

# CHANGING THE WORLD WITH LITHIUM

Tianqi Lithium  
Sustainability Report 2017





# Voices from the Executives



**JIANG Weiping, Chairman**

There is no doubt that incorporating social responsibility is crucial for Tianqi Lithium. We will contribute our efforts to serve the world's new energy industry together with our peers at home and abroad.



◀ Tianqi Lithium Global Research Center Image The final design is subject to government approvals.



**Vivian WU, Director/President**

Taking Changing the World with Lithium as our mission, Tianqi Lithium is committed to achieving growth at no expense of the environment, health and safety, in our quest to become a world leader in the new energy industry.



**GE Wei, Senior Vice President**

With a risk-prevention business culture, we have put in place a risk mitigation and control system to ensure compliance, safety and efficiency of our operations.



**LI Bo, Board Secretary/Vice President**

We have established an effective communication mechanism, through which we make timely disclosure, and improve shareholder oversight to protect the interests of stakeholders.



**Phil Thick, General Manager, Tianqi Lithium Australia**

We continue to pay attention to occupational health and safety and environmental protection to promote the sustainable development of the company.



**ZOU Jun, Director/CFO**

Tianqi Lithium will fully utilize green finance to serve green growth, increase socially responsible investment, and create value for our stakeholders, including shareholders.



**YAN Dong, Vice President**

At Tianqi Lithium, we always put customers first, and work together to create value through our expertise and quality products.



**GUO Wei, Vice President**

We are actively building a responsible supply chain, as part of the effort to strengthen cooperation with suppliers. By integrating social responsibility into our supply chain management, we make sure our development is aligned with the needs of the industry and the community.



**Lorry Mignacca, CEO of Talison Lithium**

Talison Lithium continues its efforts to build a green system for eco-friendly development, while providing quality products to our customers around the world.

Future  
Heading for a Sustainable



Tianqi Lithium Global Research Center Image The final design is subject to government approvals.

## The SDGs: metrics for action

In 1987, the United Nations World Commission on Environment and Development published a special report *Our Common Future* based on a comprehensive survey of key issues in the world's environment and developing countries, in which it defined sustainable development as "development that meets the needs of the present without compromising the ability of future generations to meet their own needs." The key message is that healthy economic development should be based on ecological sustainability, social justice and the people's active participation in their own development. The goal is to ensure that all human needs are met, individuals potential fully unleashed, and resources and environment protected, for the survival and development of future generations. Special attention should be paid to the ecological viability of various economic activities: only those conducive to the protection of resources and future economic growth should be encouraged, and those that are not should be stopped.

In recent years, sustainable development has become a global consensus. It is also a long-term development strategy for companies, countries, nations, and humanity as a whole. At the United Nations Sustainable Development Summit held at its headquarters in New York on September 25, 2015, 193 member states officially approved the 2030 Sustainable Development Agenda and adopted 17 Sustainable Development Goals (SDGs), calling on governments, private sectors, and civil society around the world to take action to jointly implement actions to reduce poverty while meeting social development needs, such as by promoting economic growth, education, health, social protection, and employment opportunities, and responding to climate change and other environmental challenges. The strategy of protection is to comprehensively solve the three dimensions of social, economic and environmental development, protect the sustainable development of the earth, and realize the global goal of shared prosperity for all. The 2030 Agenda provides a framework for addressing social, economic, and environmental issues in a comprehensive manner, aimed at protecting the sustainable development of the world and ensuring prosperity for all. In order to implement this instrument in China, the Chinese government issued the China National Program for Implementation of the 2030 Sustainable Development Agenda in September 2016 in the context of the "Thirteenth Five-Year Plan". As a course of action for China's implementation of the 17 SDGs, this program reflects China's commitment as a responsible developing country.





## Sustainability at Tianqi

A swelling world popular and further development of human society are exerting mounting pressure on the global environment. Due to rapid economic development, China is experiencing increasing demand for energy, higher energy consumption, and more imports of petroleum and other resources. The impact of a coal-based energy structure on ecological environment across the world as a whole is becoming increasingly apparent.

As a Chinese saying goes, without a long-term planning, even immediate gains are not likely to be secured. Ecological health is a prerequisite for people's wellbeing and the long-term sustainable development of a nation. Today, average Chinese citizens' aspiration has shifted from food security and survival to a green and ecologically sound environment, characterized by green mountains and blue skies. We, as responsible corporates, must align our efforts with that goal to create a clean

environment for future generations, such as by helping adjust the energy mix and developing clean energy sources.

New energy is one of the industries that are most helpful for achieving the sustainable development goals. Clean, low-carbon, safe and efficient energy has been mankind's perennial pursuit since antiquity, and it is the only solution to the current energy crisis the world is faced with. Rapid urbanization and economic prosperity have created a huge fleet of motor vehicles in cities that exacerbates urban air pollution. Driven by the four major trends of electrification, intelligence, lightweighting, and car sharing, the idea of redefining cars is spreading all over the world, and new energy vehicles is witnessing high-speed development.

The core technologies of new energy vehicles are power batteries, motors and electronic controls. Among them, the power battery is the most important core component, and breakthroughs

in this technology are the key to the development of the electric vehicle industry. Thanks to their more stable performance than other options and zero polluting emissions, lithium batteries are a most viable and most widely used solution today. As a basic element of the lithium industry, lithium is known as the "energy metal" of the 21st century and "the element that drives the world forward." The lithium industry plays a vital role in helping to optimize the existing energy structure, reduce the environmental pollution caused by energy development and use, and promote sustainability of human society.

As a supplier of core components for lithium batteries, Tianqi Lithium's vision is to become a world leader in lithium and new energy material industry. We have made a series of strategic acquisitions and mergers that promise to promote the development of the lithium industry. By reducing the world's dependence on fossil fuel, we

are contributing to addressing global challenges such as climate change, promoting coordinated development of the economy and environment, and protecting the environment on which people depend. We have integrated

sustainability, business integrity, safety, environment and occupational health in our daily operation and production. Meanwhile, we take care of the interests of all our stakeholders, actively engage and give back to the community in

which we do business, contributing to the achievement of the objectives set out in the 2030 Agenda through concrete action.

