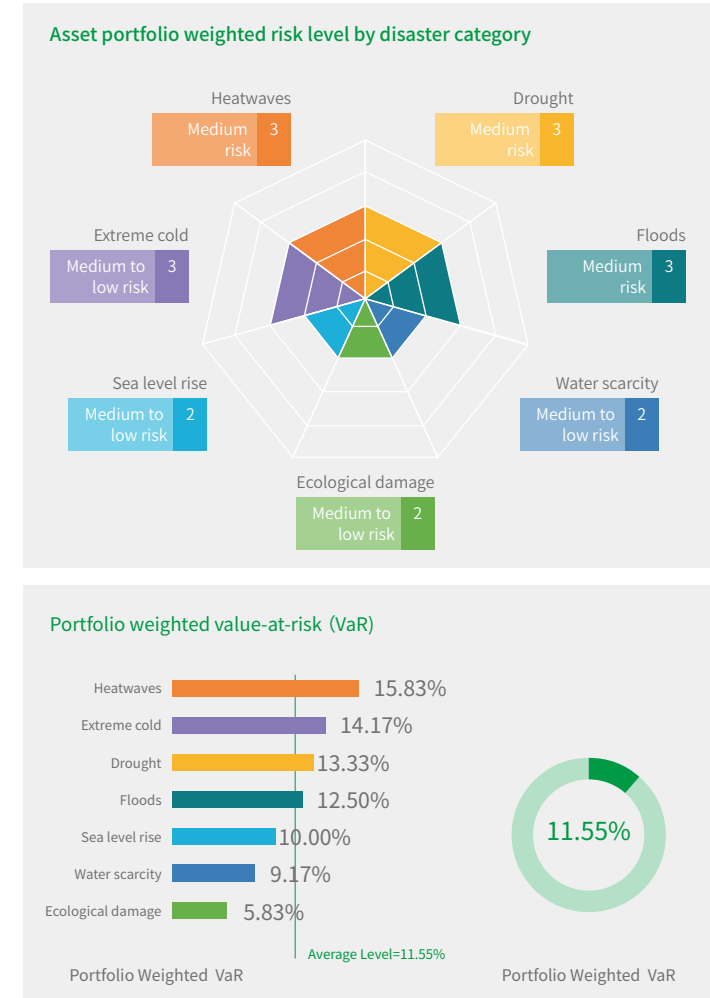
For physical risks assessed as high level (with scores greater than 0.6), the Company has developed comprehensive management and safeguard measures:



Heatwaves: Increased extreme heat may lead to an increase in cooling demands and greater stress on water resources, potentially causing production interruptions due to equipment malfunctions or insufficient water supply.

Extreme Cold: Extreme low temperatures may pose health and safety risks to personnel, leading to reduced operational efficiency. Ice and snow conditions can risk disruptions in electricity and transportation infrastructure, potentially causing production halts.

Floods: Extreme rainfall and other factors may lead to flooding, which can disrupt infrastructure, damage fixed assets, and result in asset and revenue losses due to production interruptions.



Scenario analysis shows that, in the "Brown Scenarios", the risks posed by extreme weather events are significantly greater than those in the "Turquoise Scenarios". By the end of this century, the impacts of climate change are expected to far exceed those anticipated for 2030 and 2050. In the worst-case scenario, the aggregated risk-weighted Value-at-Risk (VaR*) could reach 11.55%.

*For conservative reasons, the company focuses on scenarios that may lead to greater physical risk impact in scenario analysis, that is, the impact of long-term risk exposure of specific location facilities on the company's value under the RCP8.5 scenario. Value at risk is only used as an assessment basis for the company's risk management and climate resilience efforts, and does not mean that losses will inevitably occur.

*VaR is the abbreviation of Value-at-Risk. It is a climate-related risk measurement indicator that is used to estimate the percentage of asset losses and losses caused by climate factors in an asset portfolio to its total asset value. VaR can be expressed as a positive or negative value or as an absolute value. Here, absolute value (positive value) is chosen to represent the loss.

*Geographical scope includes China and Australian bases.

*The scenario analysis in this chapter/report uses a climate model customized for the company by a third party, which is only used for internal risk management. We do not assume legal responsibility for anyone's actions or decision-making results based on the content of this report. In view of the differences in the models or analysis methods used by different institutions, the analysis results of this report are not suitable for simple comparison with the information provided by other institutions.

Transitional risks

We have been focusing on policies and regulations, technologies, market, reputational risks, and opportunities, and qualitatively assessed the potential financial impacts of various risk and opportunity elements under both scenarios. As a pivotal component of our climate and corporate strategy integration, we persistently prioritize the assessment of transitional risks and opportunities, continually monitoring trends and their progression under various scenarios. In 2023, we continued to pose responding measures comprehensively, to increase the Company's exposure to transformation opportunities and to control its risk exposure.

Types of risks	Risk/opportunity fact	Brown (IEA, APS/STEPS scenarios)	Turquoise (IEA, NZE/SDS scenarios)	Potential financial impact	Responding measures
Policy and legal risks / opportunities	Risks Laws, regulations, and related policies aimed at mitigating climate are strengthened, and carbon emission-related constraints and barriers have a greater impact on businesses.	Low impact • The small number of mandatory energy efficiencies/consumption requirements for production facilities/products, and fewer constraints on the use of fossil fuels. • Looser global carbon emission constraints, limited scope of carbon pricing mechanisms, and lower prices.	High impact • More rigorous production/product energy consumption constraints will emerge, along with limitations on the consumption of fossil fuels. • The likelihood of production facilities being included in some form of carbon emission constraints or carbon pricing mechanisms will increase • The IEA has tracked nearly 200 policies and regulations related to the supply of critical minerals worldwide, with half of these enacted in recent years, including the European Union's The Critical Raw Materials Act, the United States' Inflation Reduction Act, Australia's Critical Minerals Strategy, and Canada's From Exploration to Recycling: Powering the Green and Digital Economy for Canada and the World, which could affect the stability of lithium mining and chemical product supply chains. Furthermore, the requirements for implicit carbon emissions in international trade for imported raw materials and products will increase, raising the likelihood of encountering green trade barriers.	High	<ul style="list-style-type: none"> • Closely follow national policies on energy conservation and emission reduction, and promptly understand and comply with relevant regulatory laws and regulations. • Continue to drive carbon inventory at all production based and the verification of product carbon footprints; establish a dedicated energy efficiency budget, broadly implement energy efficiency projects across various production bases, and link project progress with base performance. • Pay attention to and follow the policy progress of international trade and investment in lithium mines and lithium salt products among various countries, and actively establish a higher standard initiative for a sustainable lithium supply chain. • Proactively promote the improvement of industry standards by participating in the formulation of low-carbon emission standards such as Carbon Footprint of Products-Product Category Rules Lithium Products, Technical Guidelines for Carbon Footprint Assessment of Battery Grade Lithium Hydroxide, Technical Guidelines for Carbon Footprint Assessment of Battery Grade Lithium Carbonate.
	Opportunities The policy efforts to promote energy transition have been intensified, accelerating the impact on businesses of phasing out facilities reliant on fossil fuels.	Low impact The demand for energy transition is moderate, with a relatively fast growth in lithium demand related to new energy: • The APS/STEPS scenario released by the International Energy Agency (IEA) indicates that under the current global decarbonization goals, the demand for lithium related to new energy will increase from 160,000 tons of lithium equivalent in 2022 to 420,000 tons by 2030, which is lower than the 717,000 tons under the NZE scenario.	High impact There is a strong demand for energy transition, and the demand for lithium related to new energy is increasing rapidly. • To achieve the emission reduction targets of The Paris Agreement, there will be a significant increase in the demand for lithium in areas such as electric vehicles and grid energy storage: • In the SDS scenario released by IEA in 2021, the lithium demand for energy transition in 2040 is expected to be 42 times that of 2020. • In the NZE scenario released by IEA in 2023, the proportion of lithium demand brought by clean energy increased significantly, with the clean energy sector expected to account for nearly 90% of total lithium demand by 2030, up from the current 60%. The demand for lithium in power batteries and energy storage batteries is projected to increase by 1,245% and 3,600% respectively compared to 2021, and 2,409% and 7,300% by 2050.	High	<ul style="list-style-type: none"> • The Company continues to expand its capital expenditure around the diversification of upstream lithium resources, including exploration, mineral development, and acquisitions, to consolidate its leading position in high-quality spodumene and salt lake resources. • In 2023, we announced plans to advance our battery-grade lithium hydroxide project in Jiangsu, China, and Australia. This project is expected to increase the Company's production capacity of lithium compounds by approximately 60%.
Technological risks/ opportunities	Risks The rapid development of alternative technologies or the lag in the development required for decarbonization of existing lithium extraction facilities.	Low impact • The low-carbon transformation of enterprises is slow, and the key technologies for achieving decarbonization in the process of spodumene lithium extraction, including the development speed of non-fossil fuels and heating technologies, may be delayed, affecting the decarbonization process of the lithium extraction industry.	High impact • According to the IEA forecast, by 2030 there will be 150 GWh of retired power batteries, and Europe plans to recycle more than 15% of lithium sources annually by 2030. In 2023, global key related venture capital investments grew by 160%, with a focus on battery recycling technology, new lithium extraction, and refining technologies. The development of such technologies may squeeze the market share of existing lithium extraction facilities. • Alternative technologies such as sodium-ion batteries are growing faster development, and therefore the demand growth for lithium batteries may not meet expectations. • Minerals with high costs and refining facilities with high carbon lock-in may be at risk of "stranded assets" due to early retirement because of cost or compliance factors.	High	<ul style="list-style-type: none"> • The Company will continue to increase investment in research and development to enhance the quality and quantity of strategic reserve technologies. By the end of 2023, the Company has accumulated 425 patent applications globally, with 229 patents granted within the valid period. It has won 1 national patent gold award, published 30 high-level papers, including 20 SCI/EI indexed papers; won 2 awards for scientific and technological progress at the provincial and ministerial levels, undertaken 3 national projects, 9 provincial and ministerial-level scientific and technological projects. The Company's technical centre has been recognized as a "National Enterprise Technology Centre". • Reinforce comprehensive assessment and forward-looking consideration of low-carbon emission reduction technologies, accounting for the cost of technology improvements (e.g. use shadow pricing to incorporate the cost of greenhouse gas emissions into the calculation of returns on certain investments) and the potential for carbon emission reduction has been taken into account in upstream mineral investment decisions.
	Opportunities The maturation of higher performance lithium battery technology will create new markets in freight, aviation, and beyond.	Low impact • The current industry landscape is unlikely to undergo significant changes, with the development of alternative technologies and lithium recycling technologies being more stable	High impact • According to the IEA NZE scenario projections, there is significant potential for electrification in the future of road transport, maritime, and aviation industries. High-energy-density solid-state battery technology (lithium-sulphur batteries) will support the clean energy transition in industries that are currently difficult to electrify. It is anticipated that solid-state batteries with an energy density of over 400Wh/kg will be needed for trucks, and lithium-sulphur batteries with an energy density of over 650Wh/kg will potentially be commercialized for aircraft by 2030 and beyond. • Under the IEA NZE scenario, the carbon capture technology for future industrial furnaces and other equipment will continue to evolve, with significant reductions in capture costs. At the same time, technologies based on using green electricity to produce hydrogen, or directly driving the conversion of carbon dioxide into raw materials/fuels, will mature.	High	<ul style="list-style-type: none"> • The Company places a high value on the joint layout of cutting-edge lithium battery technology research with technological research institutions and industrial partners. In 2023, the Company has completed the construction and commissioning of a kilogram-scale demonstration line for the key raw material of the next generation sulphur-based solid-state electrolyte, lithium sulphide, and has realized small-scale export sales. • The Company's R&D team has achieved an upgrade in the quality and equipment capability of 20µm ultra-thin lithium metal strips, aiding the Institute of Physics CAS in developing the world's highest specific energy lithium metal battery, with an energy density exceeding 700Wh/kg. • The Company is also actively engaged in downstream collaborations to develop heterotypic lithium-copper composite strips and has achieved a supply capacity at the kilogram level.

Types of risks	Risk/opportunity fact	Brown (IEA, APS/STEPS scenarios)	Turquoise (IEA, NZE/SDS scenarios)	Potential financial impact	Responding measures
Market risks/opportunities	Risks Downstream demand growth falls short of expectations and market competition intensifies.	High impact <ul style="list-style-type: none"> According to forecasts by the IEA, the capacity plans currently announced are close to meeting the lithium demand projected for 2030. If there are no more ambitious climate targets, there is a possibility that future market demand growth may not meet expectations. The scale of global charging infrastructure construction will constrain the rapid development of electric vehicles, thereby limiting the growth rate of the power battery industry and negatively affecting the demand for lithium chemical products. Consumer preferences and behaviours may shift, leading to a diversification in demand for electric vehicles. As alternative battery technologies to lithium gain faster development, the demand for lithium in power batteries may fall short of expectations. 	High impact <ul style="list-style-type: none"> According to IEA statistics, global capital expenditure in the lithium industry increased by 50% in 2022, while exploration spending for lithium grew by 90%. Overly rapid capacity expansion could lead to intensified market competition. The electric vehicle and energy storage markets across various countries are imposing stricter requirements for the disclosure of product carbon footprint information. Original equipment manufacturers will enhance the investigation and disclosure of carbon footprint data throughout the supply chain, and heighten the demands for carbon emission performance during the extraction and refinement processes of lithium mining. 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 demand for recycled lithium salts due to mandatory requirements for recycled battery components. 	High	<ul style="list-style-type: none"> The Company continuously invests in upstream mineral resources by deploying diversely international and domestic lithium resources in ore and salt lakes, continuously monitoring and forecasting market demand, allocating production bases for different products, and adopting flexible production lines Calculate the carbon footprint of key products and share the results with customers, setting targets for product carbon intensity along with corresponding implementation plans We adhere to a low-carbon ecological concept and strengthen the development approach of full-process control technology focusing on "reducing at the source, recycling in the process, and harmless at the end". We have completed the industrial layout of our patented lithium slag resource utilization technology. In 2022, we established a specialized company for lithium slag resource utilization and now owns the world's first independently intellectual property rights-protected production line for silicon aluminium powder with an annual output of 30,000 tons The Company will continue its strategic layout in the new energy value chain, focusing on new energy materials and manufacturers of next-generation battery technologies, including solid-state batteries. It will engage in deeper cooperative relationships, for instance, in cooperation with precursor production and battery recycling operations
	Opportunities Downstream demand growth accelerates.	Low impact <ul style="list-style-type: none"> The current industry landscape is unlikely to undergo significant changes, and existing market advantages will continue. 	High Impact <ul style="list-style-type: none"> The construction of global charging infrastructure is progressing rapidly, driving an increase in electric vehicle demand across more markets. Consumer preferences and behaviours may shift, leading to increased demand for large electric vehicles, which in turn drives higher-than-anticipated demand for lithium batteries. Original Equipment Manufacturers of new energy vehicles tend to adopt a strategy for supply chain procurement that involves signing long-term agreements with lithium mining companies. Products that are of higher quality and have a lower carbon footprint are increasingly recognized and preferred. The proportion of new energy generation is increasing rapidly, driving the demand for energy storage batteries to grow beyond expectations. 	High	<ul style="list-style-type: none"> The Company is driving the optimization of customer structure, shifting from a focus on the cathode material industry to penetration across the entire industry chain of cathode materials, batteries, and automobiles. The mutual recognition among leading enterprises in each segment is significantly increasing. In 2023, the Company initiated its first collaboration with vehicle manufacturers, entering the supply chain system of leading global new energy vehicle enterprises, and participated in the Series A equity financing from smart Mobility, a new energy vehicle company. The Company has signed strategic cooperation agreements with top vehicle manufacturers to jointly explore opportunities for innovation and growth in the new energy sector In July 2023, we completed and officially published the White Paper on Sustainable Lithium Industry in Achieving Net Zero, and took the spotlight at the 28th United Nations Climate Change Conference (COP28), bringing Tianqi Lithium's research findings to global audiences. This white paper draws on the major challenges faced by the lithium industry under the net zero emission target and introduces key strategies for addressing these challenges. It calls for the lithium industry to actively engage in sustainable practices that moving towards net zero collectively.
Reputational risks/opportunities	International consensus on addressing climate change may affect market and investors' perceptions of the Company.	Low impact <ul style="list-style-type: none"> A small number of consumer campaigns resulting in loss of revenue and/or miss of growth opportunities. 	Medium impact <ul style="list-style-type: none"> As investors become increasingly interested in issues related to climate change, a lack of action on climate-related issues or insufficient disclosure of information may prompt investment institutions to withdraw their investments. A large number of customers and consumers are focusing on sustainability. If products do not meet their expectations, it may lead to loss of revenue and/or missed opportunities for growth. 	Low	<ul style="list-style-type: none"> Enhance the focus on sustainable development and climate change-related disclosure requirements. While ensuring compliance, optimise the external communication channels for sustainability impact to enhance the transparency of performance disclosure Continuously pay attention to and participate in internationally and domestically recognised or highly applicable green and environmental activities, fully highlighting the low-carbon and green attribute of the lithium industry, and build a green brand

Risk management

We have analysed the Company's climate risks on both medium and long-term scales. The analysis results indicate that the financial impact of climate change transition risks will increase with the level of proactive intervention, on the contrary to physical risks. Moreover, the relatively minor physical risks are expected to pose greater challenges to the Company's operations after 2050 as global warming intensifies. To facilitate closed-loop management of climate risks, we have integrated these risks into our risk control system to effectively mitigate the negative impact of climate risks on the Company, and to promptly identify and seize climate opportunities, continuously improving our ability to respond to and adapt to climate risk.

Tianqi Lithium's climate risk management procedure is an integrated system, featuring two mechanisms, including top-down management and bottom-up management.

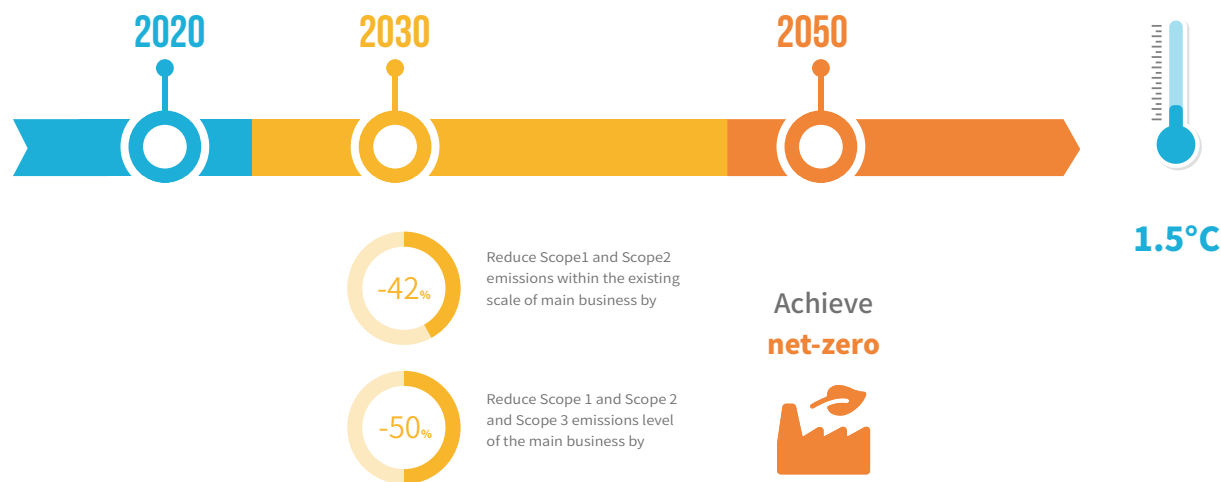
•Top-down risk management: The ESG and Sustainable Development Committee arranges for specialists, based on the main risk exposures identified by the climate scenario modelling tools, to develop medium to long-term risk response strategies and fully integrate them into the Company's major decision-making regarding investment and operational activities.

•Bottom-top risk management: Tianqi Lithium has set up a designated department/team to be responsible for carbon management, and regularly carries out bottom-up risk tracking and assessment work, including focusing on extreme weather disasters and the progress of key policies and regulations, which are consolidated by the department and reported to the Executive Office quarterly. During this Reporting Period, we commissioned the Pontificia Universidad Católica de Valparaíso in Chile to conduct research on local ESG risks to provide references for Tianqi Lithium's climate risk management.

Climate indicators and goals

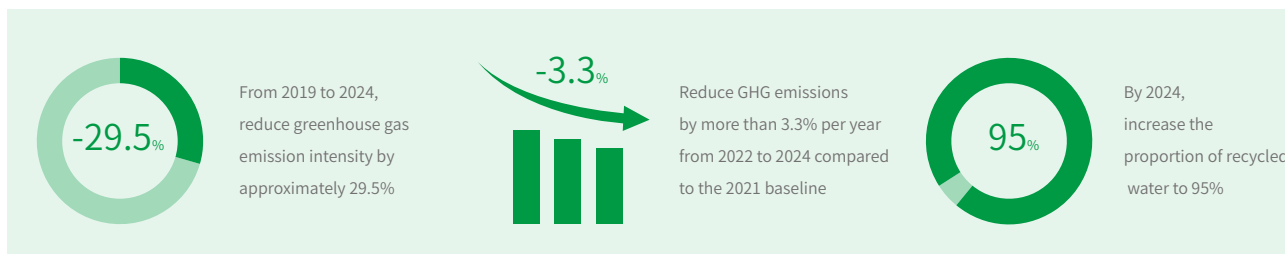
In alignment with the global vision of achieving net-zero emissions by 2050, as a new energy materials enterprise with lithium at its core, we believe we possess the scale and influence necessary to advance this process. Upholding our responsibility and commitment to climate action, we hereby pledge to strive to reduce our impact on climate:

Tianqi Lithium will continue to reduce Scope 1 and Scope 2 emissions from the existing scale of its main business by over 42% by 2030 compared to the baseline year. In this period, any expansion of the main business will prioritize the application of low-carbon technologies. We will also actively encourage our key suppliers to set equivalent or more ambitious emission reduction targets. Efforts will be directed toward reducing emissions from the procurement of raw materials and services outside our main business operations, as well as from upstream transportation. Our goal is to reduce Scope 1, Scope 2, and Scope 3 emission level of its main business by 50% by 2030 compared to the baseline year, and achieve net zero¹¹ by 2050.



To facilitate achieving net-zero, during the Reporting Period the Company has completed a structural change to a three-year US\$400 million sustainability-linked loan and set short-term goals for greenhouse gas emissions and the proportion of recycled water to be achieved by 2024. (Water recycling rate of 93.6% or more in 2023 and GHG emission intensity below 5.32 tCO₂e/t LCE)

The sustainable goals of Tianqi's first sustainability-linked loan¹¹



¹⁰ Base Year: 2021; Main business: development of hard-rock lithium resources, processing and sales of lithium concentrate, and production and sales of lithium chemical products; Existing business scale: refers to the scope of the Company's business operations that have reached production capacity by the base year; New business scale: refers to the scope of the Company's business operations reaching production capacity after the base year; Emissions: refers to the results of corporate greenhouse gas accounting completed in accordance with standards such as the GHG Protocol and ISO 14064 (absolute values); Emission intensity: refers to the amount of emissions per unit of output (economic indicator or physical indicator, e.g., tons of lithium carbonate equivalent, tLCE) from operational activities (intensity value); Net-zero emissions: refers to adherence to the definition and requirements for net-zero emissions as outlined in the ISO Net Zero Guidelines (IWA 42:2022), where the remaining emissions in the target year must meet the reduction needed to achieve the 1.5°C goal.

¹¹ Base Year: 2021. This includes the greenhouse gas emission intensity of Scope 1 and Scope 2, measured in terms of carbon dioxide equivalent (CO₂e) per ton of lithium carbonate equivalent (LCE).

Energy and Carbon Emission Management

Tianqi Lithium has always given high priority to managing carbon emissions during its operational and production processes, striving to strengthen energy-saving and consumption reduction efforts to actively contribute to the response to climate change. We rigorously comply with the Energy Conservation Law of the People's Republic of China and other relevant local laws and regulations, and have accordingly established the Management Measures for Energy Conservation and Emission Reduction. This policy serves as the systematic basis for promoting energy conservation within the Company's production facilities and office areas. Furthermore, by persistently driving "6S"¹² field management, we actively advocate for energy-saving concepts and strict adherence to electricity usage standards. Concurrently, we focus on optimising energy-saving designs, sensibly allocating resources, and monitoring energy consumption in real-time, all with the aim of maximising energy utilisation efficiency.