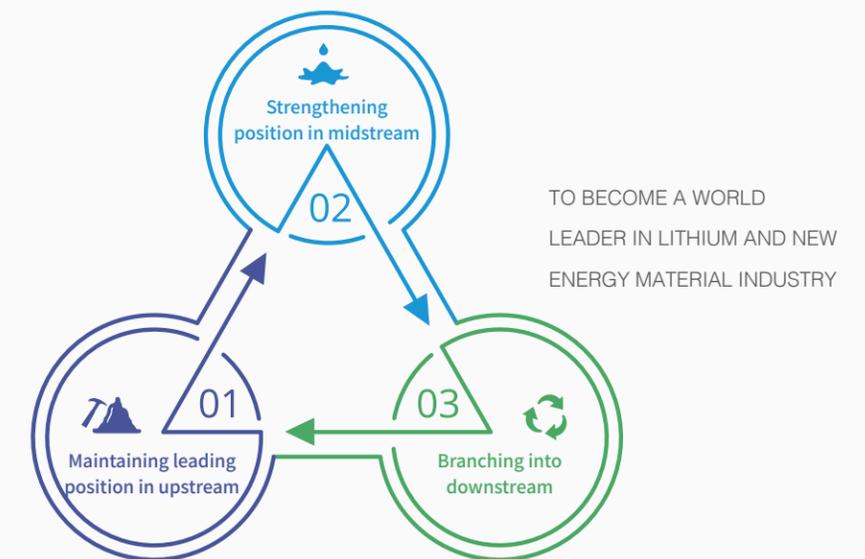
## Getting to know Tianqi Lithium

### About us

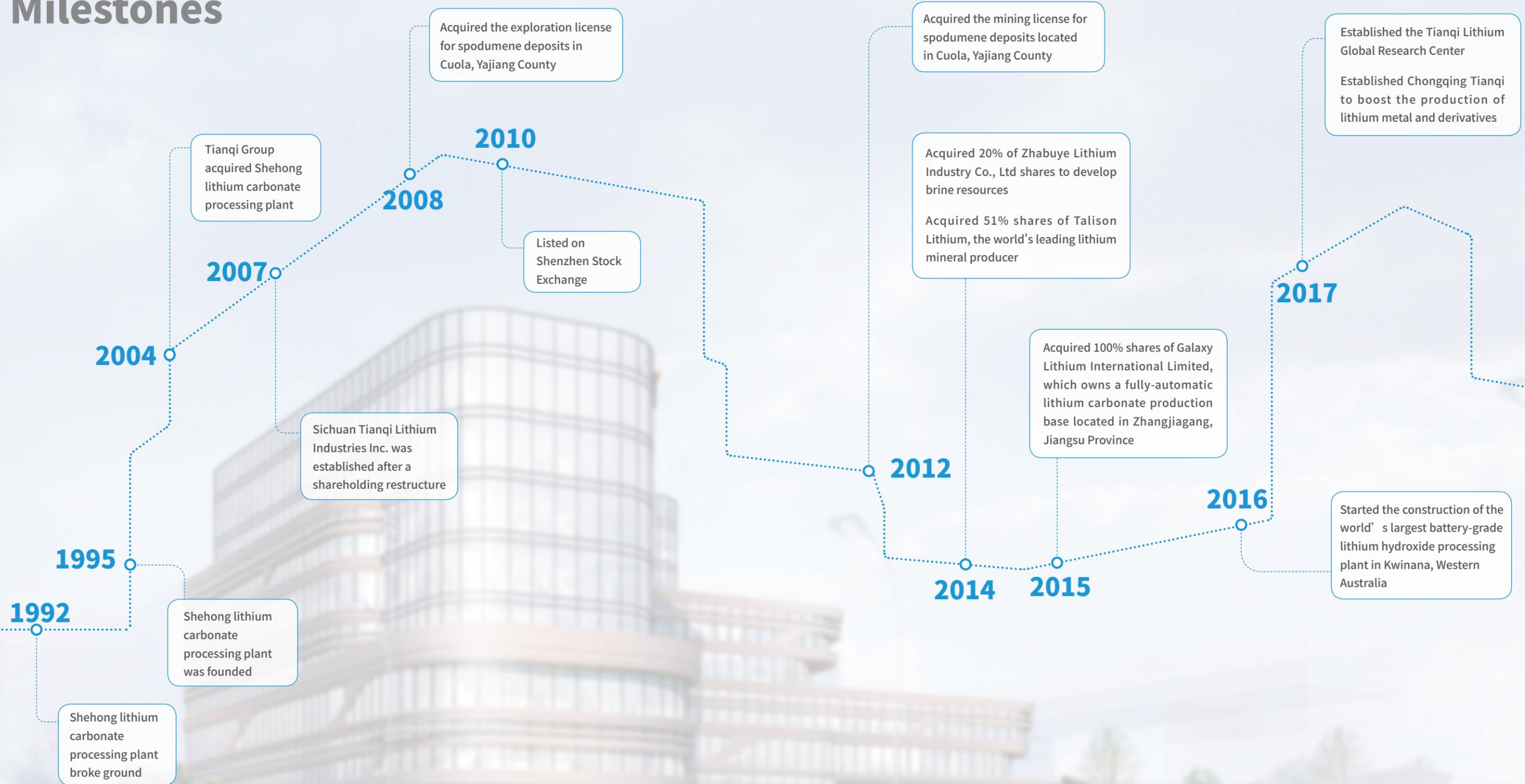
Tianqi Lithium is a world-leading supplier of lithium products in China and is publicly traded on the Shenzhen Stock Exchange (SZ.002466). Our principal operations include development of lithium mines, processing of lithium products, and trading of lithium ore. Our business footprint covers Asia and Oceania with production plants, resource centers and subsidiaries in Sichuan, Jiangsu, Chongqing and Australia, serving clients across the world.