Energy Management

Tianqi Lithium conducts energy planning for production bases each year and sets specific energy consumption requirements per unit of product to reduce energy use from the demand side. The Company assesses the energy management indicators for each production base and management team at the end of each year. It requires them to take measures that amends problems and make a layout of energy usage, energy targets, as well as the establishment of assessment standards. Additionally, office buildings and production bases implement energy-saving measures according to actual conditions, and continuously strengthen the publicity and education on energy saving and emission reduction, ensuring that energy-saving and emission reduction efforts are effectively implemented.



¹² The "6S" field management is a methodology aimed at enhancing the overall work quality of our Company. It encompasses six key management components: Sorting (SEIRI), Setting in order (SEITON), Sweeping (SEISO), Sanitizing (SEIKETSU), Sustaining (SHITSUKE), and Safety (SAFETY).

Green Production

Energy transition	<p>Promote the use of clean energy such green electricity to enhance energy efficiency.</p> <ul style="list-style-type: none"> The Zhangjiagang Production Base is actively promoting the introduction of photovoltaic energy. It has already installed photovoltaic panels with a total area of 6,000 square meters on the roof of the lithium pyroxene warehouse. The project has an installed capacity of 881.82kW and has been connected to the grid for power generation since April 2023. By the end of December 2023, it has generated nearly 700,000kWh of renewable electricity. The base plans to further increase photovoltaic power generation equipment and seize opportunities for green electricity to reduce carbon emissions. The Shehong Production Base fully leverages the abundant hydropower resources of the Sichuan region, having achieved 100% utilization of renewable electricity.
Equipment upgrade	<p>Phase out equipment whose energy efficiency is outdated, and research or apply advanced equipment with high energy efficiency.</p> <ul style="list-style-type: none"> The production bases have started to gradually phase out old, energy-intensive electric motors, and install energy-efficient motors to improve the energy efficiency in the production process Tongliang Production Base targets at the production pain points, keeps investigating on the methods to improve energy consumption efficiency, and enhance the research on energy-efficient electrolytic tanks, which contributing to the energy-saving, large-scaling, and automation of production processes.

Green Office

Energy-saving equipment	When selecting office equipment such as computers and monitors, priority is given to low-power consumption products from brands with good ESG performance. For non-office equipment, we prioritize products and appliances that have national energy-saving certification, and we are gradually replacing old, high-energy-consuming air conditioners with energy-saving models. Additionally, electrical circuit equipment has been upgraded to enable zone-specific, timed control.
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; the frequency of using air conditioners is controlled.
Thermal-insulation building	The new headquarters building at Xinglong Lake is fitted with double-glazed insulating glass, which reduces the transfer of temperature between the exterior and the interior through the windows, thereby effectively lowering the building's energy consumption.
Efficient use of water	Enhance the collection and utilization of rainwater and the reuse of reclaimed water.
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.
Paperless conference room	Build paperless conference rooms where paper is substituted with screens, thereby reducing the use of paper material.
Awareness raising	Further promote energy conservation, raise the awareness of electricity conservation, and ensure employees turn off lights when leaving.

Shehong Production Base Energy Management Movement

The Shehong Production Base actively responds to the national call for energy conservation and emission reduction, continuously improving energy-saving and emission-reduction management standards. Within the Reporting Period, the base focused on establishing energy ledger, conducting energy accounting, replacing high-energy-consumption equipment, and enhancing the energy-saving awareness of all employees as main approaches to further optimise the energy management system, ensuring the implementation of energy management and energy-saving measures.

The energy management and conservation movement include actions as follows:

- Establish a ledger and archives for energy measuring instruments and meters;
- Set up a statistical ledger for energy conservation and emission reduction;
- Regularly carry out energy accounting work;
- Initiate actions to replace high-energy-consuming electrical appliances, achieving an annual electricity consumption saving of over 7,000 MWh;
- Enhance all employees' awareness of energy conservation and emission reduction, and organize activities for this.

Tongliang Production Base's Measures for Energy Conservation

The Tongliang Production Base primarily employs the electrolysis process. The high energy consumption of this process compels the base to focus more on energy-saving methods during the auxiliary production stages, striving to reduce the energy consumption per unit of product.

Measures	Adopt a new crystallization method to produce anhydrous lithium chloride	Install variable frequency drives on exhaust fans and upsize modifications of electrolytic cells	Replace and optimise the existing silicon rectifiers for electrolysis
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GHG Emission Management

We are actively promoting carbon emissions management and have completed carbon inventories for our Shehong, Zhangjiagang, and Tongliang Production Bases. This Year, our carbon inventory scope has additionally included the newly established Anju production base and the new headquarters at Xinglong Lake. At the same time, we have conducted in-depth analyses of carbon emissions throughout our products' life cycles and carbon reduction potential, providing more accurate data and information support for the management of climate risks and opportunities. In 2022, we completed the carbon footprint evaluation of three key products (lithium metals, battery grade lithium hydroxide and battery grade lithium carbonate) and received the third-party certification.

Furthermore, we adhere to low-carbon business travel. According to statistics from Trip.Biz, our Company has achieved a total reduction in emissions of 25,814.59 kilograms of CO2 equivalent this year through the use of airplanes, trains, and taxis. In 2023, the net direct greenhouse gas emissions (Scope 1) within our operational control amounted to 125,198.02 tons, and the net indirect greenhouse gas emissions (Scope 2) were 146,460.74 tons, totaling 271,658.76 tons.



Over half of Tianqi Lithium's carbon footprint can be traced back to the raw materials of inorganic chemicals such as soda ash, caustic soda, and concentrated sulfuric acid. Therefore, a key to achieving net-zero lies in strategic procurement and collaboration with our suppliers to reduce their emissions, which, in turn, will decrease the carbon footprint of our products. We plan to gradually integrate supplier management processes into our corporate emissions reduction roadmap, giving priority to partnerships with suppliers who are actively engaged in climate action. By setting reduction targets and strategies collaboratively, we aim to foster joint efforts in emissions reduction along the supply chain.

Environmental Management System

Tianqi Lithium strictly conforms with laws and regulations regarding environmental protection, with continuous efforts made to improve and perfect the environmental management system. Measures including improving management system, optimizing management structure, and implementing system certification, ensure a standardised and valid management.

Compliance with Laws and Regulations

Tianqi Lithium strictly complies with the Environmental Protection Law of the People's Republic of China, the Law of People's Republic of China on Environmental Impact Appraisal, the Law of the People's Republic of China on the Prevention and Control of Atmospheric Pollution, the Water Pollution Prevention and Control Law of the People's Republic of China, the Law of the People's Republic of China on Prevention and Control of Environmental Pollution by Solid Waste, the Law of the People's Republic of China on Prevention and Control of Soil Contamination, the Law of the People's Republic of China on Prevention and Control of Pollution from Environmental Noise 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, so as to create a sustainable operation model. Meanwhile, the Company pays environmental protection-related taxes and fees in full to ensure the Company's environmental management compliance.



Standardised Management

Tianqi Lithium is committed to continuously standardizing environmental management, improving management system and structure, and actively implementing management system certification to further improve the Company's environmental performance.



During the Reporting Period, the Company's proportion of up-to-standard pollutant discharge:

100%



During the Reporting Period, the Company's penalty for excessive or illegal discharge of pollutants:

0 case



During the Reporting Period, the Company's environmental emergencies or major pollution accidents:

0 time

System and Structure Guarantee

Tianqi Lithium has set up internal management systems including 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, Emergency Management Procedures, which, in accordance with relevant national laws, regulations and policies, are updated timely, to continuously improve the Company's environmental management system.

During the Reporting Period, the EHS department of Tianqi Lithium was set up under the office of the Safety Production Committee (SPC) to elevate the environment and safety management to the level of the head office, which reports to the SPC and is responsible for the overall implementation of the decisions made by the SPC, the handling of the day-to-day work, and the fulfilment of the duties of coordinating, supervising, inspecting, evaluating and supporting the work of various departments at the head office and the production bases in relation to production safety. The SPC is the collective leadership and decision-making body of the company's production safety work, responsible for the unified organization, coordination, supervision, guidance, assessment and leadership of the company's production safety, fire safety, occupational health and labour protection, emergency rescue, environmental protection and other aspects of management. The Safety Committee consists of the President, Executive Vice President (Chief Operating Officer), Executive Vice President/Senior Vice President/Vice President of business lines, heads of bases, heads of major functional departments of the Joint Stock Company, representatives of labour unions and employees, and other relevant personnel. Up to now, Tianqi Lithium has formed an EHS management system that connects the top and bottom of the company. Through the deployment of four professional management boards, namely, EHS compliance, system, training and control, it has constructed a bottom line of EHS compliance, and given full play to the functions of the EHS department of the head office in terms of monitoring, checking, assessing, and supporting, so as to comprehensively improve the compliance of the company's safety and environmental management system.

System Certification Guarantee

Up until the end of this Reporting Period, Tianqi Lithium's Shehong, Tongliang, Zhangjiagang Production Bases and Talison Resource Base in Australia have all obtained certification to ISO14001 environmental management system, and Anju Production Base is expected to carry out ISO 14000 system certification after commissioning and acceptance in 2025. Currently, based on the establishment of the headquarters EHS department, we will gradually implement the environmental management system certification at the headquarters level. We conduct an external audit and an internal audit for environmental management system annually, covering all domestic production bases and overseas Talison resource bases with all the production and operation processes. In addition, Zhangjiagang Production Base continues to use environmental protection services consultants. It conducts compliance audits on-site semi-annually, and the problems found in the audits will be managed through CPAR in closed-loop.

Moreover, we are also committed to promoting green factory certification at each base to comprehensively boost green manufacturing development. Up to now, Tianqi Lithium's Shehong Production Base and Tongliang Production Base have achieved provincial green factory certification. Talison has initiated the evaluation of the Initiative for Responsible Mineral Assurance ("IRMA") and is currently in the process of IRMA50.

Zhangjiagang Production Base Environmental Management System

Tianqi Lithium Zhangjiagang Production Base has fully integrated environmental management concepts into its business process to continuously enhance environmental performance. The base has an environmental management team, with the EHS department as its core and the Process Technology Department as the support. Starting from manufacturing techniques, equipment operation, business activities and other aspects, it identifies potential environmental factors, such as pollutant generation, waste discharge, energy consumption, and implements targeted control measures.

Zhangjiagang Production Base monitors exhaust gas and wastewater discharge in compliance, regularly authorizing a third-party agency to monitor the quality of organized and unorganized exhaust gas, production wastewater and rainwater. And, according to monitoring reports, targeted maintenance methods or improvement plans are implemented, further reinforcing environmental management. At the same time, the high degree of automation of the Zhangjiagang Production Base also provides strong support for stricter management of environmental indicators. In 2023, the waste water and exhaust gas emissions of Zhangjiagang Production Base all meet the regulations.

Completed Environmental Targets of Tianqi Lithium's Domestic Production Bases in 2023

Aspects	Shehong Production Base	Tongliang Production Base	Zhangjiagang Production Base
Environmental management targets	<ul style="list-style-type: none"> 100% coverage of environmental management system certification renewal and audit 	<ul style="list-style-type: none"> 0 times of environmental accidents 100 compliance with waste discharge and disposal 	<ul style="list-style-type: none"> 100% implementation of EHS monitoring plan
Emissions management targets	<ul style="list-style-type: none"> 100% compliance emission and treatment rate of exhaust gas emission 100% compliance discharge and disposal rate of wastewater 	<ul style="list-style-type: none"> 100% compliance emission and treatment rate of exhaust gas emission 100% compliance discharge and disposal rate of wastewater 	<ul style="list-style-type: none"> 100% qualified emissions
Waste management targets	<ul style="list-style-type: none"> 100% standardized disposal rate of solid waste (including hazardous waste) 	<ul style="list-style-type: none"> 100% standardized disposal rate of solid waste (including hazardous waste) 	<ul style="list-style-type: none"> 100% standardized disposal rate of solid waste (including hazardous waste)
Energy use efficiency targets	<ul style="list-style-type: none"> Lithium carbonate energy consumption: 2.53 tons of standard coal equivalent/ton of product Lithium hydroxide monohydrate energy consumption: 2.25 tons of standard coal equivalent/ton of product 	<ul style="list-style-type: none"> Lithium chloride consumption ≤ 6.45 tons/ton of product; Sodium hydroxide consumption ≤ 6.15 tons/ton of product; Electricity consumption ≤ 48,087 kWh/ton of product; 	<p>_____</p>
Water use efficiency targets	<ul style="list-style-type: none"> Lithium carbonate and lithium hydroxide monohydrate water consumption: 45 tons of water/ton of product 	<ul style="list-style-type: none"> Water consumption per ton of product: 80 tons of water/ton of product. 	<p>_____</p>

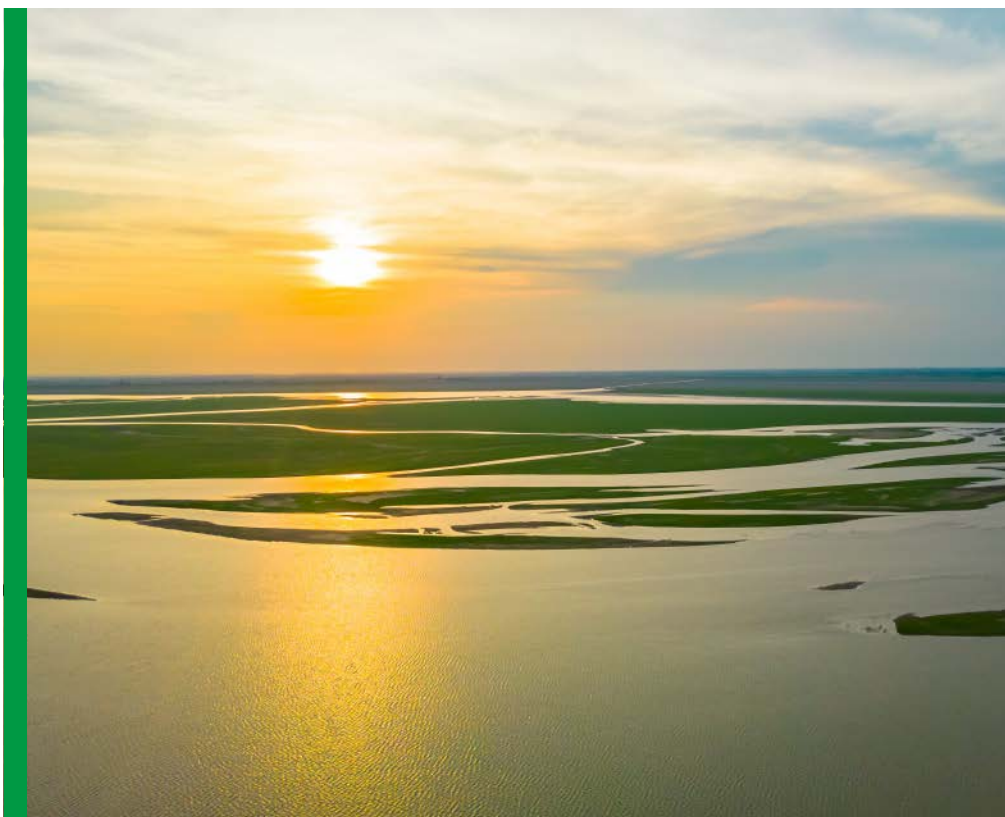


Natural Resource Management

Tianqi Lithium recognizes the importance of improving resource utilization efficiency as a key path to green development, and we are committed to exploring and promoting sustainable resource utilization models. Through continuous and stepped-up efforts in water resources management and the disposal of “Three Wastes”, we bring natural ecosystems protection and management to a higher level, and actively embrace principles of circular economy to open up a new prospect for natural resources protection and utilization.

Water Resources Management

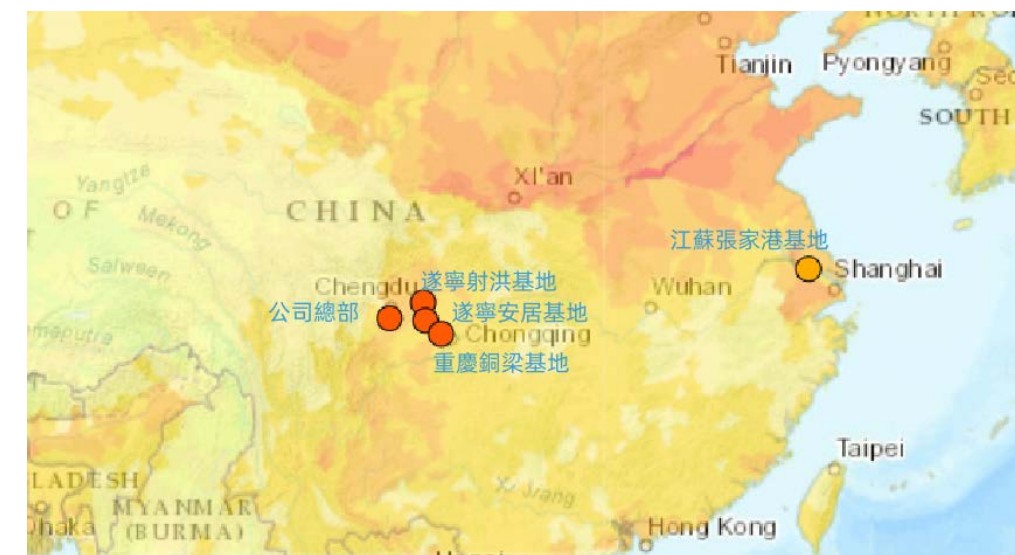
Tianqi Lithium strictly complies with the Environmental Protection Law of the People’s Republic of China, the Water Law of the People’s Republic of China, the Water Pollution Prevention and Control Law of the People’s Republic of China and other local laws, regulations and policies in the place where it operates, and each production base has established a well-developed water resource management system. We continue to strengthen risk management of water resources, reinforce water-saving concepts and actively carry out water-saving actions, and strive to maximize the comprehensive use of wastewater, so as to ensure the overall enhancement of water resources management. The Company faces no relevant risks in securing suitable water sources.



Risk management of water resources

Tianqi Lithium pays high attention to potential water resource risks faced by its operations, involving identification, management, and monitoring of water resources risks into daily environmental management routine. In the environmental impact assessment stage of projects, we evaluate the water supply risk of the project sites, and effectively reduce the water resource risk by establishing corresponding emergency management mechanisms and equips the sites with backup water tanks. Except for Shehong Production Base, which mainly takes surface water, other bases of the Company all take water from the municipal pipeline network.

This year, we used the World Wide Fund for Nature (WWF)’s Water Risk Filter to identify the risk of water taken from domestic established production bases. The results showed that the locations where our four domestic production bases lie all had water scarcity score below 2.4, hence not belonging to water stress areas.



The Result from WWF’s Water Risk Filter

Water Conservation Management

To implement the “water-saving priority” policy and comprehensively strengthen water conservation management, Tianqi Lithium strives to reduce the waste of water resources and improve the reuse rate of water resources by introducing and reforming water-saving equipment and promoting water resource reuse technologies. Up until the end of this Reporting Period, the total cyclic utilization rate of the Company's water resources was over 95%.

Zhangjiagang Production Base Took Series of Water-Saving Management Measures

Zhangjiagang Production Base continuously optimizes water resource management methods and technical standards, focusing on monitoring water usage and achieving a 100% installation rate of water metering equipment at the base. Additionally, during the Reporting Period, Zhangjiagang Production Base conducted a water balance test, providing basis for exploring water potential and enhancing water resource management. The results of this year's water balance test showed that the base's water intake for lithium carbonate products is 25.09m³/t, which is better than the 52m³/t limit set by the “2022 Jiangsu Provincial New Water Consumption Quota (Trial)”; with a wastewater reuse rate of 22%, steam condensate reuse rate of 100%, a comprehensive water loss rate of 0.27%, sustaining the water conservation efforts of the past three years.



Waste Water Management

Tianqi Lithium strictly complies with the requirements of relevant laws and regulations in the place where it operates and has formulated internal management measures and standards such as wastewater management and control procedures. Each production base is equipped with complete sewage treatment equipment to test and monitor the pH value, COD value, total nitrogen, total phosphorus and other indicators of the wastewater to ensure compliance with discharge standards. In addition, we make continuous efforts to promote comprehensive wastewater utilization projects to raise industrial wastewater recycling rate and minimize wastewater discharge.

Multi-type Wastewater Management Achieved at Tongliang Production Base

Tongliang Production Base mainly produces metal lithium products and, due to the product's unique characteristics, currently does not generate process wastewater¹³. However, for non-process wastewater management, Tongliang Production Base has implemented highly targeted wastewater management practices based on production needs and different types of wastewater characteristics to ensure effective progress in wastewater management.

- **Quality Inspection Wastewater:** High-concentration wastewater containing lithium metal and lithium salts generated during quality inspections will be collected, sent to the equipment cleaning water tank, and regularly transported to Tianqi Lithium's subsidiaries as production raw material. Research and Development Centre's instrument and equipment cleaning wastewater and acid mist purification tower wastewater are first transferred into the wastewater collection tank, and then used for chlorine absorption system lye dilution. No waste water is discharged.
- **Equipment Cleaning Wastewater:** Electrolytic cell equipment, tank bottoms, tank walls, and filter screens are regularly cleaned to remove surface-attached lithium metal and lithium salts. Wastewater rich in lithium elements from cleaning will be sent to the equipment cleaning water tank, and enriched lithium-containing materials will be periodically transported to Tianqi Lithium's subsidiaries as production raw material.
- **Cooling Water Recycling:** For electrolysis and related auxiliary facilities, closed-loop cooling water systems are used to prevent external discharge.
- **Domestic Wastewater:** The discharged wastewater from Tongliang is domestic wastewater produced during employee's office operations. The domestic wastewater are treated to meet the Tier III requirement of Integrated Wastewater Discharge Standard (GB8978) before discharging to the Dongcheng Wastewater Treatment Plant in Tongliang District via the wastewater pipeline in the industrial park.

Zhangjiagang Production Base Strengthens Wastewater Management

Zhangjiagang Production Base has steadily promoted the utilization of rainwater resources, thereby reducing industrial water intake. In this year, the Base revised the Standard Operation Procedure for Rainwater Discharge, in which the ammonia nitrogen indicator was added to pollutant control factors, and the COD discharge standard was raised, so as to further improve the quality of discharged rainwater.

In addition, the Zhangjiagang Production Base adopts measures like ion-exchange resin process, reuse of cooling water and pump seal water to reduce wastewater discharge. During the Reporting Period, the total wastewater output of the Base was 192,500 tons. While maintaining business development, the Base effectively ensure a stable wastewater discharge.

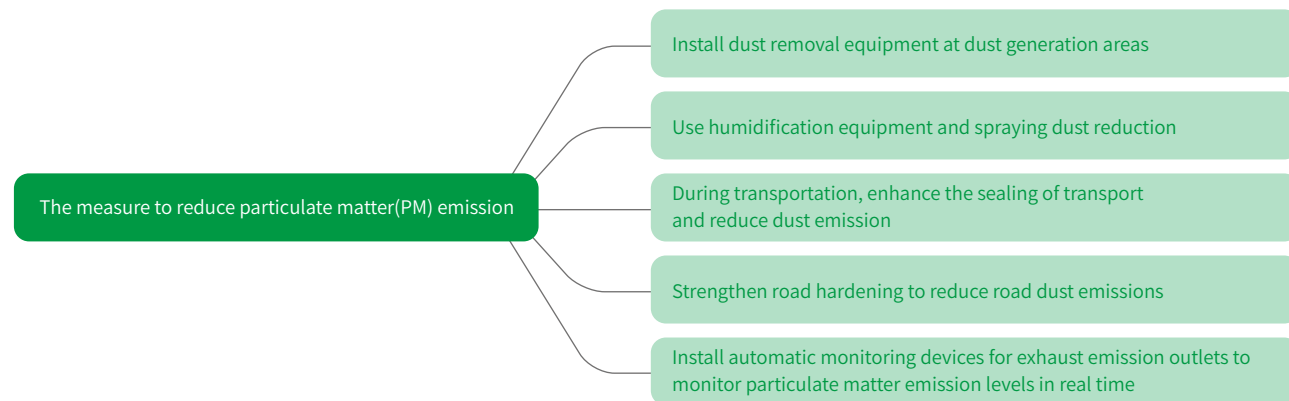
Proportion of Water Recycled and Reused in 2021-2023

Indicator	2023	2022	2021
Percentage of water recycled and reused in total water use (%)	95.56	93.04	90.05

¹³ The production process wastewater mentioned here does not include wastewater from equipment cleaning.

Exhaust Gas Management

Tianqi Lithium is committed to reducing exhaust gas emissions in the production process. At each production base, Exhaust Gas Emission Management Procedures has been established, through which organized and fugitive exhaust gas pollution factors generated in the process of mining, smelting, processing, transportation, etc., have been effectively controlled. We also select high-quality materials, clean energy, and advanced technologies to continuously alleviate pollution brought by exhaust gas emissions, promote the installation and application of real-time exhaust gas monitoring system to get accurate information on emissions and the number of pollutants, thus protecting stakeholders and the surrounding environment in the areas where we operate from being affected.



Anju Production Base Achieved Ultra-Clean Boiler Flue Gas Emission during Commissioning Period

Up until the end of this Reporting Period, Anju Production Base was in the production commissioning phase. The Base, during the design and construction stages, set environmental emission factor levels to domestic advanced standards, currently achieving ultra-clean boiler flue gas emissions. At the same time, the lithium carbonate production process at the base uses natural gas as fuel with low-nitrogen combustion technology, strictly controlling the generation of nitrogen oxides during natural gas combustion. Pollutants from the roasting process like particulate matter, sulfur oxides, and nitrogen oxides are emitted after passing through dust collectors, desulfurization and denitrification units, and acid mist removal facilities, achieving dust removal rates $\geq 99.9\%$, denitrification efficiency $\geq 80\%$, and sulfuric acid mist removal rates $> 99\%$.

Tianqi Lithium's Emission Level of Major Atmospheric Pollutants in 2023

Atmospheric pollutant	Total emissions in 2023 (tons)	Total emissions in 2022 (tons)	Change ratio
PM	4.87	6.58	-26
SO _x	0.70	2.22	-68.5
NO _x	44.99	43.33	+3.8

Waste Management

Tianqi Lithium strictly abides by the Law of the People's Republic of China on the Prevention and Control of Environmental Pollution by Solid Wastes, the Standard for pollution control on the non-hazardous industrial solid waste storage and landfill, the Standard for pollution control on hazardous waste storage and other relevant environmental laws and regulations applicable at the project sites, and conducts comprehensive waste management in strict accordance with the principles of harmlessness and the 3R management concept¹⁴.

We continuously optimize the management system of the whole process of waste generation, collection, storage, transportation, utilization, and disposal. At each production base, there is a dedicated department for waste management, responsible for coordinating daily waste management and quantity statistics, with efforts made to "Reduce waste at source and recover useful resources". In terms of waste disposal, we actively implement the waste sorting system, where non-hazardous waste will be handled by qualified third parties or collected and comprehensively utilized in a unified manner, while hazardous waste will be uniformly transferred to qualified third parties for treatment.

Lithium slag is the main solid waste produced by Tianqi Lithium. We have now established a wholly-owned subsidiary Yanting New Lithium Co., Ltd., which properly disposes of lithium slag, while actively exploring the possibility of recycling solid waste resources to reduce their stocks. We are also promoting the concept of waste management to overseas bases, such as the production base in Kwinana, Western Australia, which has now published and implemented the Waste Management Procedure to promote the recycling of renewable resources.

Shehong Production Base Continues to Improve Hazardous Waste Management

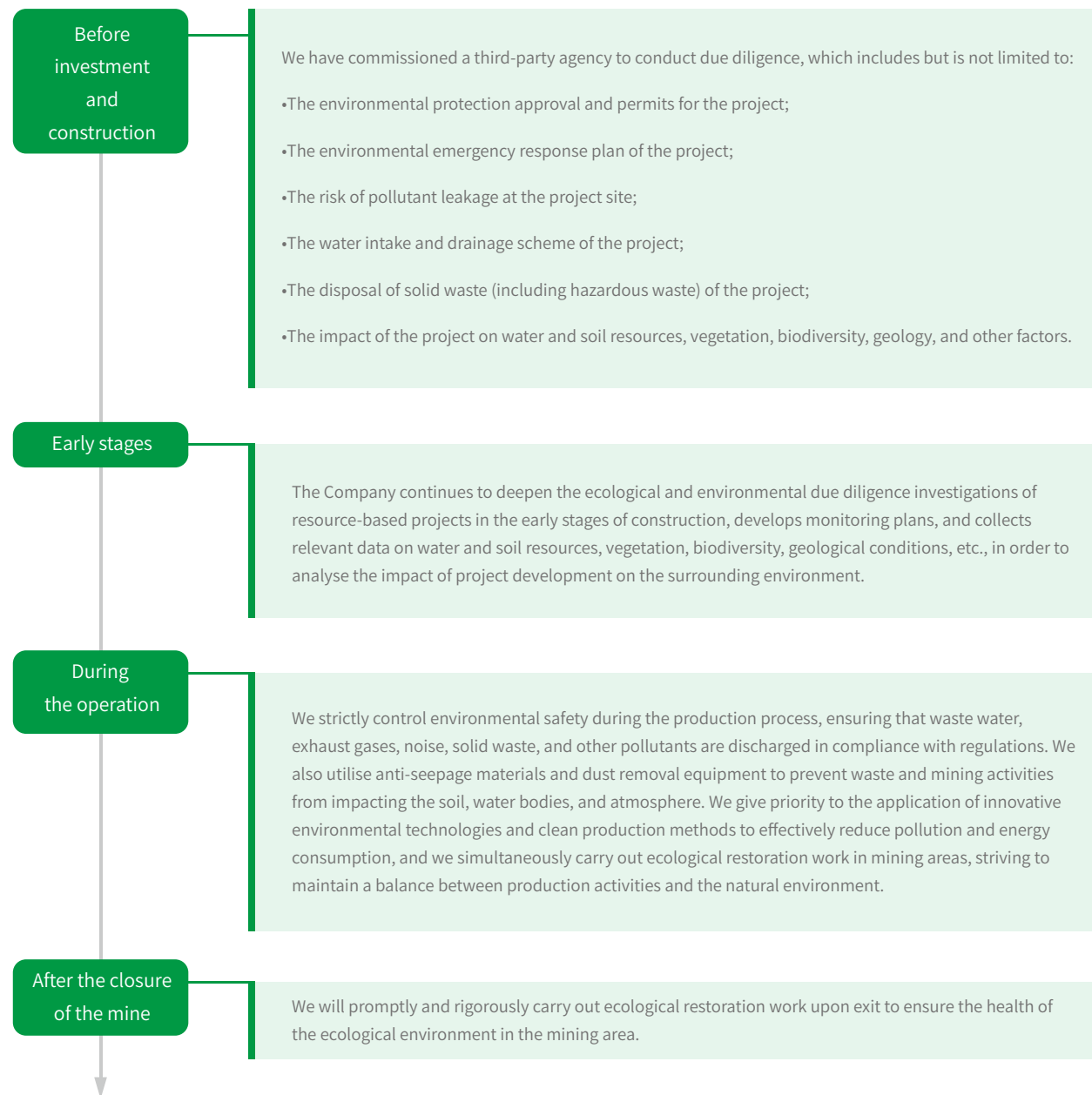
During the Reporting Period, Shehong Production Base, in accordance with national standards, has continuously improved hazardous waste temporary storage point management, completing upgrades and equipment replacements based on the existing hazardous waste temporary storage facility. The newly installed leak-proof trays effectively prevent secondary pollution caused by liquid leakage during transportation. Additionally, with improved storage conditions, the level of leak-proof and leak-proof will be enhanced, ensuring the safety of the work environment and operational staff.

¹⁴ 3R, referring to Reduce, Reuse, Recycle, is the principle for circular economy.

Ecological Protection

Mining is tied to ecological environment, therefore, strengthening ecological protection has far-reaching significance for enterprise sustainable development. 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), Tianqi Lithium continues to strengthen the ecological protection of mining areas and surrounding communities, and is committed to continuously reducing the risks and impacts of production and operations on biodiversity.

Management and Control Procedure of the Whole Process of Mining Activities of Tianqi Lithium

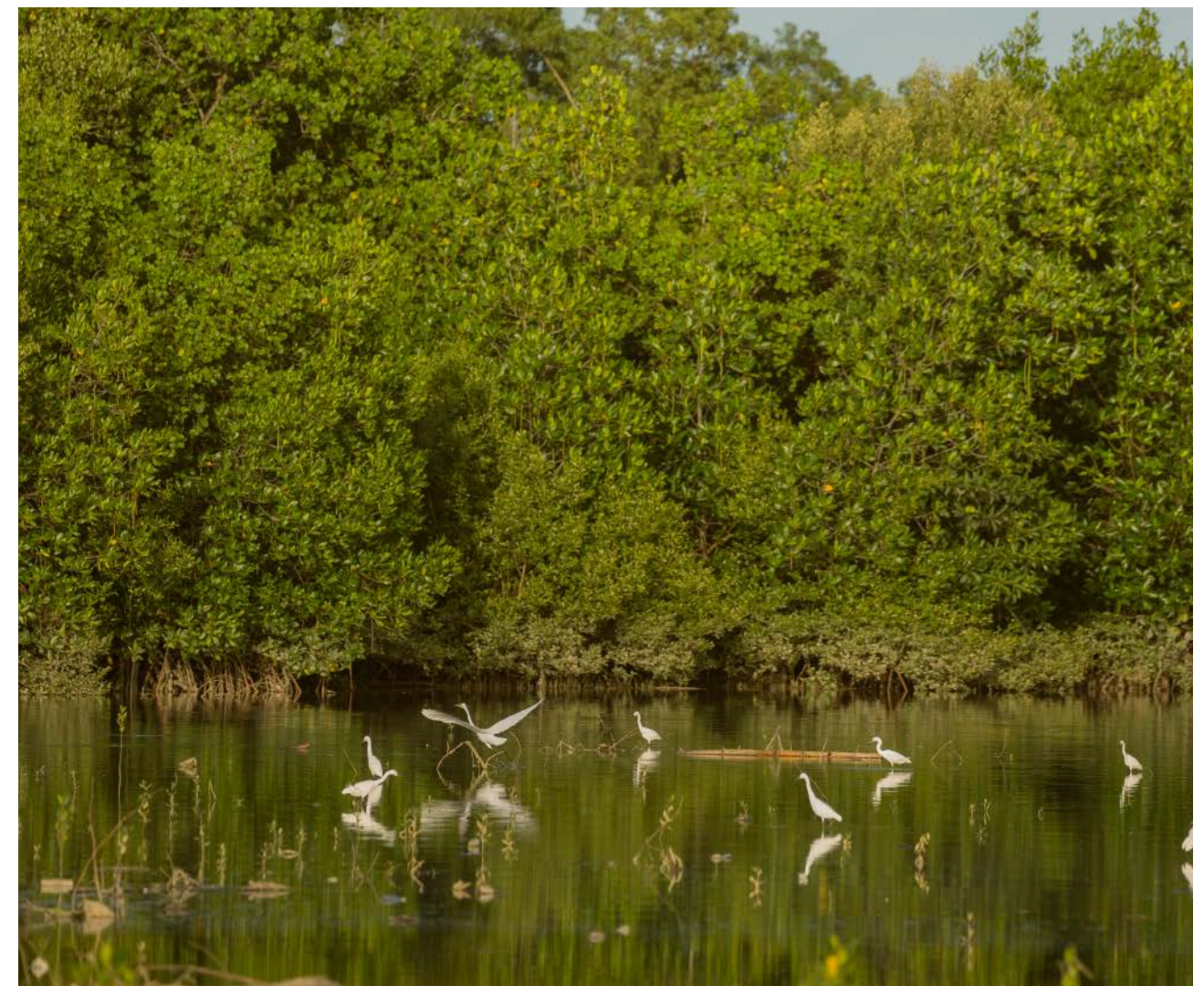


Biodiversity Conservation

Following the principle of “Avoid, Reduce, Repair and Offset”, we carry out comprehensive environmental impact assessment for all new, renovation and expansion projects, fully consider biodiversity and conduct relevant assessments in the process of project construction, development and business operation, and minimize the impact of business activities on local species, their habitats and the surrounding ecological environment.

Anju Production Base’s Ecological Protection Management Action

Anju Production Base has formulated and implemented the Environmental Factor Identification and Evaluation Control Procedure to guide ecological protection management at the base, preventing waste from contaminating soil, groundwater, and the surrounding ecological environment. Additionally, the base utilizes idle land to create gardens, lawns, and actively plants trees within the factory area to create a garden-style factory.



Mapping of Blackberry Distribution in Compensation Areas at Talison Resource Base

During the Reporting Period, Tianqi Lithium's Talison Resource Base mapped the distribution of blackberry, one of the ways to manage compensation areas in this region, to analyse the probability of blackberry seeds falling to the plant area. Blackberries are an invasive species in Australia, and despite their edible fruits available for picking, their growth and distribution should be under control to avoid destabilizing local ecosystem. During the blackberry mapping process, Talison Resource Base also discovered another invasive species in the compensation area, Blue Periwinkle, plants and seeds of which were removed promptly.

Data from the monitoring, mapping, and surveying of the blackberry distribution, which will be completed by spring 2024, will provide more detailed information for subsequent management of all compensation sites. The Base will continue to promote responsible business conduct and strive to make the surrounding ecosystem more diverse, more stable, and more sustainable, thus promoting harmony between humanity and nature.

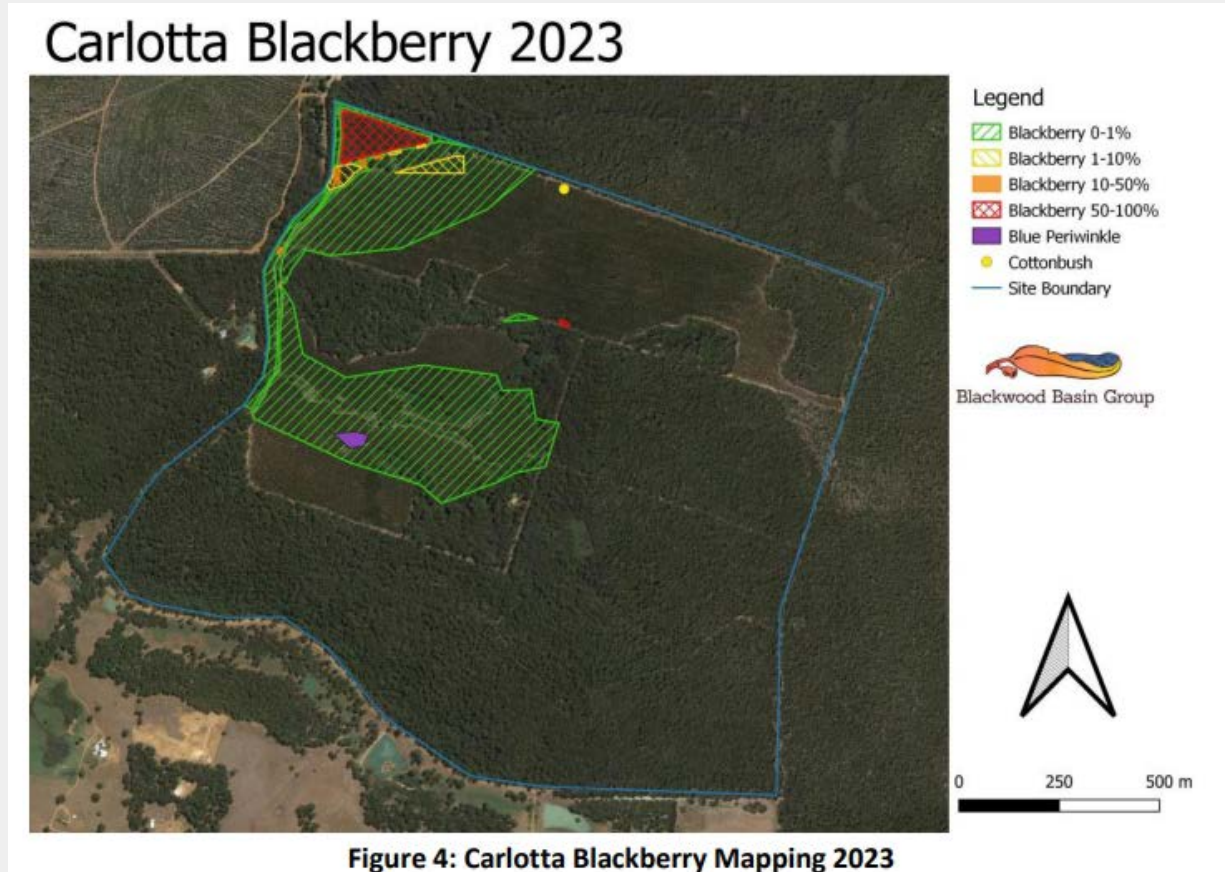


Figure 4: Carlotta Blackberry Mapping 2023

Blackberry Distribution Map of the Carlotta Area near the Base

Tianqi Lithium Joined the Proposal to Take More Actions for Biodiversity Conservation in Mining Industry

During the Reporting Period, the Company officially joined the Responsible Cobalt Initiative (RCI) and actively participated in the 2023 International Forum on Sustainable Mineral Supply Chain. It also joined and took part in the launch of the Proposal to Take More Actions for Biodiversity Conservation in Mining Industry. The initiative, a follow-up to the Kunming-Montreal Global Biodiversity Framework, aims to raise the concern of mining companies for biodiversity conservation.



Tianqi Lithium Joined and Participated in the Launch of the Proposal to Take More Actions for Biodiversity Conservation in Mining Industry

Tailings Management

We actively respond to Implementation Opinions on Accelerating the Construction of Green Mines. Through scientific and reasonable mining methods and processing techniques, we try to minimize the generation and storage of solid waste such as tailings and waste rock. For tailings waste, with the help of our research team and experimental platform for comprehensive utilization of mineral resources, we actively promote the comprehensive utilization of solid waste resources, striving to make solid waste “usable and well utilized”. Upon decommissioning of the solid waste storage facilities, we strictly follow the relevant national regulations to close the site to minimize the environmental damage and social impact caused by improper management. At the same time, together with surrounding communities, we actively explore a green mining development model with harmonious and diversified development between mining civilization and ecological civilization, so that the two bring out the best in each other.

¹⁵ Compensatory areas: Biodiversity offsets are measurable biodiversity conservation outcomes designed to compensate for significant residual adverse biodiversity impacts arising from project development and to persist after appropriate avoidance, minimization and restoration measures have been taken; Compensatory regions are those that bear the fruits of biodiversity compensation.

Circular Economy Practice

As a new energy material enterprise with lithium as its core, Tianqi Lithium inevitably produces lithium slag waste, wastewater, and waste materials in its production and operation. We actively pursue circular economy development and unswervingly promote circular economy innovation. At present, all the industrial pulping wastewater of Shehong Production Base has been reused; no industrial wastewater has been produced and all equipment water has been recycled in Tongliang Production Base; Zhangjiagang Production Base, focusing on saving working medium, has realized the recycling of paraffin oil by improving its process. At the same time, when transporting products at each base, reusable packaging materials are used as much as possible, thereby reducing the generation of waste. The total amount of packaging materials used in 2023 is 2,053.90 tons.

During the Reporting Period, we continued pushing forward the comprehensive recycling and utilization of lithium slag resources. Lithium slag, as one of the Company's main solid wastes, contains certain metallic elements (tantalum, niobium, iron, aluminium, etc.), inorganic elements (silicon, etc.) and sulphates. In 2023, we focused on planning the use of lithium slag resources generated by our main business, and actively explored the new solid waste recycling technical path of using lithium slag to produce high value-added lithium slag products such as aluminosilicate powder. Also, step by step, we promoted the use of solid waste recycling products downstream, gradually replacing primary minerals, so as to consume lithium slag, reduce the accumulation of low-value waste, and consolidate circular economy practices. In terms of incubating foreign cooperation projects, Tianqi Lithium, together with relevant universities, are carrying out research on the "comprehensive utilization of lithium slag with high value classification and quality" with relevant universities, in order to explore a new path for the utilization of lithium slag resources, and help develop new products in the downstream market, providing a new direction for the large-scale consumption of solid waste resources.



Tianqi Lithium Continues to Promote Comprehensive Recycling and Utilization of Lithium Slag Resources

In terms of comprehensive recycling and utilization of lithium slag resources, we have completed the process design package output and patent layout from laboratory scale to pilot scale (60t/dry basis), and established a wholly-owned subsidiary, Yanting New Lithium Co., Ltd. (Yanting Production Base), in 2022. The subsidiary is mainly engaged in the comprehensive recycling of industrial solid waste (lithium slag) and the production of high-quality non-metallic new material – aluminosilicate powder. The designed annual production capacity of silicon aluminosilicate powder at Yanting Production Base can reach 30,000 tons.

Specifically, lithium-modified aluminosilicate powder can replace the shale and kaolinite needed for ceramic production, offering various performance advantages including, but not limited to, saving production energy and costs, providing reinforcement functions, and maintaining stable chemical composition. Through continuous technological research and innovation incubation, we will further leverage the advantages of aluminosilicate powder. We will extend the industrial chain economy while adhering to a low-carbon ecological concept in handling solid waste, strengthening the development approach of full-process control technology focusing on "reducing at the source, recycling in the process, and harmless at the end".

Advantages of Lithium-modified Aluminosilicate Powder Products

The lithium oxide content effectively reduces the melting temperature and increases the melt rate, thereby reducing energy consumption and increasing production per unit of energy, saving on production costs.

The modified silicon aluminum powder exhibits good dispersibility within the polymer matrix and possesses certain reinforcing properties.

During the production process, high-temperature calcination leads to stable chemical composition and lower COD.

In addition to developing lithium-modified aluminosilicate powder, we are simultaneously advancing various comprehensive utilization technologies for lithium slag resources, including tantalum-niobium concentrate extraction from lithium slag, preparation of high-purity gypsum, and zeolite processing. We are committed to establishing a high-value utilization production line for lithium slag, promoting the harmless, reduction, and resource utilization of lithium slag, and providing downstream value chain with cleaner products and materials.

Lithium slag reuse products	Product description and application
Tantalum-niobium concentrate	Tantalum can be used in military production, and niobium can be used in high-quality steel. Therefore, Niobium-tantalum concentrate is widely used in electronics, biomedical engineering, special alloys, cemented carbide, chemicals, superconductors, precision ceramic glass production, etc. Currently, with 80% of domestic niobium-tantalum concentrate relying on imports, the Company will continue to raise the recovery rate of niobium and tantalum from lithium slag, promoting an increase in the local procurement ratio of niobium-tantalum materials.
High-purity gypsum	High-purity gypsum can be widely used in construction, handicrafts, sculpture, industrial molds, medical treatment, etc. After the initial treatment and recovery of lithium slag, the remaining will undergo our secondary processing to produce gypsum materials.
Zeolite processing	Lithium slag contains a silicate component which could be processed to produce the porous material "zeolite".

4

People

Tianqi Lithium has always adhered to the people-oriented concept, continuously enhancing the occupational health and safety management system. The Company is committed to providing employees with a harmonious, equal, inclusive, and safe workplace. While safeguarding employees' legal rights and interests, Tianqi Lithium shows great concern for their physical and mental well-being, ensuring open channels for talent development and providing a warm embrace to every employee.

This chapter responds to the following SDGs:



This chapter responds to the following material issues:

- Occupational health and safety
- Chemical safety
- Diversity, equity and inclusion
- Employment and labour management
- Human rights protection
- Career development and training



A Story of Responsibility:

Built a Modern Office Building, Realizing our Dream with Technology and Care

Tianqi Lithium firmly believes that a company's most valuable asset is its talents, whose well-being and growth are key to the Company's ongoing success. With this in mind, we meticulously constructed a modern headquarters building on the southern shore of Xinglong Lake in the Tianfu New Area Science City in Chengdu, Sichuan Province. This building represents not only our pursuit of technological advancement but also a profound expression of care and respect for our employees.