Reference: Roskill 《Lithium: Global Industry, Markets and Outlook to 2026》 Fourteenth Edition, 2017 Report



# Milestones



## Headquarters and subsidiaries

① Shehong (production base), Sichuan, China

② Zhangjiagang (production base), Jiangsu, China

③ Chongqing (production base), China

④ Kwinana (production base), Australia

In October 2016, Tianqi Lithium's Kwinana processing plant with an annual production of 24,000 tons of battery grade lithium hydroxide monohydrates broke ground. The plant is expected to start commissioning in 2018. In October 2017, the plant started the construction of Stage II with an annual production of 24,000 tons of lithium hydroxide. Commissioning is expected to commence at the end of 2019.

⑤ Garze Prefecture (resource center), Sichuan, China

Tianqi Shenghe is engaged in the mining development of the Gyabjeka spodumene deposit in Cuola, Yajiang

⑥ Greenbushes (resource center), Australia

In May 2014, Tianqi acquired 51% of the equity in Talison Lithium to become an indirect holding company.

⑦ Chengdu (R&D, administration and sales), Sichuan, China

⑧ Shanghai (office), China

## Lithium products and industrial landscape

Lithium is one of the lightest metals in the world. Lithium metal, lithium alloys and lithium compounds are widely used due to their special properties. Unique and versatile properties make lithium a sought-after material used in many hi-tech application areas, such as metallurgy, electronics, glass-ceramics, petrochemicals, batteries, rubber, steel, equipments and medical care, as well as in traditional industrial fields. It is also an indispensable material for the atomic energy, aerospace, and defense industries. More importantly, lithium-ion batteries are playing an increasingly important role in high-end green industries such as energy storage and new energy vehicles.

Our main products include chemical grade lithium concentrate, technical grade lithium concentrate, industrial grade lithium carbonate, battery grade lithium carbonate, industrial grade lithium hydroxide, battery grade lithium hydroxide, lithium chloride anhydrous, lithium metal and other lithium chemicals. Our products are used in a wide array of applications, ranging from lithium-ion battery-powered electric vehicles; to glass ceramic applications; to wearable devices, smart computer, communication, and consumer products, energy storage batteries; and to lubricants, rubber, pharmaceuticals, dyes and building materials.

As we continue to build our technological expertise, we have expanded our product offerings with a focus on lithium carbonate and lithium hydroxide, lithium chloride and lithium metal, generating a strong demand in the downstream market through an increasingly diverse applications. We have always been taking the leading position in the global lithium industry in terms of resource reserves, production and sales, R&D, and product quality. Through years of enterprising efforts, we have established an international presence, with a management, trade and R&D center in Chengdu, resource centers in Greenbushes in Western Australia and Garze Prefecture in China, and production bases in Suining, Zhangjiagang, Tongliang, and Kwinana. This great transformation from being a lithium processing business to a world leading lithium group complete with quality resources and competitive businesses along the value chain makes Tianqi Lithium better placed to contribute to the sustainability of clean energy and the world's environment.



# Tianqi's CSR Management System

Tianqi Lithium has been improving corporate social responsibility (CSR) management system to provide the needed support for sustainable development. In 2017, the company created a sustainable development system in partnership with expert institutions in the field of CSR, taking into consideration our own business profile and our insights about the industry. In this system, we identified our social responsibility, and established a strategic CSR model and a corporate governance structure. This institutional arrangement allows us to align our day-to-day operational efforts with our vision and, more specifically, guiding principles on CSR for sustainable growth seamlessly.

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## The guiding principles

Tianqi Lithium's vision is to become a world leader in lithium and new energy material industry. In a new era for the new energy industry, taking Changing the World With Lithium as our mission, we are committed to creating value for

our customers, employees and partners at no expense of the environment, health and safety. Ultimately, we help achieve sustainable development characterized by economic prosperity, beautiful environment and social progress.

## The strategy

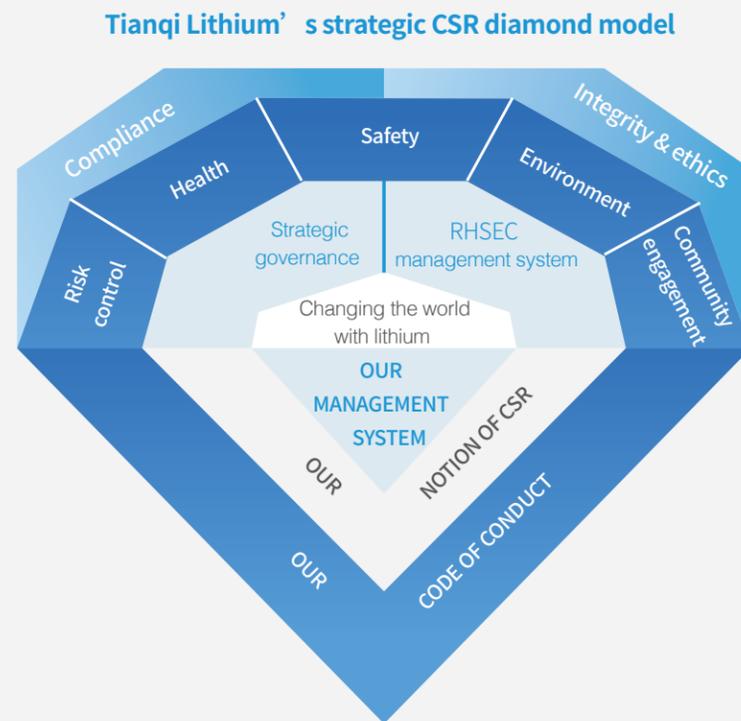
Tianqi Lithium accords high priority to risk controls as a most fundamental step towards

better performance of CSR for improved value creation and brand visibility.

## Strategic CSR model

In order to make the company's performance of CSR better serve business objectives, Tianqi Lithium has developed a unique strategic CSR diamond model, as shown

below, to showcase how the company harnesses the potential of the new energy industry in partnership with stakeholders for shared benefits.



## Strategic goal

Guided by our CSR strategy, Tianqi Lithium works to become a leader of the world's new energy industry in terms of sustainability, helping the world achieve sustainable and coordinated economic, social and environmental development by 2030.

### Tianqi Lithium's strategic CSR goal

To become a leader in the sustainable development of the global new energy industry by 2030



Tianqi lithium becomes a CSR leader in the new energy industry by creating an eco-network for sustainable development of new energy that connects people and community.



Tianqi Lithium's sustainability grows stronger and become a first-tier business in CSR with CSR fully integrated in management and production innovation



Establish a preliminary CSR model with Tianqi Lithium characteristics to enhance operational transparency and increase social recognition

## The governance structure

Tianqi Lithium keeps optimizing CSR governance structure by clarifying CSR mandates for different functions and production bases, encouraging sectional coordination and feedback, and improving the organizational mechanism for better CSR implementation.

### Organizational structure for CSR implementation



## The communication

We treat stakeholders in good faith and always pay attention to communication with stakeholders. To maintain close contact with stakeholders, we have put in place an effective communication mechanism that ensures stakeholders' right to information, participation, and supervision.

### Internal communication

We attach great importance to communication and exchanges with internal stakeholders. The CSR report is prepared through a wide range of departmental interviews and questionnaires on substantive issues. Such active participation by employees has yielded welcome results.



### External communication

We are always actively responding to government policies and guidelines for poverty alleviation and development. In order to relieve poverty for economically disadvantaged areas, the company keeps track of the needs of these areas through close contact with other relevant players, and adapts aid strategies accordingly.

### Public communication

We take public communication very seriously, and have established an innovative information disclosure channel to communicate progress and accomplishments in implementing CSR.



Round-table dialogue at 9th China Corporate Social Responsibility Annual Meeting

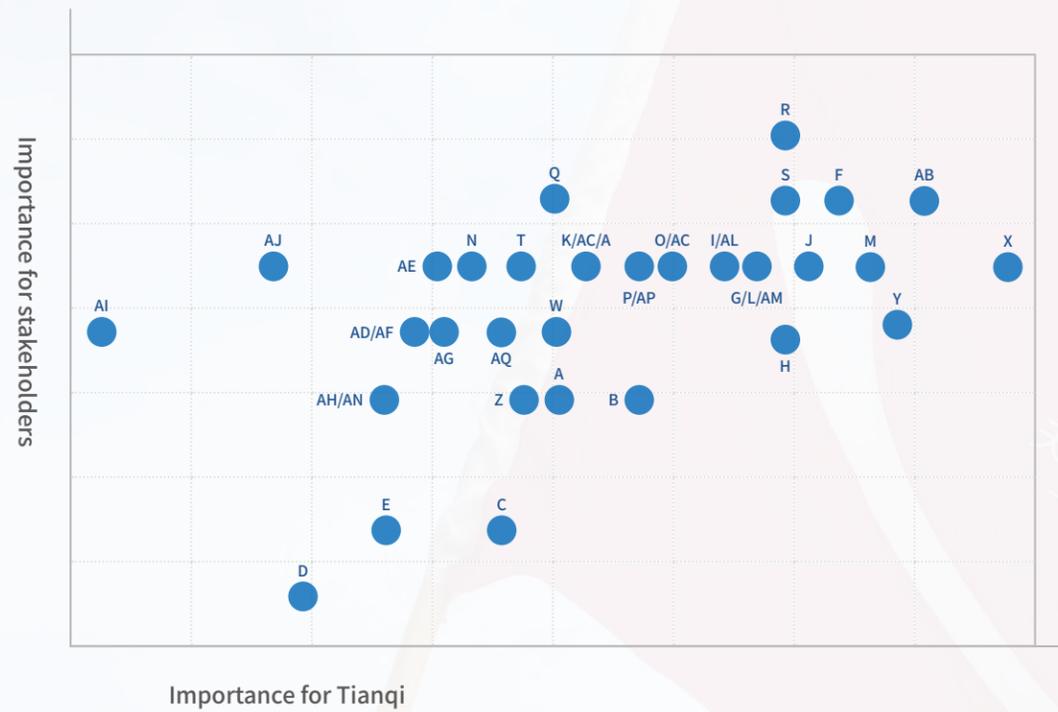


Open Day at the Zhangjiagang Production Base



Release of the Post-Disaster Recovery and Reconstruction Needs Assessment Report after an earthquake shook Juzhaigou on August 8, 2017.

## The components



A Notion of corporate responsibility	O Improving service system	AE Pro-bono activities
B Identifying responsibilities	P Customer relationship management	AF Charity
C Organization of responsibilities	Q Protecting customers' privacy	AG Targeted poverty alleviation
D Training on social responsibilities	R Leading industry development	AH Engagement with the local community
E Communication with stakeholders	S Strategic cooperation	AI Volunteer service
F Corporate governance improvement	T Urging the supply chain to perform its responsibilities	AJ Corporate foundations
G Reinforcing risk control	W Fair competition	AK Promoting green offices
H Protecting investors' interest	X Protecting employees' rights	AL Environmental management systems
I Regular disclosure	Y Employees career development	AM Energy saving and emissions reduction for improved efficiency
J Business integrity	Z Democratic management	AN Action on climate change
K Anti-commercial bribery and anti-monopoly	AB Occupational health and safety	AO Environmental protection
L Promoting technological innovation	AC Support to employees in financial distress	AP Renewable resource utilization
M Improving product quality	AD Employee activities	AQ Building a water-saving business
N Implementing responsible sourcing		

## The implementation

Tianqi Lithium places high priority on capacity-building for better implementation of CSR including through CSR-related studies, and organization of CSR-themed internal training, surveys and communication campaigns.

### CSR-related studies

We have been working closely with research institutions on a number of CSR-themed projects, including three major projects on providing better healthcare for poverty alleviation, which were included in the China Blue Book on Businesses Poverty Alleviation Efforts 2017 and China Corporate Social Responsibilities Yearbook 2017.