Entering the building, You can see the spacious and bright main entrance reception lobby. Every space we designed is commitment to create a comfortable, healthy and productive working environment for our employees. From the two-storey lobby to the modern, minimalist office area, every detail has been carefully considered to ensure that the space is not only beautiful, but also motivates the enthusiasm and creativity of employees.



We place special emphasis on the physical and mental well-being of our employees and fostering collaborative communication. Therefore, we have shared atriums every two floors – these spaces serve not only as places for employees to rest and relax but also as areas for learning and interaction. Through ingenious design, these atriums have become important places for promoting teamwork and enhancing corporate cohesion.



We also pay special attention to employees' dining and health needs. The canteen not only offers a diverse and healthy meals but is also designed to create a relaxed and pleasant dining environment filled with warmth and respect. The corporate gym encourages employees to take care of the physical health and balance their daily work and life.



We also actively encourage employees to decorate their office cubicle, hoping to boost their work efficiency through a good office environment and help employees tackle work challenges more positively. During the Reporting Period, we carried out activities to find the most beautiful office cubicle in the "Corporate Culture Promotion Month", exploring the "Lithium Corner".



Furthermore, our lecture hall - the "Lithium" Space not only showcases the strength and culture of Tianqi Lithium but is also an important space to elevate employees' sense of belonging and pride. We hope that every employee can feel the warmth and care from the Tianqi Lithium family through these thoughtful design layouts.



Tianqi Lithium are not only committed to being a driver of global energy transition but also striving to be a company that understands its employees the best. We believe that by continuously investing in the well-being and development of our employees, we can together create a better future. This headquarters building is not just a commitment to caring for employees but also a testament to our collective growth and prosperity.

Employee Health and Safety

We strictly abide by the Work Safety Law of the People's Republic of China, the Law of the People's Republic of China on the Prevention and Treatment of Occupational Diseases, the Measures for the Administration of Contingency Plans for Work Safety Accident and other applicable laws and regulations in places we operate, constantly improve the occupational health and safety management system, strengthening our EHS management level. Besides, we actively shoulder the responsibility of ensuring our employees' occupational health, striving to establish a safe and healthy workplace.

Production Safety Management

In strict accordance with the requirements of relevant laws and regulations, and based on actual operation, we have set up a series of internal safety management systems, such as the Management Specifications of Announcement for Safety Risk Assessment and Commitment. Safety management systems including the Health and Safety Management Plan and Work Hazard Analysis have also been formulated at the production base in Kwinana, West Australia. Up until the end of this Reporting Period, all domestic production bases of Tianqi Lithium have obtained the ISO 14001&45001 management system certification, and conduct an internal and external audits of the ISO 14001&45001 management system annually.



EHS Management System Construction

In 2023, Tianqi Lithium established the Safety Committee as its key management decision-making body and officially set up an Environmental Health and Safety (EHS) department at the headquarters level. By implementing four core professional management sections - EHS compliance, EHS system, EHS training, and EHS control, the Company solidified EHS compliance bottom line, established an EHS management system, conducted training to shape the safety culture, and implemented strict risk prevention and control measures. Leveraging functions such as supervision, inspection, assessment, and support, the department aims to drive the effective implementation of safety management and base production safety work.

After the Company issued the Responsibility System for Safety in Production, based on it, we quantified annual EHS goals, detailed annual work plans, compiled and consolidated annual Target Responsibility Documents, organized publicity training, signed annual Target Responsibility Documents, and enacted specific action plans. These initiatives comprehensively launched and actively executed the Responsibility System for Safety in Production, further reinforcing production safety responsibility awareness among all employees.

EHS Management System

EHS Compliance Management	<ul style="list-style-type: none"> · Guide and promote the compliance construction of EHS regulations and standards of the company and each base. · Support and conduct training sessions to enhance the compliance with EHS legal and regulatory requirements. · Establish a database of EHS regulations and standards.
EHS System Management	<ul style="list-style-type: none"> · Establish and improve the company's EHS system structure and rules and regulations, and supervise the implementation of EHS rules and regulations. · Formulate the company's EHS objectives and performance, and promote the implementation of EHS work plan. · Organize and coordinate EHS internal and external audits, and track the implementation of improvement measures.
EHS Training Management	<ul style="list-style-type: none"> · Build up the company's EHS training management system, formulate and implement EHS training programs, and establish a database of EHS training standards. · Plan and organize company EHS activities. · Organize the EHS training team and support the building of EHS training platform.
EHS Management and Control	<ul style="list-style-type: none"> · Establish and improve the risk classification and control and hidden danger investigation and management system, and set up the safe operation and emergency response management mechanism. · On-site supervision/guidance of the implementation of the company's EHS program to ensure the compliance of occupational health and environmental protection work. · Organize and participate in the analysis of root causes of EHS accidents/incidents and the development and implementation of measures.

Safety Performance and Objectives

During the Reporting Period, we have formulated and issued internal management regulations such as the Production Safety Red Line Prohibition Order and the Reward and Accountability Management Procedures, encouraging employees to actively participate in safety management, promoting EHS culture, establishing EHS values, and advancing continuous progress in EHS management. To ensure that health and safety management regulations are effectively implemented in practice, we have made EHS management a core component of the annual performance assessment for senior management and production base general managers. By incorporating the number of EHS accidents and the progress of EHS work into performance assessment, we aim to better monitor and manage EHS work.

Additionally, each of our production bases has set annual EHS objectives, using these objectives as the core to continuously carry out safety and health management. Regular monitoring and assessment of these objectives have been conducted on a monthly, annual or other frequency basis. During the Reporting Period, the Company did not occur any major safety or health incidents, successfully achieving the annual EHS performance objectives. The trend in EHS management is positive, with management levels steadily improving.

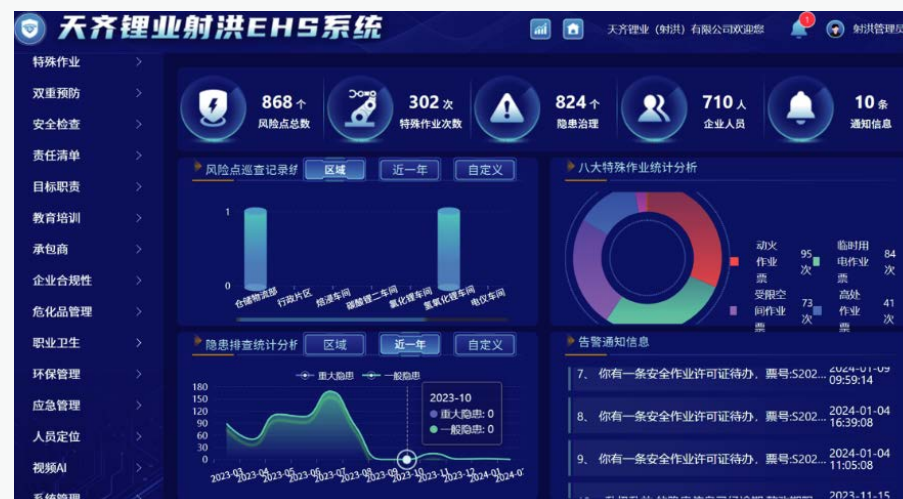
Base	EHS performance objectives
Tongliang Production Base	<ul style="list-style-type: none"> 0 environmental accident or safety accident above level IV 100% coverage of EHS training The rate of EHS hazard investigation and rectification within a time limit \geq 96.5% 100% inspection & maintenance rate of EHS protection facilities 100% compliance of occupational health monitoring management
Shehong Production Base	<ul style="list-style-type: none"> The incidence of occupational diseases is 0 100% occupational health examination rate for employees (off-the-job/on-the-job) The number of EHS-related Level IV and above accidents was 0
Zhangjiagang Production Base	<ul style="list-style-type: none"> 100% pass rate of new employee training 100% implementation rate of EHS inspection plan 100% timely inspection rate of special equipment and safety facilities 100% timely rectification rate of EHS hidden dangers 100% coverage of occupational health examinations The number of occurrences of events at level V and above is 0

Digital Construction

In response to the national Guidelines for the Construction of an Intelligent Safety Risk Management and Control Platform for Chemical Industry Parks (Trial), Tianqi Lithium has actively initiated the digital transformation of EHS management to improve safety management efficiency and standardize the process. In June 2023, the Company launched the “Tianqi Lithium Shehong EHS Digital Platform System” at the Shehong Production Base, with plans to gradually promote the construction of EHS digital platforms at other production bases based on this initiative. Additionally, technological development is seen as a key driver to enhance the fundamental safety, with efforts focused on the “Strengthen Safety through Technology” initiative to transform hazardous production processes into operation processes based on advanced technology, effectively reducing operational risks for employees and contractors.

Shehong Production Base EHS Digital Platform System

The “Tianqi Lithium Shehong EHS Digital Platform System” encompasses multiple key functional modules such as individual enterprise profiles, special operations, double prevention, safety inspections, responsibility lists, target responsibilities, education and training, contractor management, enterprise compliance, hazardous chemical management, occupational health, environmental management, emergency management, personnel positioning, and video AI identification, etc. This system facilitates digital management of the EHS system within the Company, strengthening the foundation of EHS work.



Tianqi Lithium Shehong EHS System Interface

Shehong Production Base Upgraded Intelligent Equipment

During the Reporting Period, Shehong Production Base replaced the existing 39 analog cameras in the roasting and leaching workshop with high-definition digital surveillance cameras, achieving high-definition digitalization of all 33 production monitoring devices in the workshop. This upgrade brought significant progress in factory safety management. Additionally, Shehong Production Base set up 12 operating positions in the roasting and leaching central control room at the production operation centre, relocating the control rooms of two Class A units, the lithium metal workshop and the boiler workshop to the production operations centre for centralized control. The central control room screens display real-time high-definition images of various production processes including roasting, leaching, lithium metal, and boiler operations, further raising the production safety level of the base.

Experimental Electrolyser Project at Tongliang Production Base

During the Reporting Period, Tongliang Production Base conducted an experimental electrolyser project, achieving automatic lithium metal discharge and organized negative pressure chlorine gas emissions by the redesign of electrolyser structure. This initiative significantly reduces the frequency of manual lithium scooping, effectively lowering the risk of personnel burns. By utilizing negative pressure collection for chlorine gas emissions, it can effectively address common safety hazards in chemical production to ensure the health and safety of operational staff, enhancing the fundamental safety level.

Zhangjiagang Production Base’s Automation Solution for 30,000 tons Lithium Hydroxide Project

As the Company steadily progresses with the 30,000 tons lithium hydroxide project at the Zhangjiagang Production Base, plans are in place to implement a fully automated solution. This approach will ensure the fully automated operation of lithium pyroxene unloading, stacking, and loading, enabling unmanned retrieval of lithium pyroxene from the stacks. Additionally, the automatic configuration design for calcium carbonate will significantly reduce the possibility of personnel exposure to dust, greatly enhancing employee occupational health and safety.

Anju Production Base Adopts “AI + Industry4.0” Model to Reduce Operational Risks

Anju Production Base, from the perspective of fundamental safety, carries out design and equipment selection, incorporating the “AI + Industry4.0” model in some production facilities. This includes using machinery to replace manual operations and implementing DCS remote automation control to effectively reduce operational risks for personnel. In the future, the base will be connected to the smart monitoring platform in the industrial park for work reporting.

Contractor Production Safety Management

Tianqi Lithium identifies the health and safety management of contractors as the crucial task, establishing relevant management standards. Every Production Base signed the Contractor EHS Agreement with contractors, requiring them to develop EHS plans for construction projects in accordance with national regulations. The Company also assists contractors in conducting production safety and fire management, supervising and inspecting the execution of EHS work. Any accidents or unsafe conditions that may pose a potential threat to production and operation safety during construction must be reported to the Company, and active cooperation in the subsequent investigation and responses should be required.

Safety Risk Prevention and Control

Tianqi Lithium attaches great importance to safety risk management and has established internal risk control and hazard management procedures such as the Safety Risk Classification and Control Management Procedure and the Safety Inspection and Hazard Investigation and Control Procedure, which clearly define the responsibilities, definitions, and management process requirements for the Company's occupational health and safety control work. Based on risk management and with hazard investigation and control as a key point, we conduct daily investigation, comprehensive investigation, professional investigation, seasonal investigation, investigation during key periods and before holidays, accident analogy investigation, investigation before resumption of production and work, diagnostic investigation by external experts and so on to effectively identify and control risks and manage hazards, minimizing potential safety risks and ensuring the safety of employees. The Company has commenced the introduction of unmanned shelves in its warehouses, and production bases such as Zhangjiagang Production Base have achieved a high degree of automation. By substituting manual labor with machinery and technology, the likelihood of employee injuries is fundamentally reduced, thereby leveraging technology to ensure the safety of employees.

Tongliang Production Base's Safety Risk Prevention and Control Measures

Tongliang Production Base has established specific Standard Operating Procedure (SOP) documents for all frontline positions, outlining risk analysis during operations, which includes, but is not limited to, the hazardous characteristics of chemicals and emergency measures, as well as determining personal protective equipment based on job risks. This ensures that every employee is familiar with the risks and emergency responses during operations. Additionally, the base continuously optimizes daily management in key areas such as electrolysis, distillation, and research and development. Through joint management and combined with workshop training, frontline employees are actively involved in hazard rectification.



Tianqi Lithium's domestic production bases checked and controlled a total of 258 risks and hazards, achieving 100% timely rectification.

100%

Chemicals Safety Management

Tianqi Lithium places high importance on the management of hazardous chemicals and strictly complies with relevant regulations such as the Regulations on the Safety Management of Hazardous Chemicals. We have formulated internal documents such as the Chemical Safety Management Procedures, the Chemical Management Specifications, and the Announcement Procedure for Safety Risk Assessment and Commitment. Through implementing the two-level management structure, "Headquarters and Production Bases", we require each production base to manage hazardous chemicals in their production activities, while the headquarters is responsible for supervising each base's management activities to ensure effective implementation of chemical safety management and guarantee smooth and safe production operations. At the same time, we require the registration of material safety data sheets and chemical reactivity matrices for all chemicals, and urge production bases to update new chemicals in a timely manner when they are introduced, so as to strengthen the overall monitoring and management of hazardous chemicals. Up until the end of this Reporting Period, the chemicals used by the Company have not been included in the SVHC (Substances of Very High Concern) or SIN (Substitute It Now) lists.

Shehong Production Base's Measures to Ensure Safety Chemical Transport

To ensure the safety and integrity of chemicals during transportation, Shehong Production Base has implemented comprehensive safety management mechanisms and protection measures. It has clearly defined regulations for the pre-transportation, transportation, and post-transportation of chemicals to ensure the safety and reliability of the entire transportation process.

Chemical Transportation Safety Regulations

Before transportation	<ul style="list-style-type: none"> · Ensure that the chemical is clearly labeled and the packaging is intact; do not transport the chemical if its packaging or labeling is damaged · Inspect the delivery vehicle as well as the qualifications of the driver and accompanying security personnel, and document the findings. Outbound services should not be processed for those that do not meet the required standards
During transportation	<ul style="list-style-type: none"> · Ensure that operators are familiar with the chemical's MSDS or information such as its name, properties, toxic effects, and safety hazards · Transport and carry explosives and other hazardous chemicals that are prone to combustion or explosion using explosion-proof vehicles · Carry different chemicals separately: transport reactive chemicals with precautions to prevent vibration, friction, or any form of impact; ensure that flammable chemicals are kept away from sources of ignition and heat during transport
After transportation	<ul style="list-style-type: none"> · Only chemicals that pass inspection are permitted for storage · Stored chemicals should be placed in their respective containers

Zhangjiagang Production Base Conducted Hazardous Chemical Emergency Drill

During the Reporting Period, Zhangjiagang Production Base conducted an emergency drill focusing on a simulated scenario of a leak of easily toxic and explosive chemicals (hydrochloric acid). The drill simulated a situation where a hydrochloric acid bottle was accidentally spilled during sample handling. During the emergency drill, the relevant operators immediately stopped their tasks, reported the situation to the on-site supervisor, and took initial response measures such as opening doors and windows for ventilation, thus effectively preventing the accident from getting worse. Subsequently, emergency response team members wore chemical protective suits and respiratory protective equipment and professionally handled the leaked hydrochloric acid. This emergency drill not only tested the effectiveness of the emergency response plan, and further strengthened employees' awareness and skills in handling chemical leakage accidents, ensuring production safety and employee health.

Safety Training and Implementation

Dedicated to raising employees' safety and health awareness, Tianqi Lithium has established internal documents such as the "EHS Training Management Procedure" and regularly conducts production safety training, production safety months, EHS-themed advocacy activities, etc. Additionally, the Company has set up special EHS bonuses to reward outstanding performance in daily EHS work, further improving employees' enthusiasm and initiative in participating in production safety.

Zhangjiagang Production Base Carries out Safety Training Activities

At the beginning of each year, Zhangjiagang Production Base develops its safety training plan, and carries out safety training activities accordingly. The safety training of the base can be divided into internal training and external training, internal training mainly covers getting familiar with the management system, mastering fire-fighting safety knowledge, and improving safety skills and other fields, while external training focuses on more professional content like the use of air breathing apparatus, fire hose throwing, etc. The base, at the end of the year, evaluates and confirms the implementation of the safety training plan, and formulates the safety training plan for the next year according to the actual situation.

Tongliang Production Base Carried out Fire-Fighting Month Activities

To implement the fire-fighting theme of "Prevention First, Life First", further implement the Company's EHS management, and create a good atmosphere for EHS work, Tongliang Production Base, in November 2023, organized all employees to carry out fire protection Month theme activities. Through fire-fighting safety knowledge training, real combat simulation drills and other activities, it improves employees' fire-fighting safety awareness and ensures the effective application of fire facilities.



Occupational Health Management

Tianqi Lithium strictly abides by the Law of the People's Republic of China on the Prevention, the Regulations on the Administration of Occupational Health in the Workplace and the Standards for the Management of Occupational Health Records, 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. We continuously strengthen the management of labour protective equipment, ensuring the effective and reasonable distribution and use of labour protection supplies to safeguard the health and safety of employees. In addition, the Company has set up occupational health management targets at all domestic production bases to promote the effective implementation and continuous improvement of policies related to occupational health management. The Company has improved its packaging methods, reducing dust, thereby decreasing the likelihood of dust-related respiratory harm to employees during operational processes.

Tongliang Production Base Ensures the Occupational Health and Safety of Employees

During the Reporting Period, Tongliang Production Base commissioned qualified units to conduct on-site occupational hazard factor testing, including chlorine gas, high temperatures, noise, and paraffin smoke four factors, all of which turned out to be qualified. Simultaneously, the base requires all positions involving occupational hazard factors to undergo occupational health examinations (pre-employment, during employment, and post-employment examinations) to establish and maintain comprehensive employee occupational health records and continuously monitor employee health. Furthermore, the base organizes health education and occupational health theme training activities to enhance the management level of employees' physical and mental health.



Number and rate of work-related fatalities occurred in each of the past three years: **0**;

Lost time injuries: **221** days;

Investment in occupational health During the Reporting Period: **4,708,642.18** USD,

Occupational disease incidence rate: **0**%.

(The range contains Shehong Production Base, Tongliang Production Base, Anju Production Base, Zhangjiagang Production Base, headquarter);

Diversity, Equality and Inclusion

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. In accordance with the International Labour Law and the labour standards of the countries and regions where the Company operates, we carry out practice and ensure fair employment of employees and resolutely prohibit child labour and forced labour, striving to build equal, harmonious and inclusive labour relations.

Fair Employment

Insisting on the recruitment principles of matching people with posts, focusing on strategy and the future, ensuring quality, morality first and equal competition, Tianqi Lithium has established and implemented a fair and diverse recruitment system. We have set up internal systems such as the Recruitment Management Measures, the Diversity and Inclusion Policy and the Code of Conduct Policy to clarify the system ensuring fair treatment and have achieved internal and external fairness in practice. During the Reporting Period, we revised the principle of nepotism-avoidance in the Recruitment Management Measures, adding more scenarios in which the candidates cannot be hired, if his/her relative works in an enterprise that is engaged in the same or similar industry as Tianqi Lithium and its affiliates, or in an enterprise that is in competition with Tianqi Lithium and its affiliates, to create a fair and just employment environment for employees. At the same time, we strive to provide all employees, especially female employees, with good benefits, self-improvement and career development opportunities. Through practical actions, the Company fully fulfilled its commitment to reducing workplace inequality and demonstrated its efforts and achievements in promoting gender equality and empowering women.

Meanwhile, we expand recruitment channels and continuously optimize the recruitment and selection process to improve candidates’ recruitment and on-boarding experience. We consolidate campus recruitment, social recruitment and other channels, and introduce a new recruitment management system to manage recruitment more efficiently and accurately.

Recruitment Management Innovation and Optimisation

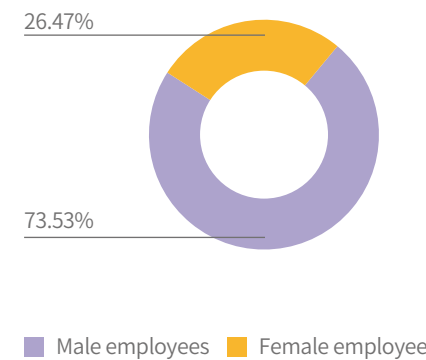
We deeply understand that human resource is the primary resource and the driving force for company development. In 2023, we formulated tailored talent recruitment plans for each production base and functional department, providing talent guarantees for the Company’s strategic development through innovative live-streaming recruitment events and activating the corporate talent pool. Additionally, we utilize more precise assessment methods to evaluate candidates’ qualities and abilities from multiple dimensions. By introducing a new recruitment management system, we achieve one-stop management for resume collection, screening, interviews, assessments, and onboarding, effectively reducing the recruitment cycle, lowering recruitment risks, and enhancing recruitment management efficiency.

“Dreamers of Lithium” Campus Recruitment Program

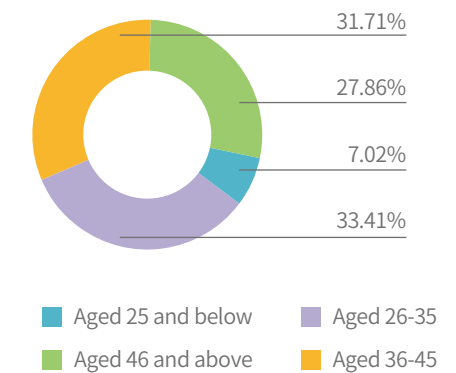
The Company attaches great importance to and actively carries out the “Dreamers of Lithium” campus recruitment program. By comprehensively analysing recruitment needs and accurately targeting key universities, high-quality talent reserves for critical positions have been established to support the Company’s talent pipeline construction. Simultaneously, we conduct interviews with previous “Dreamers of Lithium” participants, strengthen the connection between new and old “Dreamers of Lithium” members, fully showcase the growth, development, and work experience of campus recruitment talents in the Company, attracting more attention from potential candidates.

Up until the end of this Reporting Period, Tianqi Lithium had a total of 2,864 employees. The employee turnover rate During the Reporting Period was 12.69%.

Breakdown by Gender



Breakdown by Age



Human Rights

Tianqi Lithium is committed to treating all employees equally, aiming to create a diverse and inclusive work environment, so that each differentiated individual can thrive and present their best self in the workplace. We have formulated and implemented a series of management systems, such as the Labor Contract Management Specifications and the Code of Ethics and Professional Conduct, to regulate management in recruitment, compensation, promotion, rewards, and penalties, and never discriminate in any form based on race, colour, age, gender, religion, nationality, sexual orientation, descent or any other category protected by law. We strictly prohibit the use of child labour and resolutely forbid any form of forced labour or modern slavery in our company's operations and affiliated businesses, including prison, military or slave labour or any form of human trafficking. Additionally, we discuss and improve employee rights and interests through employees' congresses and other channels, continuously focus on and enhance the protection of the legitimate rights of female employees and other employees, and incorporate labour employment violations into the performance assessment indicators of the human resources personnel at each production base. This further standardizes employment management and reduces the risk of labour employment violations.