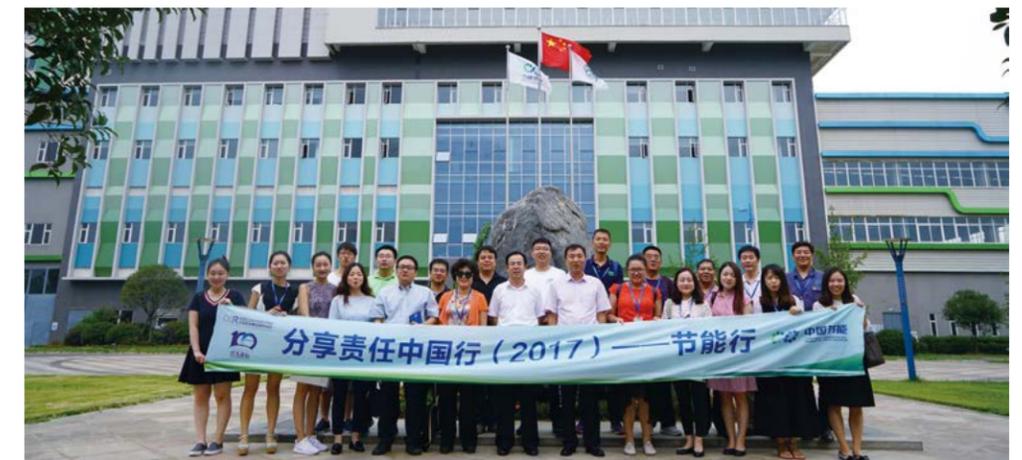


### CSR Training

We keep raising employees' awareness of and ability to implement our CSR through training. Specifically, we equip our employees with the right perceptions about CSR through internal training and further help them contextualize their newly acquired knowledge through external training.



CSR management training organized by the Shanghai Municipal Commission of Commerce



Shared Responsibility - Energy Saving Trip 2017

## Adding Value

As a global business, Tianqi Lithium has kept on optimizing global governance structure and organizational processes to make them more decentralized, professional, institutionalized, and streamlined. The headquarters is charged with management and control functions only, while corporate-wide budget and performance management reforms, and internal audits and internal controls, have been relegated across all decentralized businesses locations, leading to a sustained revenue growth.

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## Sustained market leading position

In 2017, Tianqi Lithium exceeded its production target and reformed its customer structure, further consolidating its leading position in China's battery raw materials industry. Meanwhile, our marketing team has, after experiencing violent market downturns and upswings, grown far more sophisticated and professional than their peers in terms of customer relationship management, knowledge of market dynamics, turnaround time and pricing management, and has also made meaningful efforts to adapt international practices.

## Robust earnings growth

As a world-leading supplier of lithium products, Tianqi Lithium has performed well in many aspects including earnings, strategic positioning, and contribution to the industry. In 2017, we realized a revenue of more than USD837.13 million, an increase of 40.09% over the previous year; and a net profit attributable to shareholders of over USD328.27 million, an increase of 41.86% year on year.



### Stronger operations

Sales of lithium compounds and derivatives

**32,400** tons

YoY growth

**33.28%** ↑

Sales of lithium concentrate

**407,200** tons

YoY growth

**29.84%** ↑



### Stronger finances

Total assets

**2,730.25 m** USD **59.20%** ↑

YoY growth

Net assets

**1,627.59 m** USD **85.53%** ↑

YoY growth

Debt-to-assets ratio

**40.39%** **-16.36%** ↑

YoY growth



### Stronger performance

Gross revenue

**837.13 m** USD **40.09%** ↑

YoY growth

Net income attributable to shareholders

**328.27 m** USD **41.86%** ↑

YoY growth

Net operating cash flow

**473.66 m** USD **74.21%** ↑

YoY growth

EPS

**0.30** USD **40.58%** ↑

YoY growth

USD:RMB=6.5342 as of December 31,2017



## Commitment to Highest Environment, Safety and Occupational Health Standards

As well as striving to create steadily increasing value for shareholders, we remain committed to protecting the environment, and the health and safety of our stakeholders and employees. We pursue growth at no expense of the environment, health and safety. Through the use of advanced energy-saving and emission-reduction technologies, we have made huge gains in technological upgrading, energy efficiency and environmental protection. Measures, such as implementing automated production lines, have been taken to minimize safety and environmental risks. Meanwhile, we have established an employee health management system which provides a guideline for risk-prevention drills and standard production procedures geared to employees' occupational health and safety.

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## Environmental protection

We are committed to a green development pathway, characterized by a sound environmental management system, integrated use of resources, energy-saving and emission reduction measures.

### Environmental management system

As part of the effort to implement ISO 14001 and other environmental standards, we have established a sound environmental management system, under which annual plans containing specific objectives and corresponding measures for environmental protection are formulated and effectively implemented.

#### Improved environmental management:

All production bases are required to use clean fuel as a preferred source of energy in their routine operations, to achieve a balance between economic and environmental sustainability.

#### A sound environmental impact evaluation system:

Prior to each new, converted and expanded project, environmental impact assessments are conducted to fully evaluate its impact on the biodiversity around the project site. A range of measures are formulated in the evaluation report to protect biodiversity during the construction, operation period, and post-closure phases.

#### ▶ Creating “garden plants”

#### Case

Tianqi Lithium has been upgrading environmental conditions of all production bases, in order to turn them into “garden plants”, through a number of measures,

including applying dust-suppression systems and raw and auxiliary material leakage controls, and increasing green space.



Shehong Production Base, Sichuan



Zhangjiagang Production Base, Jiangsu

Tianqi Lithium and its subsidiary Talison Lithium have been pursuing a green development strategy in their operations in Australia, as part of their commitment to environmental production.



Greenbushes, the town where Talison Lithium, whose controlling share is indirectly owned by Tianqi Lithium, is located, won the championship in the annual "Tidy Towns – Sustainable Communities Awards" held in Western Australia, in 2016.

On May 10-11, 2017, Greenbushes, as a representative of Western Australian towns, participated in the "All Australia Cleanest Towns" competition held in the State of Tasmania, and won the "Community Action and Wellbeing" award.