Show Respect to Women Power

On the occasion of International Women's Day, Tianqi Lithium expressed the sincerest wishes and respect to all female colleagues through official social media posts. The development of Tianqi Lithium is inseparable from the wisdom and efforts of female managers and employees. Many advantages found in female executives allow them to have more possibilities in the Company's development, and "she power" is rising. The Company is committed to broadening the promotion channels for women, ensuring their full participation in decision-making at the leadership level, enhancing their voice and leadership, and emphasizing the development of female leadership styles. In Tianqi Lithium, female members of the Board of Directors and Supervisory Board account for over 50%, nearly 30% in middle and senior management, and 26.47% of all employees, leading the industry in gender equality. These numbers make us proud and serve as our driving force for progress.

We identified and detailed the stories of several outstanding female employees, including Senior R&D Engineer Ms. Yan Xinxing, Production Operator Ms. Huang Yanping, and Assistant Systems Engineer Ms. Mu Chuang. By showcasing their outstanding performances and contributions in their roles, we aim to further promote the positive spirit of women and inspire and stimulate the enthusiasm and creativity of female employees.

Women in Mining Western Australian Annual Summit

In October 2023, Tianqi Lithium Talison Resource Base, as a sponsor of Women in Mining Western Australia (WIMWA), was invited to participate in the 20th WIMWA annual Summit, which aims to encourage women to engage in mining and provide a platform for professional their social networking, so as to further promote the attraction and retention of female talents in the industry.



During the Reporting Period, the Company achieved **100%** labour contract signing, and the number of complaints or reports related to child labour, forced labour, workplace discrimination or harassment was **0**.

Up until the end of this Report Period, both Tianqi Lithium's Talison Resource Base and TLEA have publicly issued statements against modern slavery, ensuring that modern slavery does not exist in any part of their supply chains or business operations, demonstrating their strong commitment to the human rights and dignity of people around the world.

Protection of Employee Rights and Interests

Tianqi Lithium strictly abides by the Labor Law of the People's Republic of China, the Labor Contract Law of the People's Republic of China, the Trade Union Law of the People's Republic of China and other laws and regulations related to labour and employment in the countries or regions where it operates, and guarantees the legitimate rights and interests of all employees in terms of receiving labour compensation, rest and leave, communication and complaints, professional training, etc. We actively provide more competitive salary and benefits, and, to the greatest extent, respect and safeguard employees' rights and interests in democratic communication and work-life balance.

Compensation and Benefits

Tianqi Lithium strictly adheres to the Labor Contract Law of the People's Republic of China, the Minimum Wage Regulations of the People's Republic of China and other regulations on salary and benefits protection, establishing human resources policies and systems such as the Employee Attendance and Leave Management System and the Employee Handbook, standardizing the management of working hours, recruitment, promotion, rewards, wages, leaves, benefits, training, social insurance, employment termination, dismissal or retirement of employees. During the Reporting Period, the Company continued to update and revise human resources-related policies, further improving and optimizing the employee rights protection system.

Performance Management Measures for Managerial Positions	•The objectives, application scope, and principles of performance management have been revised, along with the settings for performance levels and the application of performance results. Additionally, the performance improvement plan has been updated.
Employee Business Travel Management Regulations	•The standards for domestic and international travel accommodation expenses, meal expenses, and travel allowances have been updated. •The exchange rate standards for reimbursement have also been updated.
Employee Attendance and Leave Management Procedures	•Further completing employee leave entitlements, additional provisions for parental leave have been included in accordance with national regulations.

Employee Remuneration

We adhere to the principles of specialization, differentiation, and standardization, based on factors such as employee position, rank, performance, and market salary levels, to establish and continuously improve a compensation management system, which provides employees with a comprehensive compensation package consisting of fixed salary, short-term incentives and employee benefits, ensuring that employees receive fair rewards for their labour. In 2023, we continued to optimize our comprehensive compensation strategy through budget variance analysis, controlling the labour cost budget of headquarters and production bases. Based on the previous year's senior executive performance assessment results, combined with the Company's current development status, we further optimized key performance indicators for senior executives. We also added ESG-specific assessment indicators to senior executive performance evaluations to promote further enhancement in the Company's sustainable development, risk management, reputation enhancement, and investment returns.



Employee Compensation: The Company provides employees with competitive salary and benefits through an incentive mechanism linked to performance.



Senior Executives' Compensation: The Company's Board of Directors' Remuneration and Appraisal Committee is responsible for researching and overseeing the establishment and implementation of assessment, motivation, and reward mechanisms for senior executives. The compensation structure for executives is primarily incentive-based, while also considering principles of stability and security in compensation.

Employee Benefits

We offer both standard and supplementary benefits to employees, actively implementing the Company's philosophy of mutual development. In 2023, we effectively implemented the update of the annual commercial insurance plan, optimized supplementary insurance, expanded the coverage of commercial insurance, conducted commercial insurance benefit presentations for employees, and completed the procurement of annual employer liability insurance and group international travel insurance, effectively safeguarding employee benefits to support various aspects of employees' work and life.

In 2023, the company enhanced employee benefits by upgrading the commercial insurance package. This included increasing the coverage for accidental injury insurance, expanding the scope of reimbursement for outpatient and inpatient medical expenses, and introducing a hospitalization allowance, effectively reducing the worries of employees regarding illness and injury.



Up until the end of this Reporting Period, the Company achieved 100% coverage of employee social insurance and housing fund.

100%

Employee Engagement

Tianqi Lithium highly values employees' demands and expectations, so we establish a flexible and effective communication system, actively explore various communication channels, and provide timely feedback on employee suggestions and demands. Through methods such as workers' representative assemblies and setting up a reward system based on points, we encourage employees to make rational suggestions for the Company's operations, enhance their awareness of democratic management, improve overall communication efficiency between employees and the Company, and ensure employees feel a sense of participation.

Democratic Forum at the Tongliang Production Base

In November 2023, Tongliang Production Base held a democratic forum focusing on "safety" and "saving", where employees were encouraged to share their opinions, provide suggestions, and propose improvements. For identified issues, the base will require the responsible party to make timely corrections, detail the corrective measures, and ensure accountability.



Employee Activities

Upholding the people-oriented principle, Tianqi Lithium emphasizes humanistic care, cares for the physical and mental health of employees, and encourages them to achieve an ideal work-life balance. We periodically organize various cultural and sports activities to enrich employees' leisure time and make them feel the warmth of "home."

Tianqi Football Team Invitational Tournament's Kickoff

In November 2023, the Tianqi football team successfully held its first invitational tournament. This event was not only a football match but also an important activity to showcase company culture, enhance employee cohesion and promote sports spirit. With the motto "friendship first, competition second," the Tianqi football team brought together two teams from the headquarters and the Shehong Production Base, comprising nearly 40 players, to compete fiercely on the field and share the joy of playing football.



Team Building at the Tongliang Production Base

During the Reporting Period, the Tongliang Production Base organized two team-building activities, attracting over 200 employees. These activities not only strengthened collaboration and teamwork among the staff but also provided moments of relaxation and joy. Additionally, six Happy Hour events became highly anticipated gatherings for base employees, fostering communication and interaction among colleagues. Furthermore, aligning with the Company's core values, the Tongliang Production Base organized four CSR activities and six comprehensive events, enriching employees' lives while effectively enhancing team cohesion and morale.



Leisure Activities of the Australia Team

In 2023, our Australia team, composed of members from the Company's headquarters, Shehong Production Base, and Zhangjiagang Production Base, gradually expanded. Besides their busy work schedules, the team actively immersed themselves in local life, participating in various activities to strengthen team cohesion and ensure a work-life balance. From beach barbecues to weekend dinners, from watching the China women's soccer team against the Denmark women's soccer team in the World Cup to attending TLK's year-end gathering, the diverse and colourful leisure activities not only deepened the bond among team members but also promoted collaboration with TLK colleagues. Furthermore, we emphasized the safety and health of employees by providing safe driving training to ensure their safety while driving abroad. We also offered overseas medical services to ensure timely care for employees' health. Organizing activities such as watching the local production manager's ice hockey games not only promoted cross-cultural integration but also enhanced the overall health awareness of employees.



In 2023, our labour union organization continued to fulfil its core responsibility of protecting employee rights and played a crucial role in cultural development, employee training and family care. By organizing a series of innovative and inclusive activities, the union organization not only promoted corporate culture but also strengthened the bond among employees, providing substantial support and care for company employees and their families. During the Reporting Period, Tianqi Lithium's labour union was awarded the "Five-Star Labor Union" in Chengdu in 2023.

Children's Day "Zero Carbon" Drawing Contest

On the eve of Children's Day in 2023, Tianqi Lithium's labour union organized a drawing contest themed "Children's Vision of a Zero Carbon Factory" for children of employees from domestic and overseas bases. The "Draw the Future for Tianqi" activity fully encouraged participating children to express their understanding and imagination of environmental protection and the future factory through drawings. The award-winning artworks will be printed on eco-friendly tote bags for use in company activities and daily life, symbolizing recognition of children's creative abilities and Tianqi Lithium's commitment to environmental protection and sustainable development.



TLK Employee Family Open Day Activities

During the Reporting Period, TLK successfully organized its first family open day event. Over 400 employees and their families visited the Kwinana factory, participating in various interactive parent-child activities such as face painting, science experiments and virtual reality experiences.



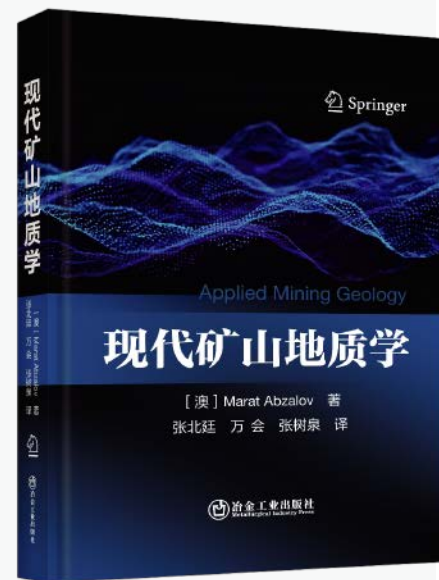
Empowering Talents

Tianqi Lithium pays close attention to enhancing employee capabilities, providing a comprehensive promotion and development mechanism, and a rich training curriculum to meet employees' learning and development needs. This approach aims to achieve the integrated development of employees' general and management skills, empowering each employee to realize their career goals and personal values.

Tianqi Lithium's Chairman Wrote Foreword for a Book Translated by Our Engineer

Mr. Zhang Beiting joined Tianqi Lithium in December 2023 and currently serves as the Chief Engineer of the Mining Construction Department at the headquarters. As a senior geological professor-level engineer, a member of the Seventh Committee of the Mineral Exploration Professional Committee of the Geological Society of China, and the Deputy Secretary-General of the China Mining Association, Mr. Zhang has rich practical experience and expertise in mineral exploration and development. In his current role as the head of the mining section of the Project Management Department, he is primarily responsible for organizing the establishment of the Company's technical management system for mining development and guiding the construction of the mining professional team system and talent development.

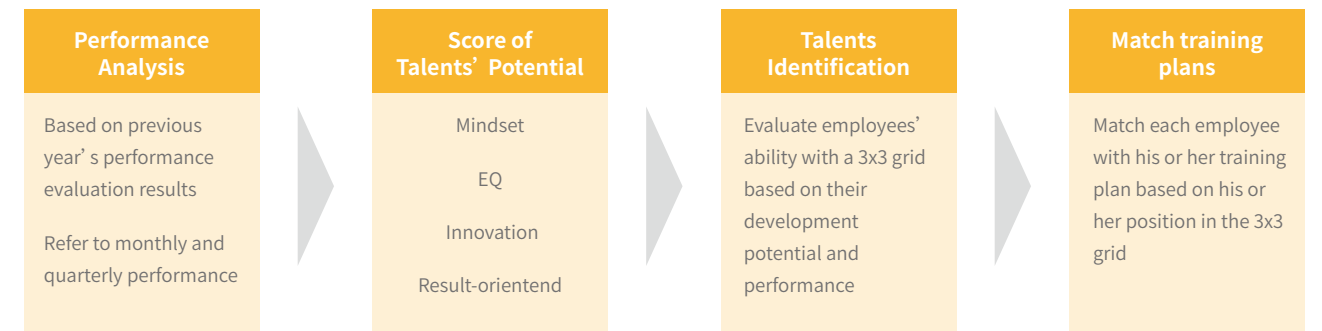
Mr. Zhang Beiting translated the book "Modern Mining Geology". Hearing this, Mr. Jiang Weiping, the Chairman of Tianqi Lithium, wrote a preface for the book, showcasing the Company's high regard for unlocking employees' potential and supporting their value achievements.



Career Advancement

The Company provides employees with vast opportunities for career growth and a smooth path for advancement. By implementing job rotation plans to broaden employees' perspectives and accumulate valuable experience, the Company nurtures multi-skilled talents. Additionally, efforts are made to enhance internal communication, foster understanding, promote collaboration, and encourage personalized career paths for employees. The Company continuously optimizes the evaluation and promotion mechanisms for talents, providing clear directions, qualification standards, and evaluation processes for employees' career development.

Talent Development System



Employee Training

Tianqi Lithium adheres to the concept of “talents and the Company grow together”, persistently enhancing employee capabilities within business development. Through a combination of internal and external training, diverse learning and development opportunities are provided to employees. Based on the Company's strategy, business development, and the 2022 talent assessment results, a 2023 general training plan was formulated with a focus on precision, diversity, and systematic training. Training courses are planned according to employee job levels, empowering them based on a three-tier structure (management level, team leader level, employee level). In 2023, updates were made to the “Training Management Measures”, including new requirements for training expense reimbursement and detailed employee training application processes, to continuously standardize employee training matters. During the Reporting Period, the total investment in employee training reached 1,915,455.97 USD, with a total training duration of 62,989.50 hours.

Employee Training Management Process

Surveys and Analysis on Training Needs

The Company regularly conducts annual surveys on training needs at the company, department, and employee levels, integrating an analysis of factors such as the Company's development strategy and annual objectives, market competition and the need to cultivate core competencies, as well as common issues or common training needs identified in employee performance evaluations.

Develop training plans

Based on the results of the survey and analysis, and in alignment with the Company's strategic development and employee growth, a training plan for the current year is formulated.

Implement training and evaluate its effect

The Human Resources Department of the Company collaborates with other business departments to organise training in accordance with the annual training plan. Participants of these training activities are required to submit a “Training Effectiveness Evaluation Form” to the Human Resources Department for record-keeping.

Management Training at Tianqi Lithium Headquarters

During the Reporting Period, Tianqi Lithium headquarters provided customized training courses for management, covering areas such as strategic decision-making, business and team leadership, management skills, communication, project management, business email writing, and more, to comprehensively meet development needs. Training activities utilized various teaching methods including online live broadcasts, offline face-to-face sessions, and business simulation exercises to enhance the learning experience and practical application. Additionally, through post-training feedback to optimize courses and issuing certificates upon completion, the Company effectively improved training outcomes, inspired employee learning enthusiasm, and demonstrated strong support for employees' career growth.

Shehong Production Base Implements the Talent Training Plan of Integrating Internal and External Education and Training Resources

During the Reporting Period, to strengthen the Company's core competitiveness and provide multiple development paths for employees, the Shehong Production Base conducted a talent inventory for a total of 87 employees at team leader level and above. Based on the talent situation, a talent development plan integrating internal and external training resources was formulated. Following a three-tier structure (management level, team leader level, employee level), the base empowered employees by sending key personnel for specialized training, inviting external training institutions and excellent mentors, and establishing an internal trainer team. In 2023, the base organized a total of 152 training sessions, with 4,134 participants and a total of 20,128 training hours, averaging 28.55 hours of training per person.

Additionally, to enhance the planning, targeting, and effectiveness of training activities, the base established an internal trainer system and developed an annual internal trainer training plan. This year, 21 internal training courses were conducted, effectively improving the professional level of the trainees.

Management Training at Zhangjiagang Production Base

During the Reporting Period, the Zhangjiagang Production Base conducted two management training sessions on project management and problem-solving. The base invited external professional trainers to impart management skills, tools, and methods through diverse training modes, exploring new approaches to daily management work and helping mid-level management continuously enhance their abilities for a win-win situation in personal and company value.

Diversified Training Activities at Anju Production Base

Following the headquarters' Training Management Method, Anju Production Base actively conducted diverse training activities. In 2023, the base focused on meeting the operational management certification requirements and sequentially carried out various certification training for different job positions based on the annual training budget. Throughout the year, 110 employees from 13 job categories completed training, with 55 employees holding multiple certifications, effectively enhancing the comprehensive capabilities of employees and laying a solid theoretical and technical foundation to support the base's production and operation activities.

During the Reporting Period, the Anju Production Base conducted a total of 32 trainings, including 19 external trainings and 13 internal trainings; Among them, 2,684 class hours of professional training and 72 class hours of general training, with 13.51 hours of training per capita; A total of 653 people were trained, and the annual training plan was well completed. This provided a learning platform for employees and solid theoretical and technical support for the production and operation activities of the base.

Upskill Trainings at Tongliang Production Base

To enhance employees' professional skills and knowledge, drive company innovation and provide strong talent support for the Company's future development, the Tongliang Production Base conducted diversified trainings for all, from team leaders to employees.

Three-Star Good Team Leader Training (Team Leader Tier)

Tongliang Production Base conducted the "Three-Star Good Team Leader Training" for 14 participants. This training aimed to enhance the professional abilities and management levels of front-line managers to implement on-site improvements effectively, creating a team with sustained combat effectiveness.



Internal Trainer Training (Employee Tier)

Tongliang Production Base organized training activities on Basic Training Techniques for Expert Lecturers, focusing on course development and presentation capabilities, encouraging employees to step onto the stage to share their learning, thoughts and strengths, continuously improving their own abilities, and enhancing the professionalism of the internal trainer team.



Innovation and Leadership Training (Employee Tier)

To comprehensively improve employees' overall quality, the Tongliang Production Base meticulously organized training activities on thinking techniques, leadership development, team building, and quality management capabilities, aiming to strengthen employees' professional skills, teamwork abilities, cultivate innovative thinking, and leadership potential.



By gender



Male employees

Percentage of training

90.29%

Average training hours

30.02



Female employees

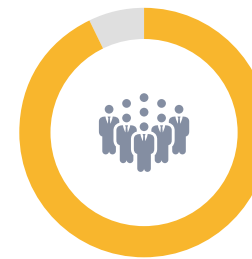
Percentage of training

93.49%

Average training hours

31.25

By Level



General employees

Percentage of training

93.38%

Average training hours

25.86



Middle management

Percentage of training

79.81%

Average training hours

74.24



Senior management

Percentage of training

45.00%

Average training hours

6.26

5

Win-Win Partnership

Tianqi Lithium has actively fulfilled the responsibilities and commitments to various stakeholders, joining hands with all parties in building a better society. As a manufacturer, we position ourselves as the benchmark of the industry. We have continuously improved the quality of our products and services and pursued innovation-driven development to further explore cutting-edge technologies and make major breakthroughs in the field. As a client, we are committed to building a responsible supply chain system and promoting the sustainable development of the lithium industry. As a corporate citizen, we have always remembered to give back to society and actively contribute to the prosperity of the entire society. As a global investor, we have proactively incorporated ESG factors into our merger and acquisition decisions to promote wider recognition and high-quality practice of the concept of responsible investment.

This chapter responds to the following SDGs:



This chapter responds to the following material issues:

- Product responsibility
- R&D and innovation
- Responsible supply chain
- Community integration and contribution



A Story of Responsibility:

Building the world's first Li Science Museum, revealing the future of green and sustainability

With the increasing global attention to green energy and sustainable development, Tianqi Lithium, with its profound industry expertise and technological prowess, built the world's first Li Science Museum. This museum serves not only as a gathering place for the knowledge and technology in the field of lithium, but also as a hub disseminating the concepts of green and sustainable development. It not only tells the science story and industrial history of lithium, but also promotes in-depth reflection on the relationship between humans and the environment. Li Science Museum is a combination of the Company's vision and achievements. It showcases the Company's strategic direction of promoting global new energy transformation, and actively sends out an invitation to all parties of society to "Changing the World with Lithium".

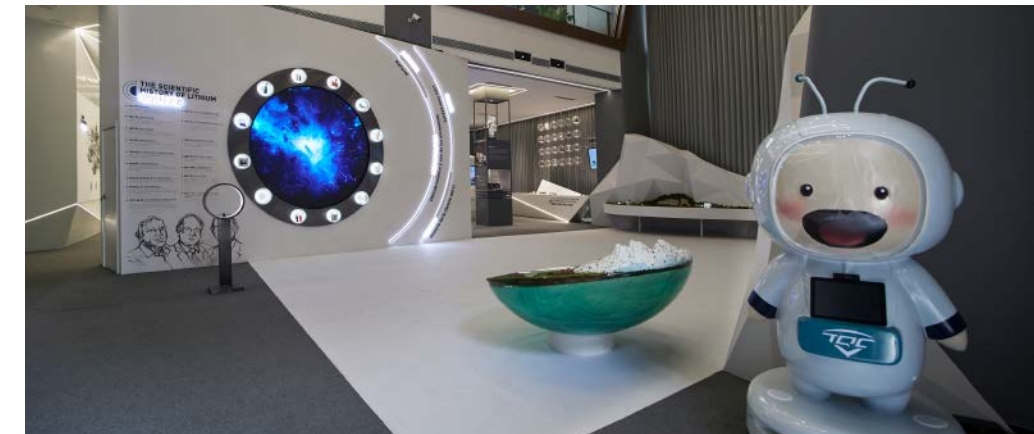


Carrier of the Low Carbon Concept

There are three floors in the Li Science Museum. The tour starts with the film "ORIGIN" playing on the 12-meter LED curved screen. The video revolves around the birth, development, and application of lithium and thoughts on environmental protection, taking the journey back to the beginning of the universe and talking about primordial ecosystems and the concept of "zero carbon".

On the second floor of the exhibition hall, multimedia installations and digital cube devices hang in the air and surround the main exhibits made up of lithium, showcasing the application of lithium in green production and our lives. The "Net Zero Carbon Initiative" section demonstrates through data and cases how the Company has effectively reduced the impact on the environment during the mining and production process. The cases include the green mine construction at the Greenbushes mining area of Talison Resource Base in Australia, as well as the tailings reuse project and the recycling technology of lithium slag. Additionally, the exhibition also guides visitors to explore the important role lithium plays in supporting the net-zero future by setting up an area for lithium battery recycling, a "A Day of Zero Carbon" story wall with interactive lighting, and an interactive screen for comparing data on carbon reduction.

On the third floor is the "Sustainable Development Academy", which focuses on ESG and explains in detail the intrinsic connection between ESG and sustainable development. The Academy integrates the concepts of eco-friendliness into spatial design and uses only "zero-carbon" materials.



Space for Sustainable Practices

The “Sustainable Development Academy” on the third floor of the Li Science Museum carries many important functions such as the popularisation of lithium science, learning and training, joint innovation among industry, universities, and research institutes, public welfare initiatives, volunteer events, and zero-carbon innovation exchanges. It is committed to conveying the concept of sustainable development and contributing to the achievement of the 17 United Nations Sustainable Development Goals (SDGs). The collaborative space utilises virtual simulation technology to enhance visitors’ awareness of environmental protection. As visitors move around, the scene on the ground will change accordingly, displaying oceans, land, and mountains, and trails of animal footprints will also be shown on the ground following the visitors’ steps.



The Company has carried out charity and volunteer projects on sustainable development over the years. Building on top of this, the Sustainable Development Academy actively explores green and low-carbon gifts for environmental protection charity events, such as coffee cups made of coffee grounds, eco-friendly bags made of cork, and reusable bamboo and rattan gift boxes handmade by inheritors of intangible cultural heritages. These gifts are widely used in our daily lives, which allows the concept of sustainability to spread even wider into the lives of the public and promote further sustainable practices.



Links for International Exchanges

On 15 October 2023, during the official opening of the Li Science Museum, the first group of important guests arrived - President Boric of Chile and his delegation. During the visit, President Boric gained an in-depth understanding of the Company’s sustainable business practices and discussed the science of lithium and the future of sustainable development with Chilean students participating in the Sino-Chile Exchange Program. The day after the visit, President Boric posted pictures of this visit on his social media, which attracted widespread attention worldwide. The Li Science Museum was regarded highly by the Chilean delegation and has become a new highlight of cultural exchanges between China and Chile.



On 21st November of the same year, Li Science Museum welcomed another important group of guests from the Western Australian Museum. The delegation and the Company had in-depth discussions on various topics, including the future development of the Li Science Museum, opportunities for cooperation between the two museums, and cultural exchanges between China and Australia. This visit not only brought new development opportunities for the Li Science Museum, but also injected new vitality into the cultural exchanges between the two countries. Since 2017, Tianqi Lithium has established a close partnership with the Western Australian Museum, fully integrating the Company's business and cultural concepts with the humanistic history of Western Australia by naming the featured exhibition hall "Tianqi Lithium Connection Exhibition Hall". In the design process of the Li Science Museum, we have fully drawn on and applied the advanced concepts and experiences of the Western Australian Museum to create a diverse global museum and innovation centre for the lithium industry.



In the future, the Li Science Museum will also become a public science education base so that our sustainable development concept of "Changing the World with Lithium" can reach out to a wider range of groups, including young people, local communities and residents, allowing us to sow the seeds of green and low-carbon awareness. The lithium industry is still on the road of development and the innovation and practice of sustainable development are limitless. The Li Science Museum will carry the social responsibility and expectations of Tianqi Lithium, and promote more stakeholders to join the low-carbon transition in this new energy era.

Product Responsibility

Adhering to the core values of distinction and aspiration, Tianqi Lithium is committed to providing customers with safe, high-quality, and responsible products and services. We have strengthened the quality management system and strictly controlled the quality of products. Through responsible marketing, we have established a positive brand image and actively listened and responded to customer needs and feedback, aiming to lead the market with outstanding product and service quality.

Quality Management System

Tianqi Lithium has strictly abided by the Product Quality Law of the People's Republic of China and other relevant laws and regulations and implemented the procedure documents including Quality Management Control Procedures, Process Control Management Standards, Customer Complaint Control Procedures, Cost of Quality Management Standards, and Statistical Techniques Application Procedures. We have managed the quality goals, quality standards, cost of quality, key indicators, process control, and supplier quality of all production bases. Through standardised and systematic management, we have effectively built a quality management system with Tianqi characteristics. At the same time, the headquarters quality management team carries out overall standardisation and supervision of the quality management of all production bases and regularly conducts comprehensive checks on the management system, production processes, product quality, etc. In 2023, we have improved the level of quality management and further applied the Six Sigma quality management method¹⁶, using systematic and scientific tools to promote quality management and cost reduction while increasing efficiency. Up until the end of this Reporting Period, the Company's Shehong Production Base, Zhangjiagang Production Base and Tongliang Production Base have obtained the IATF 16949 automotive quality management system certification (in compliance with the ISO 9001 quality management system standard).

Quality Management System Certifications

Name of the Production Base	Obtained Certificate
Shehong Production Base	ISO 9001、IATF 16949
Zhangjiagang Production Base	IATF 16949
Tongliang Production Base	ISO 9001、IATF 16949
Talison Resource Base	ISO 9001

¹⁶ Six Sigma is a quality management method that focuses on the needs of the customer. Through designing and monitoring the production processes, it minimises possible errors, reducing costs while increasing efficiency, and improving quality.

Product Quality Improvement

Tianqi Lithium steadfastly adheres to a quality-oriented approach by establishing and improving the management mechanism for quality targets, the Company has set indicators for each production base, such as first-pass yield and product stability, and regularly carried out internal checks and supervision, analysing and evaluating the performance to promote targeted improvement projects.

On the one hand, the Company is committed to creating the industry benchmark for lithium chemical products and carrying out quality management based on the concepts of process methods and risk management. We utilise Process Failure Mode and Effects Analysis (PFMEA) to identify and prevent quality-related risks, make plans to control risks, and carry out periodic reviews. We also apply tools such as Statistical Process Control (SPC)¹⁷ to dynamically monitor production stability. Specifically for metal particles, we utilize a comprehensive metal mapping process to key process control points, and established and implemented the Metal Foreign Object Management Standard in order to carry out refined and focused control on the key control points such as equipment management, process management, storage management, and transportation management.

On the other hand, the Company promotes the continuous improvement of product quality through the P-D-C-A (Plan-Do-Check-Act) cycle to ensure the products comply with the relevant standards of the Company and clients. As clients in the downstream electric vehicle industry adopt increasingly strict requirements for magnetic foreign material and magnetic metal particles in their products, our Company has actively responded to their requirements. We aligned with their testing methods and implemented quality improvement measures for magnetic materials to ensure that the level of magnetic foreign materials in our products has shown a trend of year-on-year reductions. In addition, we utilised relevant tools to initiate product quality improvement projects based on downstream clients' requirements. In 2023, a number of production bases improved on their first pass yield compared with 2022, among which the pass rate of Shehong Production Base increased by 3.50% year-on-year, and Tongliang Production Base increased by 1.30% year-on-year. The total number of anomaly productions in each production base decreased significantly by 41.53% compared with 2022.



During this Reporting Period, the percentage of the products subject to recall for safety and health reasons is **0%**;
For two consecutive years, the Company has maintained a product qualification rate exceeding **96%**.

¹⁷ Statistical Process Control is a process control tool that uses mathematical and statistical methods. It analyses and evaluates the production process, and discovers signs of systematic factors based on feedback. Then, it takes measures to eliminate their effects, so that the process is maintained in a controlled state that is only affected by random factors to achieve the purpose of controlling the quality of the process.

Responsible Marketing

Tianqi Lithium follows the relevant laws and regulations including the Advertising Law of the People's Republic of China and the Trademark Law of the People's Republic of China to ensure the truthfulness and accuracy of publicity and marketing information. The Company actively conducts training on responsible marketing for the sales team and has established standards and prohibitions for marketing tactics. The Company has also interpreted and promoted the compliant marketing system, strictly prohibiting exaggerated or false content to protect the legitimate rights and interests of customers.

Furthermore, during the sales process, the Company has actively responded to the ESG-related concerns brought forward by the downstream clients and supported the clients in carrying out ESG surveys and due diligence, so as to promote the sustainability of the industry chain together.

Customer Satisfaction

Tianqi Lithium attaches great importance to the needs of customers. The Company maintains smooth communication with customers and listens to their opinions through various means such as telephone, e-mail, and WeChat official account. The Company has formulated internal management measures such as Customer Complaint Control Procedure and Customer Satisfaction Control Procedure to effectively establish a standard on customer communication and complaint handling, ensuring that customers' opinions and feedback are responded in a timely and appropriate manner.

In terms of customer complaint management, we regularly collect and compile customer feedback through various channels to understand and confirm the actual needs of customers. The sales team conducts research and analysis on customer opinions according to the market situation, processes the complaints, and provides feedback within three working days. In addition, the Company has vigorously carried out tracking and improvement projects. Relevant departments are required to implement standardised corrective and preventive measures to further improve the products and services. During the Reporting Period, the Company actively carried out annual customer satisfaction surveys at Shehong Production Base, Zhangjiagang Production Base and Tongliang Production Base. We analysed the reasons for the relatively low satisfaction level of the relevant products or services and made timely improvements.



During the Reporting Period, the number of complaints against the Company's products and services decreased by **56%** compared to the same period last year, with a total of **4** complaints;
For two consecutive years, the company has faced **0** litigation due to product safety and health concerns;
For three consecutive years, the Company has maintained a customer satisfaction rate exceeding **95%**.

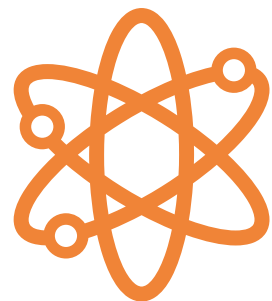
R&D and Innovation

Tianqi Lithium is guided by the industry's trend of technological development as well as the market demand, placing significant emphasis on the conversion of achievements. We also proactively respond to various major technological challenges. Through scientific research and innovation and technological transformation, we strive to promote the efficient utilisation of global lithium resources and support the development of green and sustainable mining and cutting-edge materials technology. We see scientific and technological innovation and resources as our core advantages and we have actively engaged in exchanges and cooperation with various partners to promote the green transformation and development of the industry.

R&D Innovation Management

Tianqi Lithium upholds the spirit of technological innovation and has actively improved its internal R&D management system. Through the R&D Project Management Standards, the Company established the classification standards for R&D projects, allowing the implementation of different approval and progress management procedures for different categories of R&D projects. During this Reporting Period, the Company further revised the R&D Project Management Procedures, clarifying the intellectual property management requirements for each stage of R&D projects and setting up a process for annual validity checks. The Procedures focuses on assessing the feasibility and validity of the R&D projects of the laboratories in each production base, so as to effectively enhance the standardisation and enforceability of the management process.

In accordance with the relevant laws and regulations, including the Patent Law of the People's Republic of China and the Detailed Rules for the Implementation of the Patent Law of the People's Republic of China, we have formulated and implemented the Intellectual Property Incentive Standards to effectively implement the incentive mechanism for technological innovation, encouraging the application of patents and the publication of papers. Meanwhile, the Company encourages its employees to actively participate in scientific and technological innovation, and apply for and protect relevant patents, so as to enhance the creation and output of intellectual properties.



By the end of this Reporting Period, we have a total of **229** authorised patents, including **109** inventions (including **5** foreign patents), **117** utility models, and **3** design patents.

Major R&D Achievements of Tianqi Lithium in 2023

The technology of high-value comprehensive utilisation of lithium slag to prepare aluminosilicate powder:

In 2023, the Company's mineral resources utilisation team completed a small trial to recover tantalum-niobium from aluminosilicate powder tailings and obtained tantalum-niobium concentrate with every hundred grams containing 16.15% Ta₂O₅ and 12.58% Nb₂O₅.

New ultra-thin lithium alloy strip technology:

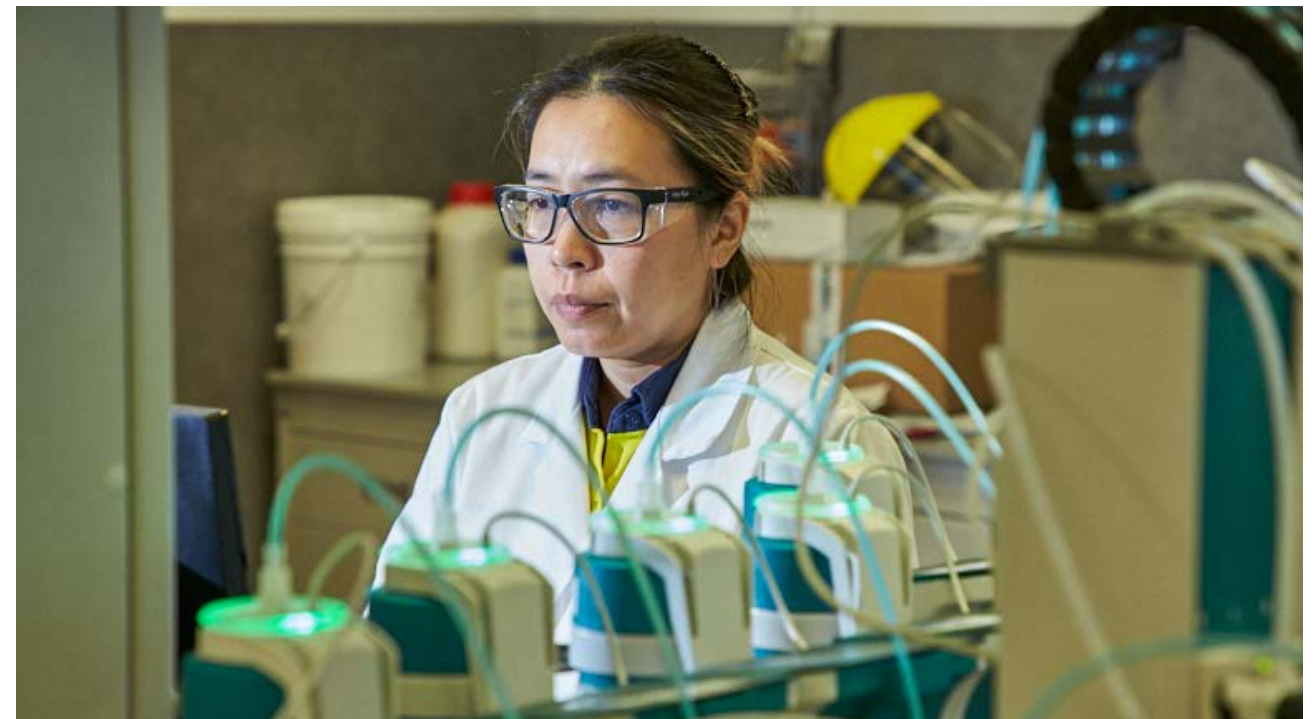
In November 2023, the Company successfully developed various types of ultra-thin lithium metal strips, which further enhanced the supply capacity of the Company's products. Now we have launched product sampling and technical cooperation with more than 20 well-known domestic and international lithium companies and scientific research institutes, which greatly promotes the R&D and application of new high energy density lithium battery technology under the background of the "Dual Carbon" goals.

Lithium sulphide product development:

In May 2023, the Company successfully developed the key material for the next generation of high energy density solid-state battery - lithium sulphide, and completed the establishment and testing of the demonstration line of lithium sulphide. In the same year, the lithium sulphide products were also sold in small numbers, achieving the gradual expansion of the market. Currently, we have carried out product sampling with more than 10 famous sulphide solid-state battery-making companies and research institutes at home and abroad and gained high praise from downstream clients.

Recovery process for waste lithium iron phosphate batteries:

At the end of 2023, the Company pioneered the method of precipitation of iron phosphate, which does not introduce new substances during the precipitation process, thus leaving no by-products. Based on this, the Company has developed the fourth generation of recovery process for waste lithium iron phosphate batteries. The process improves the leaching rate of lithium to over 97% and the recycling rate to over 90%, realising the production of battery-grade lithium carbonate and iron phosphate, which significantly reduces the production cost and effectively increases the environmental benefits.



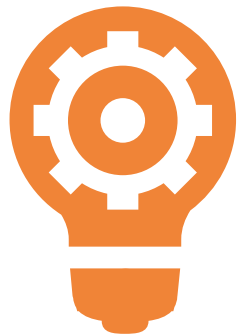
Tianqi Lithium Innovation and Experimental Research Institute Settled in Meishan, Sichuan Province

In October 2023, the Tianqi Lithium Industry Innovation and Experimental Research Institute officially started construction in Meishan, Sichuan Province. Relying on the existing production technology and experimental technology of Tianqi Lithium, the institute will uphold the principle of practicability and consider the future scientific research and experimental needs of anode and cathode materials for lithium-ion batteries in a forward-looking manner. It aims to build an advanced and comprehensive laboratory in China that integrates functionality, safety, profitability and extensibility in one, so as to satisfy the needs of innovation and development in the field of materials for lithium-ion batteries.

After the completion of this project, the Company's scientific research level and capability will be greatly enhanced, supporting further research and innovation and the development of the talent team, while making greater contributions to the new energy industry with innovative research and development.

Mineral Resources Utilisation R&D Team Won the Top Talent Award in Shehong City - "Laizhe Award"

During the Reporting Period, the Company's mineral utilisation team successfully completed the achievement transformation project of preparing aluminosilicate powder from lithium slag, as well as the small trial of recovering tantalum-niobium from aluminosilicate powder tailings, which were both highly effective projects that tapped into the potential of renewable resources. In 2023, nine members of the team were awarded the top talent award in Shehong City - The Laizhe Award, which highlighted Tianqi Lithium's outstanding achievements and contributions to technological research breakthroughs.



During the Reporting Period, the Company

- Applied for a total of **59** patents, an increase of **35%** compared to 2022;
- Obtained **50** authorised patents, an increase of **67%** compared to 2022;
- The growth rate of patent applications has exceeded **30%** in the past three years;
- The proportion of invention patents stands at **47.5%**;
- Awarded bonuses of **39,532.95 USD** to **103** inventors.

Protection of Intellectual Property

Tianqi Lithium attaches great importance to the management and protection of intellectual property rights and abides by laws and regulations, including the Anti-Unfair Competition Law of the People's Republic of China, the Patent Law of the People's Republic of China and the Copyright Law of the People's Republic of China. We strive to build and continuously optimise our intellectual property management system and standardised processes, so as to fully safeguard and reasonably apply the core scientific and technological research and innovation achievements. The Company has established an intellectual property management system in accordance with the Specification for the Management of Corporate Intellectual Property Rights (GB/T 29490-2013) and has been established and validated through third-party scrutiny, which allows us to effectively strengthen our intellectual property management capability and effectively protect intellectual property rights such as patents and copyrights.

Intellectual Property Management Procedures

Establishment of Systems	<ul style="list-style-type: none"> •Established an information management system to enhance the efficiency of intellectual property management; •Required R&D personnel to sign confidentiality agreements and non-compete agreements to maintain fairness in the industry.
Protection of Regulations	<ul style="list-style-type: none"> •Formulated a number of regulations to implement standardised management of intellectual property, such as "Control Procedures for External Documents and Records of Intellectual Property", "Control Procedures for Legal and Other Requirements", "Control Procedures for Basic Management of Intellectual Property", and "Control Procedures for Risk Management of Intellectual Property".
Standardisation of Processes	<ul style="list-style-type: none"> •Improved the standardised process of patent applications and clarified the responsibilities of internal technology research and development and patent management, in order to guarantee the reasonable application of patented technology and protect the intangible assets of the Company; •Managed intellectual property for the whole process of major business activities and comprehensively standardised the protection of intellectual property.



Industry Liaison

While focusing on independent R&D and innovation, Tianqi Lithium attaches great attention to the cultivation of innovative talents. The Company has carried out diverse forms of cooperation with universities and promoted the establishment of platforms and projects to promote the development of industry-academia-research platforms and initiatives. The Company aims to broaden the platform for social practice, so as to promote the development and growth of all-rounded industry talents.

Sichuan Provincial Key Laboratory of Lithium Resources and Materials Actively Initiates a Variety of Industry-Academia-Research Projects

Relying on Tianqi Lithium, the Sichuan Provincial Key Laboratory of Lithium Resources and Materials was approved to be established by the Sichuan Provincial Science and Technology Department in December 2016. The laboratory is committed to improving the level of lithium resources development and utilisation and lithium material preparation technology in China, so as to solve the key problems in the application of lithium resources and materials with a focus on the development needs of lithium-related industry chains at home and abroad. The laboratory also aims to carry out in-depth research in the field of lithium resources development and utilisation, common basic theories, and key technologies of lithium material preparation, while driving the rapid development of the lithium industry and the regional economy in China.

In November 2023, the Innovation Department of Tianqi Lithium, together with the Sichuan Provincial Key Laboratory of Lithium Resources and Materials, organised “The Second Tianqi Lithium Innovation Season Technological Ecology Conference”, which included entrepreneurship competition, technological ecology conference, and round-table discussion. The event was committed to supporting innovative projects in moving forward. In two months, the judging panel selected 20 projects out of 100 from all over the country and divided them into the university group and the enterprise group for the final competition. The projects covered a wide range of topics, such as low-carbon resources utilisation, battery recycling, lithium extraction from salt lakes, battery materials, and lithium battery industry chain. In addition, the Company customised exclusive incentives for the award-winning projects, empowering them to land their projects with the support of technology, development, and transformation, provided by the Company’s Innovation Department.



In addition, in December 2023, the Sichuan Provincial Key Laboratory of Lithium Resources and Materials successfully set up an open project to promote industry-university-research institutes level cooperation with Sichuan University, SouthWest Petroleum University and seven other universities, further supporting the growth of scientific research talents in universities. With the joint efforts of all talents, we have seen some significant results. In 2023, eight SCI papers were published, with a total impact factor of 57.7. The technology involved in one of the topics is expected to be transformed into economic benefits.

While promoting the establishment of the industry-university-research institute collaboration platform, we actively participated in industry exchanges and meetings. Through joining industry associations and participating in the formulation of industry standards, we have formed close relationships with strategic partners from the upstream and downstream industry chains. By strengthening the complementary advantages, we aim to build a friendly and mutually beneficial ecosystem, contributing to the prosperity of the new energy industry.

Tianqi Lithium Led the Revision of Industry Standards and Won the First Prize in Technical Standards

During the Reporting Period, the Company took the lead in revising national standards such as GB/T11064.2-2023 Chemical Analysis Methods for Lithium Carbonate, Lithium Hydroxide Monohydrate and Lithium Chloride Part 2: Determination of Lithium Hydroxide Content by Acid-Base Titration, which established standardised requirements for the determination of the chemical composition of products such as lithium carbonate. Moreover, the Company participated in the formulation of industry standards, including YS/T1593.1-2023 Chemical analysis method of crude lithium carbonate Part 1: Determination of lithium content by flame atomic absorption spectroscopy, which strictly regulated the chemical analysis method of crude lithium carbonate and promoted the professional development of production processes.

In 2023, the Company took the lead in revising the industry standard YS/T582-2023 Battery-grade Lithium Carbonate for battery-grade lithium carbonate products, which was recognised by the Technical Committee of Nonferrous Metals Standardisation and won the first prize in Technical Standards.

Tianqi Lithium Participated in the Quality Management and Innovation Achievement Exhibition in China

In September 2023, the Process Technology Department of Tianqi Lithium was invited to participate in the matchmaking session between National Standard Measurement and Quality Technology Institutions and companies in Sichuan province, as well as the Quality Management and Innovation Achievement Exhibition. In this exhibition, the Company demonstrated advanced quality management concepts and technological achievements in a multi-dimensional way and explored innovative development paths together with industry partners.

China-Chile Economic and Trade Cooperation Forum

In October 2023, the China (Sichuan)-Chile Economic, Trade and Investment Cooperation Forum was held at the headquarters of Tianqi Lithium. The forum brought together representatives of the Chinese and Chilean governments, business leaders, and industry experts to carry out in-depth discussions in the areas of economic and trade investment, industrial synergies, and humanistic exchanges. At the forum, Tianqi Lithium published, for the first time, the “White Paper on Sustainable Lithium Industry under the Net Zero Emission Target”, committing to reduce emissions by more than 42% by 2030 compared to the base year and striving to reach net-zero emissions by 2050. In addition, Ms. Jiang Anqi, Vice Chairwoman of Tianqi Lithium, stated that the Company has set up a carbon emission database and started systematic carbon management. She added that the Company also launched the “Changing the World with Lithium - Net Zero Initiative”, which aimed to realise the green and sustainable development of the lithium industry by joining hands with domestic and overseas mineral bases.



Tianqi Lithium and Geely Holding Cooperate to Promote the R&D and Innovation of Lithium Battery Materials

In September 2023, Tianqi Lithium and Geely Holding announced the signing of a strategic cooperation agreement, covering key areas including upstream resources, core materials, lithium battery research, lightweight materials for new energy vehicles, and software development, aiming to promote R&D and innovation of lithium battery materials. The two parties will combine Tianqi Lithium's lithium battery-centred clean energy advantages and Geely Holding's advantages in new energy vehicle manufacturing and R&D to strengthen the vertical integration of the industry chain, bringing strong momentum to the transformation and upgrading of the new energy industry. This cooperation is not only an important step for Tianqi Lithium in the new energy industry, but also a concrete action actively responding to the national "Dual Carbon" goal.



Tianqi Lithium Was Invited to Participate in the 2023 China (Suining) International Conference on Lithium Battery Industry

On 26 October 2023, the China (Suining) International Conference on Lithium Battery Industry was held under the theme of "Lithium Life, Low-carbon Future". In-depth discussions were held on topics such as international insights, industrial development achievements and opportunities. Tianqi Lithium was invited to attend the conference and deliver a speech. We conveyed the message to industry partners that we will continue to promote research and development; improve product quality; increase competitiveness; and contribute to the construction of the "World's Lithium Capital".



Sustainable Supply Chain

Tianqi Lithium shoulders the responsibility of establishing a green, safe and responsible supply chain and aims to build a thorough procurement management system, fully integrating the concept of sustainable development into supply chain management. The Company is dedicated to enhancing the suppliers' awareness of clean production, safety and environmental protection, and endeavours to build a new energy industry chain that is mutually beneficial for all parties.

Supplier Life Cycle Management

Tianqi Lithium has constructed a management system consisting of seven aspects: responsible mineral supply chain, supplier management, procurement management, outsourced processing management, bidding management, project procurement management, and procurement emergency management. To improve the standards and requirements for suppliers to fulfil their responsibilities, the Company has also formulated and implemented a series of supplier management systems and standardised processes such as Supplier Management Standards, Procurement Management Specifications, Supplier Admission Procedures, Supplier Annual Evaluation Procedures and Downgrading or Elimination Process for Non-Performing Suppliers.