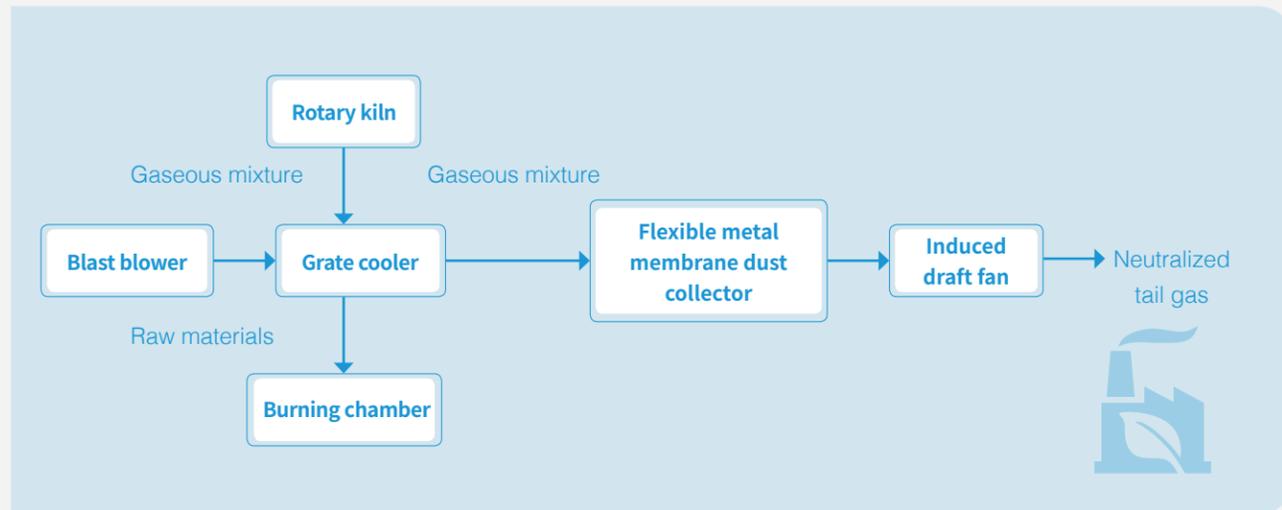
## Integrated use of resources

Our production bases keep maximizing the efficiency of resource use in production and logistics, by improving their energy mix, production processes, and logistics routes.

### Shehong Production Base, Sichuan

- ▶ Coal-to-gas renovation of boiler system has been launched, which has helped effectively improve the energy structure and environmental performance;
- ▶ Filter residue and boiler slag are sent to government inspection authorities for toxicity testing before being reused by the cement and building materials industries;
- ▶ A slag site has been built in accordance with environmental regulations to ensure safe temporary storage;
- ▶ Dust collected through the dust remover is reused.

### Hood section dust collection and recycling

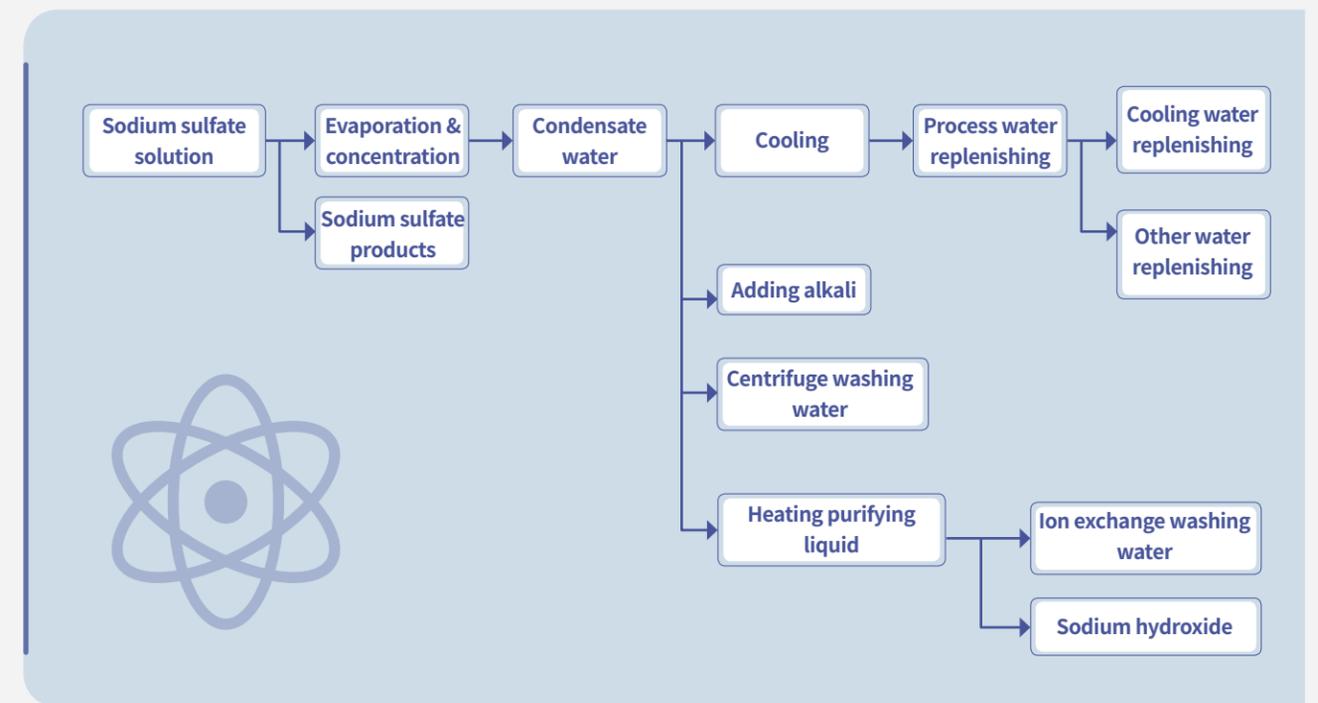
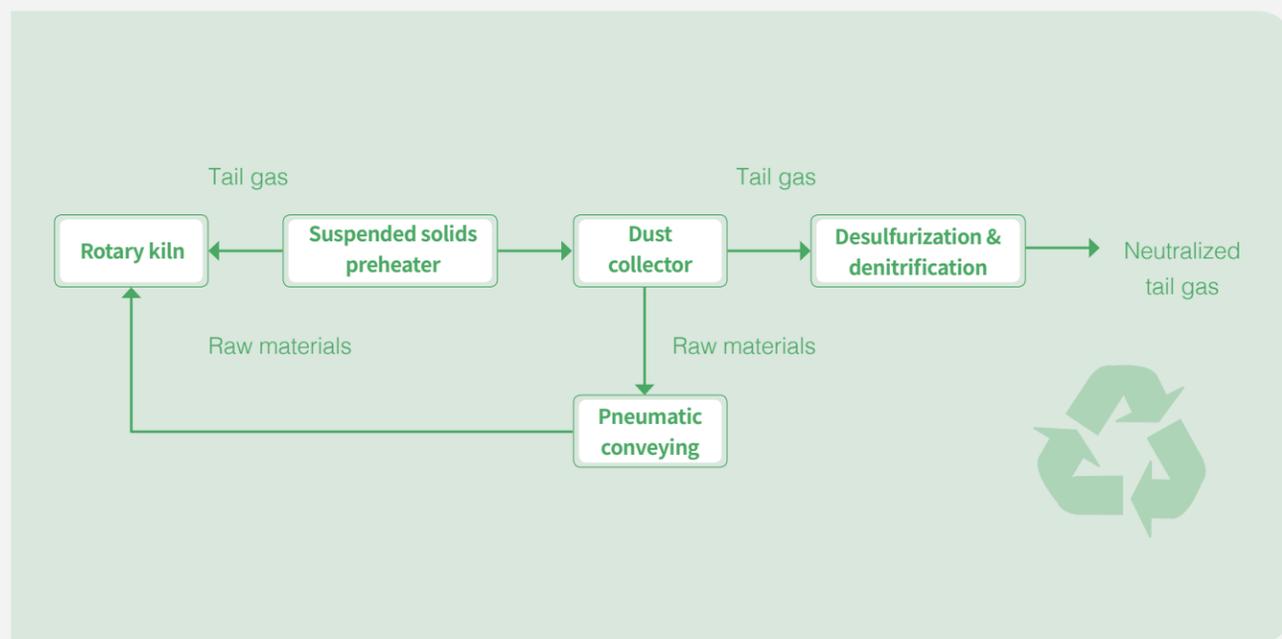