We have strictly implemented systematic management processes for suppliers including screening, admission, reviewing, and assessment, incorporating multi-dimensional factors such as environmental protection, employee rights and interests, anti-corruption, occupational health, and fulfilment of social responsibility to strengthen the risk management of the sustainable supply chain. At the meantime, we categorise our suppliers into strategic suppliers, regular suppliers, and platform-based suppliers, adopting differentiated measures for different categories of suppliers. We assess and track the ESG performance of our suppliers through various measures, such as supplier due diligence, anomaly monitoring, and on-site checks, which can supervise suppliers' operations to make sure they are in line with our regulations and effectively meet our Code of Business Conduct and sustainability requirements.

Supplier Life Cycle Management Process

Supplier Screening

The Company selects potential suppliers and undertakes sourcing, investigation, grading, sample submission, and testing. We also conduct anomaly monitoring, which includes supplier responsibility fulfilment, quality, legal disputes and negative publicity. If any major risk is found (such as production suspended due to environmental issues), the Company will take risk control measures and terminate cooperation.

Supplier Admission

The Company requires that the admitted suppliers shall not have had any major environmental incidents or have been subject to major environmental penalties. The Company also requires the suppliers to provide relevant information such as environmental assessment and sewage licenses;

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

Regular suppliers: Admission is subject to site visits, questionnaires, and teleconferences. The Company will provide scores and prepare a Supplier Inspection Report;

Platform-based suppliers: Admission requires the Procurement Department to collect relevant information and perform reviews.

Supplier Checks

The Company carries out on-site checks for key suppliers (with a review frequency for strategic suppliers and Class A suppliers not less than once every two years), encompassing inspection of suppliers' environmental protection equipment, examination of relevant operation records of the equipment, confirming that suppliers' emission data is uploaded to the Environmental Protection Bureau for online monitoring.

In cases of deficiencies in suppliers' production management, process technology management and quality management, the Company will provide guidance and supervision for rectification.

Supplier Assessment

Regular suppliers: According to the Annual Supplier Assessment Plan, the Company organizes annual supplier assessments to categorize and evaluate suppliers. Based on the assessment results, suppliers are divided into three categories: A, B, and C, and different management strategies will be adopted accordingly.

Strategic suppliers and platform-based suppliers: Suppliers scoring more than 60 points (included) are considered qualified, otherwise, the supplier is considered unqualified and the cooperation may be terminated.

The Company continues to conduct annual assessments and evaluations of environmental and social risks within the business scope of suppliers. During the Reporting Period, we conducted annual assessments for 721 suppliers and selected 715 qualified suppliers, including 3 A-grade suppliers, 550 B-grade suppliers, and 162 C-grade suppliers, and eliminated 210 unqualified suppliers. In addition, in order to urge suppliers to strengthen ESG management and enhance their sustainable development performance, we will organise seminars, symposiums, professional training, and other activities for suppliers from time to time to promote the Company's procurement policies and requirements. For logistics service providers operating in production bases, the Company will provide specialised EHS training and require suppliers to sign EHS-related agreements after passing training and assessment. Otherwise, they will not be allowed to enter the site for operations.



Responsible Mineral Management

Tianqi Lithium has consistently adhered to a policy of not purchasing, processing, or selling conflict minerals, striving to promote the establishment of a responsible mineral supply chain. We have issued and implemented management regulations, including the Responsible Mineral Supply Chain Management Manual, Responsible Mineral Supply Chain Due Diligence and Risk Identification and Control Procedures and Code of Conduct for Responsible Mineral Suppliers. We also strictly prohibit engaging in the mining, trading, processing, and exporting of mineral resources in conflict-affected and high-risk areas, fully respecting the rights and interests of local labours. We paid great attention to the potential environmental and social impacts and formulated relevant mitigation measures. Furthermore, we have actively cooperated with downstream suppliers to carry out due diligence and strictly implement relevant management procedures, so as to jointly build a responsible mineral supply chain.

In 2023, the ESG and Sustainability Department of the Company had regular meetings with the Responsible Critical Mineral Initiative (RCI) and actively participated in member meetings, symposiums and capacity-building training, gaining a series of accolades and collaborated achievements. During the Reporting Period, the Company was elected as a member of the new RCI Decision-making Committee and joined the "High-quality Development of Critical Mineral Supply Chain - Joint Action Initiative". The Company participated in the RCI training on supply chain due diligence management for mineral companies organised by CCCMC and learned about system design and the application of professional tools to resolve disputes and increase the influence of the value chain. In addition, representatives from the ESG and Sustainability Department of the Company have passed the assessment for supply chain reviewers and have shared the learning results with other employees. We have thus initially determined the direction of management for the sustainable supply chain and supported the work of the Sustainable Supply Chain Management Working Group.

During the Reporting Period, the Company continued to effectively identify, assess and manage supply chain risks in accordance with the five-step mineral management method, implementing strict responsible management and tracing for lithium materials.

Steps to Responsible Mineral Management

Step 1: Create a strong corporate management system

In accordance with the guidelines issued by CCCMC and OECD, Tianqi Lithium has developed a responsible mineral supply chain management system, including Responsible Mineral Supply Chain Management Manual, Responsible Mineral Supply Chain Due Diligence and Risk Identification and Control Procedures and 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, we have developed a procedure to identify conflict-affected and high-risk areas (CAHRAs). Mineral suppliers need to fill out the Self-Assessment Questionnaire for Responsible Minerals, which includes basic supplier information, legal information, and management of the responsible mineral supply chain. Original production place needs to be provided for every major transaction in order to understand the source of the transaction and other supply chain information. All information collected is compared with CAHRAs, sanctions lists, and local laws for risk identification. The Company also conducts enhanced due diligence on suppliers of raw materials and minerals identified as "Potentially Risky".



Step 3: Develop and implement strategies to address identified risks

After risk identification and assessment, should there be valid grounds to suspect responsible mineral supply risks with mineral suppliers, the Company will immediately suspend or discontinue cooperation with the supplier and list 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 on mineral suppliers' due diligence practices

An independent third-party audit will be initiated for mineral suppliers who have shown warning signs 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 shareholders.



Step 5: Supply chain due diligence annual report

Based on relevant information provided by the mineral suppliers and the information collected by the Responsible Mineral Supply Chain Working Group, a comprehensive assessment is conducted to formulate evaluation opinions and develop the "Responsible Mineral Risk Identification and Assessment Report"

Tianqi Lithium Improves Management Capability on Supply Chain Due Diligence and Strengthens Cooperation with Supply Chain Partners

During the Reporting Period, Tianqi Lithium joined RCI and actively participated in the second mineral supply chain due diligence management training for corporate internal auditors. We worked with a number of domestic and international upstream and downstream companies in the mineral supply chain to understand the international economic and trade trends and the ESG risks related to mineral investment, and systematically learned the rules of the mineral supply chain and the due diligence management assessment process. The representative of the ESG and Sustainability Department of the Company has passed the RCI internal auditor assessment and obtained the training certificate of corporate internal auditor.



In September 2023, the Company participated in the "2023 International Forum on Sustainable Mineral Supply Chain" hosted by CCCMC and organised by RCI. The forum focused on the compliance governance of the mining industry and the establishment of extensive supply chain partnerships with the aim of strengthening the energy transformation and improving the sustainability of the mining industry. Ms. Xiong Wanyu, Senior Vice President of Tianqi Lithium, and senior managers of other leading mining companies at home and abroad engaged in high-end dialogues, discussing popular issues such as ESG risk governance and localisation in the mining industry, promoting the new mechanism of upstream and downstream cooperation and governance.



Community Engagement

Tianqi Lithium follows the concept of “Changing the World with Lithium” and is committed to becoming a responsible corporate citizen. Through the establishment of a community protection mechanism in the three aspects of policy, organisation, and funding, we make use of our own resources and advantages to support the communities around the project sites. We have also actively participated in public welfare and charity work, responding to the call for rural revitalisation and working with all parties to build an equal, harmonious, and prosperous community.

Volunteer Services

Tianqi Lithium promotes the volunteer service culture of “Everyone Can Participate in Public Welfare Everywhere” and is committed to creating sustainable social value for the well-being of the communities around its business locations by gaining in-depth insight into their needs. We safeguard the volunteer service mechanism through policy, organisation, and funding. We have formulated the “Tianqi Lithium Volunteer Service Manual” and built the “Tianqi Global Public Welfare Platform”. We have also set up a special volunteer service fund to encourage employees to participate in a wide range of volunteer projects and to enhance their awareness of social responsibility.

We focus on the three major public service topics: “environment, education, and community”. We assess and analyse the infrastructure and public services of the communities where we operate based on the Tianqi Global Public Welfare Platform to standardise the management of community public welfare projects and to support the establishment and development of communities.



During the Reporting Period,
 the Company’s total investment in volunteer services
 amounted to **97,335.76 USD**,
 and the total hours of volunteering reached **1,528** hours
 with **334** participants.



Tianqi Lithium Continues to Develop the “Water Map” Thematic Volunteer Service

Since 2018, Tianqi Lithium has set up the “Water Map” biodiversity volunteer program, aiming to advocate how to respect nature and treasure life, as well as to convey the concept of environmental protection. The project focuses on biodiversity investigation and identification. With the concept of “harmony between humans and nature” gains increasing traction, the Water Map volunteer program has been extended from the base to every corner of the city.

In October 2023, the Company joined hands with Chilean students who travelled from afar to China to form a team of Chinese and foreign volunteers to carry out a water conservancy project in Dujiangyan in order to protect biodiversity. Through the Water Map volunteer program, we actively encourage the public to pay attention to the natural environment around us and effectively convey the belief of “respecting nature, acting in accordance with the trend, protecting nature, and benefiting future generations”.



The “Lithium Classroom” Volunteer Service Upgrade

Based on the Science, Technology, Engineering, and Mathematics (STEM) framework, Tianqi Lithium has created the “Lithium Classroom” educational volunteer program. The course is designed for adolescents, covering knowledge such as lithium’s existence in nature, development and utilisation, recycling and environmental protection, with the aim of popularising more scientific knowledge of the lithium industry and promoting comprehensive quality education. Adhering to the concept of “teaching with fun and learning with fun”, Tianqi Public Welfare has been upgrading the “Lithium Classroom” program, combining lithium professional knowledge with games and creating a curriculum toolkit with independent intellectual property rights.

In 2023, based on the concepts of sustainability of lithium mine development and the protection of biodiversity in mining areas, Tianqi Public Welfare carried out the “Lithium Classroom 4.0” volunteer service to popularise the concepts of green mine, sustainable development, and ecological protection of lithium mine among the local youths. In December of the same year, we partnered with Hexi Primary School in Maoxian to develop the “Lithium Classroom 4.0” teaching program, raising children’s awareness of natural resources and ecological protection in the hope that in the future they will become advocates of the concept of sustainable development and practice the idea, contributing to the betterment of the world.



Helping Children with Special Needs Become "The Brightest Star"

In 2018, Tianqi Lithium launched the “Our Community Season - The Brightest Star” volunteer service program. We have also maintained close cooperation with Shehong Special Education School for many years. With deep care for children with special needs and special education teachers, we have explored the concept of integrating special education with typical education and designed the “Lithium Classroom” (special education edition) to actively interact with children with special needs and special education teachers.

In addition, Shehong Special Education School has a Sichuan embroidery workshop, which displays exquisite Sichuan embroidery made by hearing-impaired students. As a special program of the school, teaching Sichuan embroidery trains the students to be more patient, concentrated and have professional skills, which lays a solid foundation for their future integration into society. In September 2023, the Company visited Shehong Special Education School again to send sincere holiday wishes and greetings to the children and teachers.



Tianqi Lithium Organises Parent-Child Activity for the Employees

Tianqi Lithium actively practices social responsibility and carries out parent-child activities and cultural public welfare activities in diverse forms, showcasing the Company’s humanistic care and social responsibility with practical actions. In May 2023, Tianqi Shehong Labor Union and Shehong Maternal and Child Healthcare Hospital jointly organised parent-child activities themed “Children’s Hearts Toward the Future, Celebrating Children’s Day with Joy”, which allowed employees’ children to immerse themselves in their parents’ work environment and experience the charm of the Company’s culture. Free physical examination and gifts were also provided for the children.



“Our Environment Season” Tianqi Public Welfare Volunteer Service

In November 2023, volunteers from the Zhangjiagang Production Base joined hands with the People’s Public Welfare Volunteer Association of Zhangjiagang City to carry out the “Beautiful Zhangjiagang - Autumn Bird Watching” thematic volunteer activity, leading 25 primary and secondary school students to observe local birds such as bulbuls, gray starlings, black-headed grebes, goldfinches, black-tailed razorbills, and brown-headed jays in the Jinghu Park. The volunteers systematically explained the knowledge about bird care and protection and conveyed the concepts of ecological environment protection and biodiversity.



“Our Education Season” Tianqi Public Welfare Volunteer Service

During the Reporting Period, a team of volunteers from Tongliang Production Base went to Xiaolin Primary School to carry out “Our Education Season” Tianqi Public Welfare volunteer service. The Company volunteers sent greetings and holiday blessings to the children in difficulty by organising visits to parks and elaborately crafting technological mini-games to creatively educate children on the principles of electromagnetism.



Tianqi Lithium Sends Support to Tongliang Fire Brigade

Tongliang Fire Brigade has provided special training on fire safety knowledge and emergency response for the Company’s employees many times, which has effectively improved the employees’ awareness of fire safety and emergency response ability. It allows the Company to carry out production more safely and provides a strong guarantee for social security and stability. In August 2023, relevant employees of Tongliang Production Base went to Tongliang Fire Brigade to express greetings and sincere gratitude to the firefighters who stood fast at their posts in the hot summer. This activity not only reflected the deep respect of Tianqi Lithium for the firefighters, but also further deepened the long-term cooperation between the two sides.



Rural Revitalisation

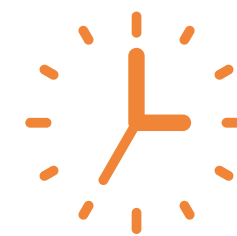
Tianqi Lithium actively responds to the call of the government and takes the initiative to fulfil its social responsibility and commitment, supporting the realisation of rural revitalisation and common prosperity from various dimensions, including medical care, employment, and income security.

Tianqi Lithium’s “Three Major Projects” Evaluation

In 2016, Tianqi Lithium signed a cooperation agreement with the Suining Municipal Government to jointly implement the “Three Major Projects” for healthcare and poverty alleviation. Innovating the model of “Demonstration Joint Village Clinics” + “Upskilling Village Doctors” + “Medical Experts’ Support”, the initiative aims to assist impoverished populations in accessing better medical services. The project was comprehensively constructed and put into operation in 2021. In 2023, Tianqi Lithium leveraged corporate social responsibility as an intrinsic motivator to carry out project evaluation, unearth novel project highlights, summarize project challenges, and collaborate with regulatory authorities to collectively envision the project’s future prospects.

The implementation of the Rural Joint Village Clinic has advanced public health services in rural communities from 2016 to 2021, with the successful establishment of 30 “Rural Joint Village Clinics”, leveraging “small funds” to mobilize “large resources.” Over the span of three years, the program “Upskilling Village Doctors” organized 300 impoverished villages into three groups, providing professional training to 316 rural doctors to enhance their skills. Through the initiative “Medical Experts’ Support”, over 50,000 impoverished individuals received free medical consultations, totaling expenses of 59,963.00 USD for consultations, awareness programs, medicine distribution, and organization of 4,483 visits by medical experts to provide support in rural areas.

Based on the 2023 project evaluation, the establishment of the Rural Joint Village Clinics have significantly promoted community well-being, greatly enhancing the convenience of daily medical care for the elderly in rural areas. However, the development of these clinics is gradually constrained by population migration caused by urbanization, posing challenges to their profitability. Moving forward, Tianqi Lithium will further integrate resources, continuously focus on supporting the community health service system, in order to better serve the community residents.



Most of the patients diagnosed in the rural joint village clinics are middle-aged and elderly people aged 40-80 years old.

The commuting time of residents has been shortened from 90 minutes to **5-30** minutes.

Public Welfare and Charity

Tianqi Lithium strongly promotes the culture of charity and extensively carries out charitable activities, fully responding to the needs of society and contributing to the promotion of the concept of public welfare and charity and the implementation of public welfare assistance.

The 10th China Charity Fair

In September 2023, Tianqi Lithium was invited to attend the 10th China Charity Fair. As a representative of outstanding charitable companies, Tianqi actively conveyed the concept of sustainable development to the public and was highly recognised by Yixi Dawa, the director of the Civil Affairs Department of Sichuan Province. At the meantime, Tianqi Lithium also hosted the Summit Forum, “Corporate ESG Empowering Carbon Neutral and Sustainable Development in Cities”, which attracted the participation of many experts, scholars, and corporate representatives. At the forum, representatives of the Company introduced the first “White Paper on Sustainable Lithium Industry under the Net Zero Emission Target” of the lithium industry, calling on members of the entire value chain to work together to realise the net zero emission target. The event not only highlighted Tianqi Lithium’s leading position in the field of sustainable development, but also provided an important platform for the Company to work with people from all sectors to promote carbon neutrality and sustainable development.



Cultural Exchange

In the process of building domestic production bases and carrying out extensive local business, Tianqi Lithium attaches great importance to the inheritance and promotion of local culture. We actively promote the prosperity and development of Chinese culture by organising cultural exchange activities and supporting the development of cultural industries. While expanding global business and becoming more internationalised, Tianqi Lithium continues to shoulder the overseas corporate governance responsibilities, fully respecting local cultures when building overseas production and resource bases and striving to integrate into local societies, so as to support local sustainable development. We are committed to promoting cultural exchanges at home and abroad, and through the effective integration of internal and external resources, we will convey the responsible concept of “Changing the World with Lithium” in local communities and contribute to the process of cultural integration in the communities.

‘New Energy Talents’ Program

From October to November 2023, Tianqi organised the “Program NET (New Energy Talent), which effectively promoted the exchange of talents and culture between China and Chile, building a closer bond between Chinese and Chilean talents. During the one-month study-tour program, 21 Chilean students from various universities visited a number of new energy companies and factory sites under the coordination and arrangement of Tianqi Lithium, in order to gain an in-depth understanding of China’s advanced new energy industry. The project organised the Chilean students to visit the Xi’an manufacturing base, which produces smart’s new-generation pure electric models. Mr. Diaz, the Consul General of Chile in Chengdu was also invited to the visit. Chilean students left a deep impression on the program. While further deepening the international industry-university-research level cooperation and helping to build an internationalised talent pool for the new energy industry, it also effectively enhanced the reputation of China’s new energy industry on the international stage and accelerated the promotion of global new energy science and technology innovation.



Independent Non-executive Director of Tianqi Lithium Participates in the “Congreso Futuro” Forum

In January 2023, Ms. Wu Changhua, an independent non-executive director of Tianqi Lithium and an international expert on climate change and sustainable development, participated in the Congreso Futuro forum in Chile, discussing issues related to combating climate change and green development with experts in science and humanities from all over the world. Ms. Wu pointed out that Tianqi Lithium is an activist and a major contributor to global climate governance, who has fully implemented the sustainable development strategy of maximising resource efficiency and zero emissions, which contributes to the transition of the mining industry to clean energy.

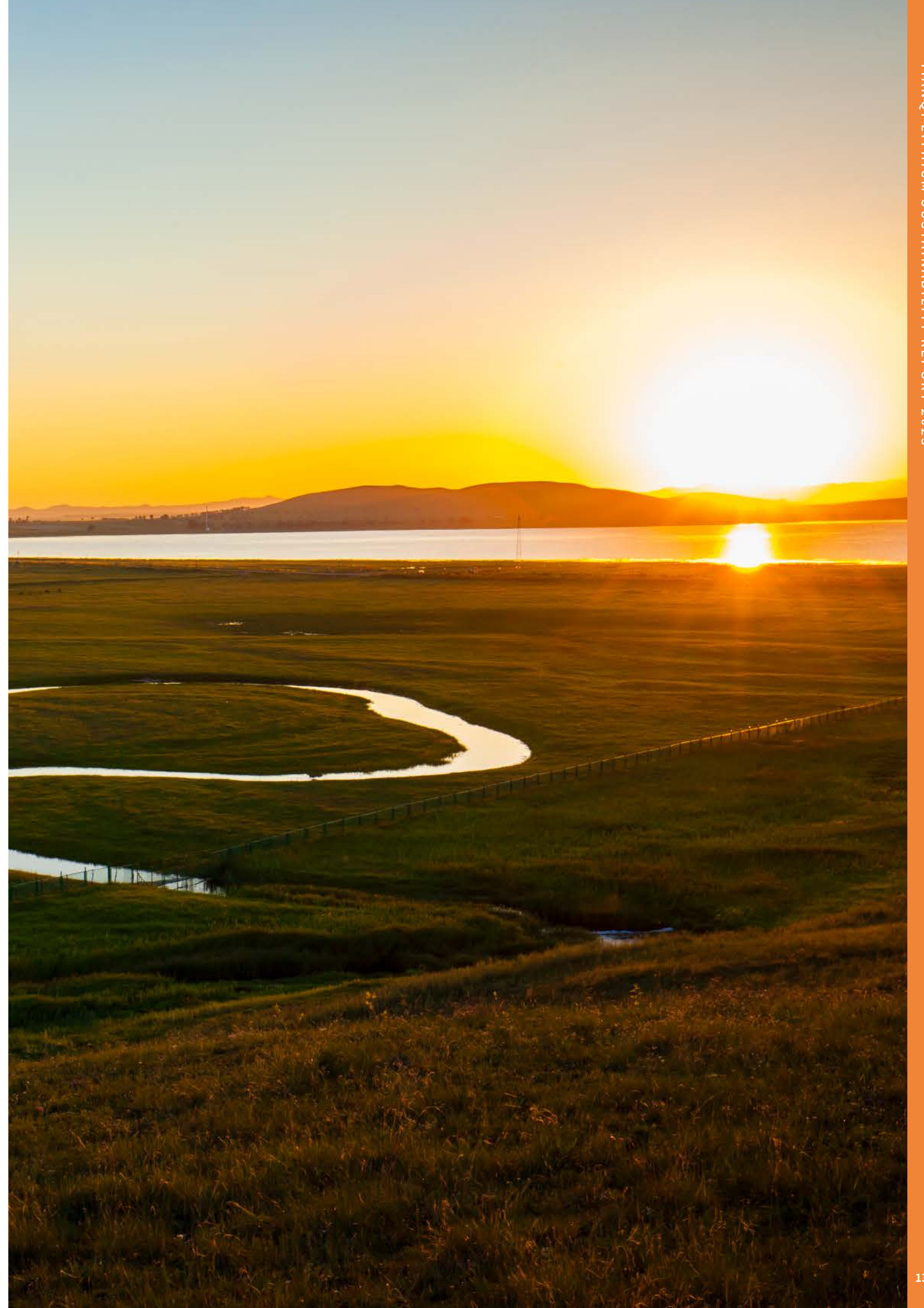
Tianqi Lithium Signed Cooperation Agreements with Many Well-known Chilean Universities

In October 2023, during the China (Sichuan)-Chile Economic, Trade and Investment Cooperation Forum held in Chengdu, Sichuan Province, Tianqi Lithium successfully signed a contract and entered into in-depth cooperation with three renowned Chilean universities, namely the University of Chile, Pontifical Catholic University of Chile and the University of Antofagasta. Through this cooperation, Tianqi Lithium will take advantage of the rich resources on scientific research and talents of Chilean universities to jointly carry out cutting-edge technology research and break through the key technological bottlenecks in green mining of minerals, energy storage technology, and regeneration of old energy storage systems, so as to promote high-quality development of the industry chain. Moreover, the two parties will also strengthen cooperation between the industry, academia and research institutes to promote the transformation and application of scientific and technological achievements, providing strong support for the innovative development of the lithium battery new energy industry. This initiative signifies that the Company will enter a new stage of cooperation in various areas such as innovation and development and water recycling. In the future, we will work together with Chilean universities to promote the breakthrough and development of relevant technologies in the industry.



Tianqi Lithium Supports West Australian Symphony Orchestra' s Music Education Program

Tianqi Lithium has a long-term cooperation with the West Australian Symphony Orchestra and launched the Crescendo Music Education Program, which provides free violin or cello lessons for primary school students in socially and economically disadvantaged schools economically underdeveloped areas. This program aims to improve the lives of students through music education. The Crescendo Program integrates music education into the daily teaching of local elementary schools and enhances students' cognitive development and overall learning through high-quality music education. The program not only provides children with valuable opportunities to develop their artistic and cultural literacy, but also contributes to the cultural prosperity of the local community and creates an inclusive cultural atmosphere centered around music.



6

Performance Summary

Economic data:

Aspects	Indicators	Unit	2023	2022	2021
Production	Lithium concentrate production	Ton	1,522,296.86	1,348,616.46	953,971.00
	Lithium chemicals production ¹	Ton	48,480.77	47,262.58	43,696.41
Revenue	Lithium carbonate equivalent (LCE)	Ton	49,660.97	47,540.12	44,874.36
	Revenue	USD thousand	5,718,647.14	5,807,782.79	1,187,835.53
	Domestic revenue	USD thousand	4,848,374.65	4,866,343.14	1,029,786.69
Asset	Foreign revenue	USD thousand	870,272.49	941,439.65	158,048.86
	Total assets	USD thousand	10,339,060.59	10,172,370.57	6,845,745.28
Gross margin	Domestic gross profit margin	%	85.18	85.32	63.27
	Lithium concentrate gross margin	%	90.44	83.95	62.10
	Lithium chemical gross margin	%	73.85	85.85	61.89
Net cash flow	Net cash flows from operating activities	USD thousand	3,203,308.59	2,914,393.25	324,645.26

¹ The Kwinana Production Base is not included.

Environmental data²:

Aspects	Indicators	Unit	2023	2022	2021
Exhaust gas emissions	Total emissions of main exhaust gas	Ton	50.66	52.35	81.72
	Sulfur oxides (SOx)	Ton	0.70	2.22	9.74
	Nitrogen oxides (NOx)	Ton	44.99	43.33	61.79
	Sulfuric acid mist	Ton	0.04	0.05	0.39
	Chlorine	Ton	0.07	0.17	0.20
	Particulate matter (PM)	Ton	4.87	6.58	9.60
Wastewater discharge	Total wastewater discharge	Ton	353,934.63	390,910.95	328,927.67
	Chemical oxygen demand (COD)	Ton	8.26	5.93	5.32
	Suspended solids (SS)	Ton	2.48	3.86	4.11
	Ammonia nitrogen	Ton	0.29	0.32	0.16
	Total phosphorus	Ton	0.02	0.01	0.01
GHG emissions	Total nitrogen	Ton	1.68	1.46	1.22
	Direct GHG emissions (scope 1) ³	Ton of carbon dioxide equivalent	125,198.02	117,958.94	114,949.71
	Indirect GHG emissions (scope 2) ⁴	Ton of carbon dioxide equivalent	146,460.74	142,606.09	140,206.33
	Total GHG emissions	Ton of carbon dioxide equivalent	271,658.76	260,565.03	255,156.04
Hazardous wastes	Intensity of total GHG emissions ⁵	Ton of carbon dioxide equivalent / ton LCE	5.46	5.48	5.69
	Used mineral oil (machinery oil, lubricating oil, etc.)	Ton	25.41	20.21	20.18
	Waste acid and alkali, waste alcohol and laboratory waste liquid	Ton	98.26	15.43	13.06
	Waste contaminated with chemical reagents	Ton	0.26	10.18	2.98
	Waste oil barrels	Ton	6.16	7.32	N/A
	Waste mercury lamps	Ton	0.08	N/A	N/A
	Waste paint	Ton	0.03	0.03	N/A
	Waste inks	Ton	0.02	0.03	N/A
	Waste lead batteries	Ton	0.00	0.40	N/A
	Total hazardous waste	Ton	130.21	53.61	36.75
Total disposed hazardous waste	Ton	130.21	53.61	36.75	
Intensity of total hazardous waste ⁶	Ton/ton LCE	0.003	0.001	0.001	

² The environmental data covers Shehong Production Base, Zhangjiagang Production Base, Tongliang Production Base, Anju Production Base, and Chengdu Xinglong Lake office building. Due to differences in product category, production process, operations and emissions, some environmental data only cover part of the production bases.

³ Direct GHG emissions were sourced from the combustion of natural gas, diesel, gasoline and liquefied petroleum gas, the use of liquid oxygen and carbon dioxide, the industrial process, etc.

⁴ Indirect GHG emissions were sourced from the use of purchased electricity and purchased steam.

⁵ The calculation of GHG emissions intensity for 2023 covers Shehong Production Base, Zhangjiagang Production Base, Tongliang Production Base and Anju Production Base.

⁶ The calculation of the intensity of total hazardous waste for 2023 covers Shehong Production Base, Zhangjiagang Production Base, and Tongliang Production Base.

Aspects	Indicators	Unit	2023	2022	2021
Non-hazardous wastes	Domestic waste (food waste, office waste, etc.)	Ton	487.72	402.10	523.00
	Non-recyclable non-hazardous waste	Ton	645.86	879.44	767.28
	Lithium slag	Ton	470,845.21	480,010.00	452,944.34
	Iron scraps	Ton	626.54	519.71	167.30
	Calcium slag	Ton	16,263.37	15,129.22	13,900.52
	Other recyclable non-hazardous waste	Ton	314.02	237.81	286.80
	Total non-hazardous waste	Ton	489,182.72	497,178.28	468,589.24
	Intensity of non-hazardous waste ⁷	Ton/ton LCE	9.66	10.46	10.44
Energy consumption	Purchased electricity	MWh	191,028.90	177,227.79	171,570.09
	Percentage of grid electricity in purchased electricity	%	100.00	100.00	100.00
	Natural gas	MWh	557,560.05	517,749.89	490,288.18
	Purchased steam	MWh	101,925.38	104,918.65	102,355.28
	Gasoline	MWh	149.42	131.04	135.77
	Diesel	MWh	950.19	1,002.37	1,141.60
	Liquefied petroleum gas	MWh	0.96	2.34	1.21
	Direct energy consumption	MWh	558,660.62	518,885.04	491,566.76
	Indirect energy consumption	MWh	292,954.28	282,146.44	273,925.37
	Oxygen gas	m ³	6.68	5.72	2.10
	Carbon dioxide gas	Ton	4,247.82	3,649.48	3,314.73
	Ethyne	m ³	839.50	963.49	262.80
	Comprehensive energy consumption ⁸	MWh	848,529.93	802,043.85	764,206.00
	Intensity of comprehensive energy consumption ⁹	MWh/ton LCE	16.63	16.87	17.03
	Percentage of renewable energy	%	11.50	12.00	12.00

Aspects	Indicators	Unit	2023	2022	2021
Water Resource	Tap water withdrawal	Ton	325,730.00	310,483.00	278,455.00
	Surface water withdrawal	Ton	1,011,373.00	1,023,971.00	1,202,649.00
	Rainwater withdrawal	Ton	0.00	0.00	0.00
	Water withdrawal from other organizations ¹⁰	Ton	240,064.00	261,522.00	251,721.00
	Freshwater withdrawal	Ton	1,377,103.00	1,334,454.00	1,481,104.00
	Total water withdrawal	Ton	1,577,167.00	1,595,976.00	1,732,825.00
	Intensity of water withdrawal ¹¹	Ton/ton LCE	30.21	33.57	38.62
	Total water withdrawn in regions with high or extremely high baseline water stress ¹²	m ³	0	0	0
	Total water consumed in regions with high or extremely high baseline water stress	m ³	0	0	0
	Number of incidents of non-compliance associated with water quality permits, standards, and regulations	Number	0	0	0
	Recycled water	Ton	33,604,308.00	21,337,670.40	16,514,660.00
Reused water	Ton	171,480.00	N/A	N/A	
Total water consumption	Ton	35,346,716.00	22,933,646.40	18,247,485.00	
Percentage of recycled/reused water in total water consumption	%	95.56	93.04	90.05	
Packaging materials	Plastics ¹³	Ton	1,498.61	1,178.87	1,222.55
	Paper ¹⁴	Ton	32.00	46.65	43.93
	Metal ¹⁵	Ton	523.29	229.68	216.17
	Total packaging material consumption	Ton	2,053.90	1,455.20	1,482.66
	Intensity of packaging material consumption ¹⁶	Ton/ton LCE	0.04	0.03	0.03

⁷ The calculation of the intensity of total non-hazardous waste for 2023 covers Shehong Production Base, Zhangjiagang Production Base, and Tongliang Production Base.

⁸ 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.

⁹ The calculation of the comprehensive energy consumption data per unit product is for the Shehong Production Base, Zhangjiagang Production Base, and Tongliang Production Base.

¹⁰ Water withdrawal from other organizations refers to reclaimed water purchased from industrial parks.

¹¹ The calculation of the intensity of water withdrawal for 2023 covers Shehong Production Base, Zhangjiagang Production Base, and Tongliang Production Base.

¹² The determination of regions with high/extremely high water pressures were based on the WWF water risk tool.

¹³ 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.

¹⁴ Paper includes kraft paper packaging bags, self-adhesive stickers, valve pockets, cardboard and other paper packaging materials.

¹⁵ Metals include metal packaging materials such as iron drums and steel drums.

¹⁶ The calculation of the intensity of packaging material consumption for 2023 covers Shehong Production Base, Zhangjiagang Production Base, and Tongliang Production Base.

Social data

Aspects		Indicators	Unit	2023	2022	2021
Employment	Number of employees ¹⁷	Total employees	Person	2,864	2,191	1,773
		Full-time employees	Person	2,864	2,191	1,773
		Part-time employees	Person	0	0	0
		Male employees	Person	2,106	1,612	1,297
		Female employees	Person	758	579	476
		Chinese employees	Person	1,772	1,390	1,220
		Employees in other countries	Person	1,092	801	553
		Employees aged 25 and below	Person	201	147	100
		Employees aged 26-35	Person	957	727	596
		Employees aged 36-45	Person	908	674	548
		Employees aged 46 and above	Person	798	643	529
		Production personnel	Person	1,360	1,136	1,033
		Technical personnel	Person	844	572	401
		Sales personnel	Person	25	29	30
		Financial personnel	Person	98	77	71
		Administrative personnel	Person	537	377	238
		Employee turnover rate	Turnover rate of total employees	%	12.69	13.78
	Turnover rate of male employees		%	12.37	12.47	N/A
	Turnover rate of female employees		%	13.88	12.95	N/A
	Turnover rate of Chinese employees		%	9.20	10.79	13.53
	Turnover rate of employees in other countries		%	17.81	18.98	20.03
	Turnover rate of employees aged 25 and below		%	13.66	38.10	N/A
	Turnover rate of employees aged 26-35		%	13.70	15.63	N/A
	Turnover rate of employees aged 36-45		%	9.92	13.29	N/A
	Turnover rate of employees aged 46 and above		%	14.53	19.52	N/A
	Turnover rate of employees with less than 1 year of service (passed the probationary period)		%	17.34	12.47	8.87
	Turnover rate of employees with 1-3 years of service		%	13.59	11.44	29.43
	Turnover rate of employees with 3-5 years of service	%	10.22	14.66	17.75	
Turnover rate of employees with more than 5 years of service	%	5.16	7.56	26.20		

¹⁷The statistical scope of the number of employees in 2023 is consistent with that of the annual report of Tianqi Lithium. The statistical scope of data for employment in 2022 includes: headquarters, Shehong Production Base, Tongliang Production Base, Zhangjiagang Production Base, Anju Production Base, 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: headquarters, subsidiaries, and production plants, Tianqi Lithium Energy Australia Pty Ltd., Talison Lithium Pty Ltd., Tianqi Lithium Kwinana Pty Ltd.

Aspects	Indicators	Unit	2023	2022	2021
Employee development and training ¹⁸	Total number of trained employees	Person	1,892	1,032	807
	Total person-times of trained employees	Person-times	23,621	14,822	15,253
	Percentage of employees trained	%	91.09	69.20	58.60
	Percentage of male employees trained	%	90.29	65.80	N/A
	Percentage of female employees trained	%	93.49	58.12	N/A
	Percentage of general employees trained	%	93.38	67.79	N/A
	Percentage of middle managers trained	%	79.81	31.82	N/A
	Percentage of senior managers trained	%	45.00	22.22	N/A
Health and safety	Total training hours	Hour	62,989.50	74,940.10	63,160.35
	Average training hours per capita	Hour	30.33	50.25	46.65
	Average training hours of male employees	Hour	30.02	33.06	N/A
	Average training hours of female employees	Hour	31.25	29.20	N/A
	Average training hours of general employees	Hour	25.86	34.06	N/A
	Average training hours of middle managers	Hour	74.24	15.99	N/A
	Average training hours of senior managers	Hour	6.26	11.17	N/A
	Investment in training	USD thousand	1,915.46	948.63	92.92
	Number of work-related fatalities	Person	0	0	0
	Percentage of work-related fatalities	%	0.00	0.00	0.00
	Lost time injury	Day	221.00	242.50	451.50
	Total safe production investment	USD thousand	14,168.54	4,617.39	4,716.61
	Total occupational health investment	USD thousand	4,708.64	5,163.37	1,560.37
	Number of major safety incidents	Incidents	0	0	0
	Occupational disease incidence rate	%	0.00	0.00	0.00
	Fatality rate for direct employees	%	0.00	0.00	0.00
	Fatality rate for contract employees	%	0.00	0.00	0.00
Suppliers	Domestic suppliers	Number	1,201	1,211	1,141
	Overseas suppliers	Number	44	75	37
	Strategic suppliers with system certifications	%	100	90	82
	Frequency of due diligence to strategic suppliers	Times/year	2	2	2
	Number of eliminated suppliers	Number	210	296	265
	Suppliers graded by levels	Number	721	625	564
	Class A suppliers	Number	3	1	2
	Class B suppliers	Number	550	474	406
	Class C suppliers	Number	162	148	149
	Unqualified suppliers	Number	6	2	7

¹⁸The statistical scope of data for employee training and development in 2023 is consistent with that in 2022: headquarters, Shehong Production Base, Tongliang Production Base, Zhangjiagang Production Base, Tianqi Lithium Kwinana Pty Ltd., Inverslones TLC SpA (Chile), and Tianqi Grand Vision Energy Limited.

The statistical scope of training investment data is consistent with that in 2022: headquarters, Shehong Production Base, Tongliang Production Base, Zhangjiagang Production Base and Chengdu Tianqi, Tianqi Lithium Energy Australia Pty Ltd., Tianqi Lithium Australia Pty Ltd., and Windfield Holdings Pty Ltd.

Aspects	Indicators	Unit	2023	2022	2021
Products responsibilities	Customer satisfaction rate	%	>95	>95	>95
	Number of complaints about products and services	Number	4	9	10
	Number of lawsuits for alleged safety and health reasons for products and services (New in the year)	Number	0	0	N/A
	Overall product qualification rate	%	>96	>96	N/A
	Revenue from products designed for use-phase resource efficiency ¹⁹	USD thousand	1,191.32	1,790.77	N/A
	Investment in R&D	USD thousand	4,219.51	3,834.10	2,918.14
Product R&D	Annual investment in R&D of clean technologies	USD thousand	4,219.51	3,834.10	N/A
Intellectual property rights	Cumulative authorized overseas invention patents	Item	5	5	4
	Cumulative authorized domestic invention patents	Item	104	86	74
	Cumulative design patents	Item	3	3	11
	Cumulative utility patents	Item	117	75	86
Community investment	Total number of person-times of volunteer activities	Person-times	334	229	107
	Total number of volunteer service hours	Hour	1,528.00	1,220.00	131.50
	Investment in volunteer service	USD thousand	97.34	73.56	30.27
	Investment in public welfare donations	USD thousand	440.28	N/A	N/A
	Investment in environmental protection programs	USD thousand	7.84	45.87	4.26
	Investment in education programs	USD thousand	303.40	37.13	6.20
	Investment in community programs	USD thousand	226.38	1,636.81	966.43

¹⁹The statistical scope includes the revenue from aluminosilicate powder.

Independent Verification Statement



Independent Auditor's Report

Beijing 2024

Tianqi Lithium Corporation

Independent Auditor's Report on the Sustainability Reporting Indicators of the Tianqi Lithium Corporation 2023.

Scope

In this report, you will find the outcomes of the revision of the Sustainability Report Indicators of the Tianqi Lithium Corporation 2023. 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 2023 performs a limited level of safety in the respective subject areas on the Sustainability Report of the Tianqi Lithium Corporation 2023.

- Nitrogen oxides (NO_x) (Ton)
- Sulfuric acid mist (Ton)
- Particulate matter (PM) (Ton)
- Chlorine (Ton)
- Chemical oxygen demand (COD) (Ton)
- Suspended solids (SS) (Ton)
- Ammonia nitrogen (Ton)
- Total phosphorus (Ton)
- Total nitrogen (Ton)
- Direct GHG emissions (scope 1) (Ton of carbon dioxide equivalent)
- Indirect GHG emissions (Scope 2) (Ton of carbon dioxide equivalent)
- 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 / Waste ion exchange resin (Ton)
- Waste oil barrels (Ton)
- Waste mercury lamp (Ton)
- Waste paint (Ton)
- Waste inks (Ton)
- Lithium slag (Ton)
- Calcium slag (Ton)
- Purchased electricity (MWh)
- Purchased steam (MWh)
- Natural gas (MWh)
- Diesel (MWh)
- Gasoline (MWh)



- Oxygen gas (m³)
- Carbon dioxide gas (m³)
- Surface water withdrawal (Ton)
- Municipal water / Tap water withdrawal (Ton)
- Water withdrawal from other organizations (Ton)
- Recycled water (Ton)
- Reused water (Ton)
- Percentage of recycled/reused water in total water consumption (%)
- Paper (Ton)
- Metal (Ton)
- Frequency of due diligence to strategic suppliers (Times/year)
- Overall product qualification rate (%)
- Customer satisfaction rate (%)
- Cumulative authorized overseas invention patents (Times/year)
- Cumulative authorized domestic invention patents (Times/year)
- 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 2023 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 2023



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 2023 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 2023, 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 2023 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





Index

Index of contents of the Environmental, Social and Governance Reporting Guidelines of the Hong Kong Stock Exchange

Mandatory Disclosure Requirements under the Environmental, Social and Governance Reporting Guidelines of the Hong Kong Stock Exchange

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 businesses.	ESG Governance Stakeholder Engagement and Materiality Assessment
Reporting principles	A description of, or an explanation on, the application of the following Reporting Principles in the preparation of the ESG report: Materiality:(i) The ESG report should disclose: (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.	Stakeholder Engagement and Materiality Assessment About the Report
Scope of reporting	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.	About the Report

"Explanation for non-compliance" provision in the Environmental, Social and Governance Reporting Guidelines of the Hong Kong Stock Exchange

Aspects	Index Number	General Disclosure & KPI	Page
A. Environment			
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.	Natural Resource Management
	A1.1	The types of emissions and respective emissions data.	Natural Resource Management Performance Summary
	A1.2	Direct (Scope 1) and energy indirect (Scope 2) greenhouse gas emissions (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Response to Climate Change Performance Summary
	A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Performance Summary
	A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Performance Summary
	A1.5	Description of emission target (s) set and steps taken to achieve them.	Environmental Management System
	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.	Natural Resource Management
A2 Use of Resources	General Disclosure	Policies on the efficient use of resources, including energy, water and other raw materials.	Response to Climate Change Natural Resource Management
	A2.1	Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (kWh in 1000s) and intensity (e.g. per unit of production volume, per facility).	Performance Summary
	A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility).	Performance Summary
	A2.3	Description of energy use efficiency target (s) set and steps taken to achieve them.	Response to Climate Change
	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.	Natural Resource Management
	A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	Circular Economy Practice
A3 The Environmental and Natural Resources	General Disclosure	Policies on minimising the issuer's significant impact on the environment and natural resources.	Circular Economy Practice
	A3.1	Policies on minimising the issuer's significant impacts on the environment and natural resources.	Natural Resource Management
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.	Response to Climate Change
	A4.1	Policies on description and action of significant climate-related issues which may impact the issuer.	Response to Climate Change

Aspects	Index Number	General Disclosure & KPI	Page
B. Social			
Employment and Labor Regulations			
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 relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.	Diversity, Equality and Inclusion Protection of Employee Rights and Interests
	B1.1	Total workforce by gender, employment type (for example, full-or part-time), age group and geographical region.	Performance Summary
	B1.2	Employee turnover rate by gender, age group and geographical region.	Performance Summary
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	Employee Health and Safety
	B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	Performance Summary
	B2.2	Lost days due to work injury.	Performance Summary
	B2.3	Description of occupational health and safety measures adopted, how they are implemented and monitored.	Employee Health and Safety
B3 Development and Training	General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	Empowering Talents
	B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	Performance Summary
	B3.2	The average training hours completed per employee by gender and employee category.	Performance Summary
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 labour.	Diversity, Equality and Inclusion
	B4.1	Description of measures to review employment practices to avoid child and forced labour.	Diversity, Equality and Inclusion
	B4.2	Description of steps taken to eliminate such practices when discovered.	Diversity, Equality and Inclusion

Aspects	Index Number	General Disclosure & KPI	Page
Operation Management			
B5 Supply Chain Management	General Disclosure	Policies on managing environmental and social risks of the supply chain.	Sustainable Supply Chain
	B5.1	Number of suppliers by geographical region.	Performance Summary
	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.	Sustainable Supply Chain Performance Summary
	B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	Sustainable Supply Chain
	B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	Sustainable Supply Chain
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.	Product Responsibility
	B6.1	Percentage of products sold or shipped that need to be recalled due to safety and health reasons.	Product Responsibility
	B6.2	Number of complaints received about products and services, along with the methods used to address them.	Product Responsibility
	B6.3	Description of practices related to the protection and maintenance of intellectual property rights.	R&D and Innovation
	B6.4	Description of the quality assurance process and product recall procedures.	Product Responsibility
	B6.5	Description of consumer data protection and privacy policies, as well as relevant enforcement and oversight methods.	Construction and Safeguards of Information Systems
B7 Anti-corruption	General Disclosure	Information on: (a) the policies; (b) compliance with relevant laws and regulations that have a significant impact on the issuer, relating to bribery, extortion, fraud, and money laundering.	Business Ethics and Transparency
	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.	Business Ethics and Transparency
	B7.2	Description of preventive measures and whistle-blowing procedures, how they are implemented and monitored.	Business Ethics and Transparency
	B7.3	Description of anti-corruption training provided to directors and staff.	Business Ethics and Transparency

Aspects	Index Number	General Disclosure & KPI	Page
Community			
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.	Community Engagement
	B8.1	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	Community Engagement
	B8.2	The resources allocated within the focused domain (such as money or time).	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	/	Response to Climate Change
Air Quality			
RT-CH-120a.1	Air emissions of the following pollutants: •NO _x (excluding N ₂ O) •SO _x •Volatile organic compounds (VOCs) •Hazardous air pollutants (HAPs)	Metric tons (t)	Natural Resource Management Performance Summary Due to the nature of business, the Company is not involved in the emission of volatile organic compounds (VOCs) and hazardous air pollutants (HAPs)
Energy Management			
RT-CH-130a.1	•Total energy consumed •Percentage grid electricity •Percentage renewable •Total self-generated energy	Gigajoules (GJ), %	Response to Climate Change Performance Summary (Total energy consumption is disclosed in megawatt hours (MWh))

Code	Indicators	Unit	Location of Disclosure or Remarks
Water Management			
RT-CH-140a.1	•Total water withdrawn •Total water consumed	Thousand cubic meters (m ³)	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	/	Natural Resource Management
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
Community Relations			
RT-CH-210a.1	Discussion of engagement processes to manage risks and opportunities associated with community interests	/	Community Engagement
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	/	Employee 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	/	Employee Health and Safety
	Discussion of strategy to develop alternatives with reduced human and/or environmental impact	/	Circular Economy Practice R&D and Innovation

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 GMOs
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	/	Risk Management and Internal Control Response to Climate Change
Operational Safety, Emergency Preparedness & Response			
RT-CH-540a.1	<ul style="list-style-type: none"> •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	Metric tons (t)	Performance Summary