### Zhangjiagang Production Base, Jiangsu

The Zhangjiagang Production Base has improved the utilization of raw materials through the recycling of lithium oxide in the calcium residue and the reuse of hot water. The hot water, which is mainly derived from the steam condensate from the sodium sulphate crystallizer, is:

- ▶ Refilled back to the cooling tower after being cooled by a cooler;
- ▶ Reused as washing water for centrifuges; and
- ▶ Reused to produce sodium carbonate solution;
- ▶ Reused to preheat panel filtrate, which is further used to produce sodium carbonate solution and washing water for ion exchange columns.

### Back end dust collection and recycling



### Chongqing Production Base

The Chongqing Production Base makes integrated use of resources on a hazard-free and as-needed basis, and ensures efficiency and cleanness of its production procedures. Measures include:

- ▶ Conducting comprehensive and efficient treatment of tail gases; producing the widely used disinfectant sodium hypochlorite; and actively communicating with customers to achieve balance between production and sales;
- ▶ Increasing the amount of circulating water in heat exchanger in the tail gas absorber to ensure that the absorption temperature is within the designed range for maximum absorption effect;
- ▶ Developing tail gas treatment procedures; providing training to employees and testing their knowledge of the procedures to ensure that they are fully observed;
- ▶ Using a number of measures to prevent tail gas leaks and improve overall efficiency of resource exploitation.

### Reducing waste discharges and emissions

Tianqi Lithium's production bases put high priority on the management of waste water, greenhouse emissions and solid waste, and have been minimizing waste discharges and emissions through various measures.

#### Reducing wastewater discharges

The Shehong Production Base recycles most of the cooling water collected in a circulating pool to ensure zero waste water discharges.

The Zhangjiagang Production Base has shifted to the use of circulating water from tap water in the

acidizing kiln to spray over and absorb tail gases. The resulting waste liquid is returned to the production system for recycling, minimizing the amount of waste water discharged. The center also uses reclaimed water instead of tap water for auxiliary systems to save water.

#### Strengthening tail gas treatment

The Shehong Production Base

The Shehong Production Base has put in place a series of waste control measures, thanks to which it is able to neutralize all of the major pollutants, putting it in the leading position nationwide in pollutant control. In terms of tail gas treatment, the center invested about RMB 18 million in 2017 in installing a new low-temperature ozone denitrification system in the rotary kiln to reduce the concentrations of nitrogen oxides in the

rotary kiln fumes, bringing emissions to ultra-low levels. The Base has renovated its solid waste dumping yard in accordance with relevant requirements and further improved measures to prevent waste emissions and discharges. At present, the center's atmospheric emissions are far below the acceptable level stipulated by national standards.

### ▶ Shehong's successful practices in cutting greenhouse gas emissions

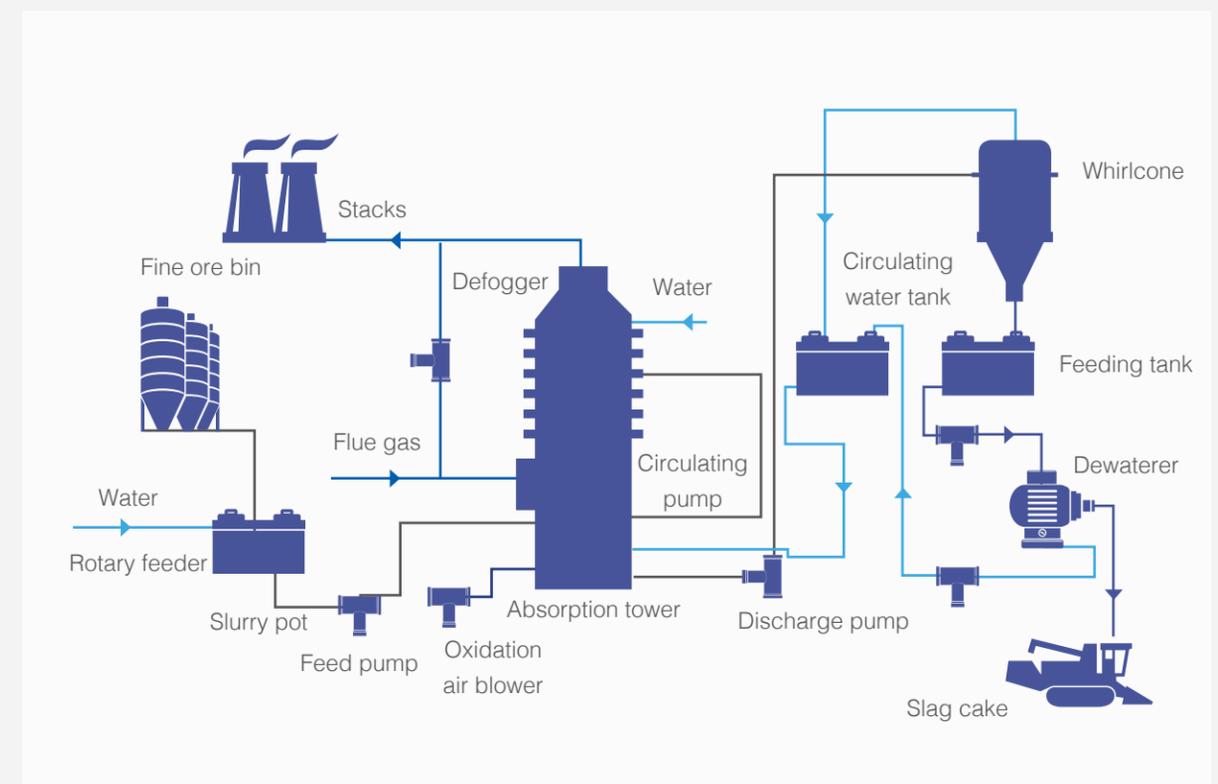
Case

Boiler flue gas is subjected to electrostatic precipitator + double alkali desulfurization, resulting in a dust removal ratio  $\geq 99\%$ , and a double alkaline desulfurization ratio  $\geq 80\%$ ;

Rotary kiln flue gas is first recovered for waste heat, then subjected to bag filter + double alkali desulphurization + low temperature ozone denitrification, resulting in a dust removal ratio of  $\geq 99.9\%$ , desulfurization ratio of  $\geq 90\%$ , and a denigration ratio of  $\geq 90\%$ ;

The raw materials in the acidification kiln are directly heated by the supporting pulverized coal combustion system, and the flue gas is settled by gravity + an electric demisting system (scrubber + packing tower + electric defogger), resulting in a dust removal ratio of  $\geq 99\%$ , and acid mist removal efficiency of  $\geq 90\%$ .

A flowchart of limestone/lime desulfurization process using WFGD



### The Zhangjiagang Production Base

The Zhangjiagang Production Base minimizes greenhouse gas emissions by further developing battery-grade lithium carbonate technology, and through tail gas preheating in kilns and ozone denitrification.

In 2017, the center invested some RMB 2 million in replacing the electrostatic precipitator with a much more efficient and reliable bag filter to further reduce the concentrations of particulates in the tail gas. To prevent fugitive emissions, the base invested some RMB 20 million in installing dust-proof reinforcement to the open-air spodumene storage yard, as well as building a new 6,600-square-meter spodumene warehouse.

#### ▶ Using clean energy to cut emissions

Case

Natural gas is a clean, environmentally friendly, safe and non-toxic source of energy, and meets the EHS standards for modern factories. Since its inception, the Zhangjiagang Production Base has been using natural gas as the only source of energy. Compared with the use of standard coal, natural gas can help cut nitrogen oxide emissions by approximately 90 tons/year, and sulfur dioxide emissions by approximately 110 tons/year.



A facility at the Zhangjiagang Production Base

### Improving solid waste management

Tianqi Lithium conducts stringent management of solid waste. We use customized filling procedures and the strictest standards to ensure that lithium concentrates discharged from ships are packaged and shipped into the warehouse without ever touching the ground, and all wastes such as bilge and scrap are bagged and managed separately. Such practice of turning waste into valuables through professional treatment procedures produces no emissions or negative environmental impact on the port.



Transferring products to the warehouse on carriages



Warehouse

The base implements a management system that stores industrial solid waste separately from domestic waste, and distinguishes between hazardous waste and general solid waste. General solid waste is labeled either "useful" or "useless" for more efficient storage, disposal or recycling.

## Safety

Tianqi Lithium attaches great importance to safe production, and all production bases have been taking all necessary precautions to ensure an injury- and hazard-free working environment.

### Safety management

As part of the effort to create a safe working environment, Tianqi Lithium and its production bases.

- ▶ Put stakeholders' safety first;
- ▶ Conduct induction training and continuing education to ensure that all employees and suppliers work safely.
- ▶ Communicate with related parties on safe production and accident prevention, inter alia;
- ▶ Ensure that all safety systems are effectively established, implemented, and kept current;
- ▶ Operate and maintain all facilities and equipment in a safe manner;
- ▶ Assess potential safety risks of all materials, processes and production activities;
- ▶ Conduct investigations on and effectively address all accidents, events and hidden dangers.

### The Shehong Production Base, Sichuan

The Shehong Production Base gives top priority to safe production and efficiency, and keeps improving its safety management by drawing on best practices from peers from across the world. Specific measures include but are not limited to:

- ▶ Establishing and implementing an OHSAS system and a three-level standard safety management system;
- ▶ Improving safety operation procedures to ensure effective and smooth production;
- ▶ Conducting KYT early warning training and drills of unconventional operations;
- ▶ Conducting PDCA management of the safe production system.

### The Zhangjiagang Production Base

The Zhangjiagang Production Base believes that operational safety only comes from concrete precautions. Since the establishment of the plant, it has been adhering to a sound safety management system that allows it to effectively identify environmental risks posed by the production process. Specific measures include but are not limited to:

- ▶ Implementing the OHSAS18001 system for five years, and has passed BSI inspection;
- ▶ Integrating changes management and pre-job safety inspections in work safety optimization process to ensure that risks are controllable;
- ▶ Implementing a two-level standard safety management system;
- ▶ Conducting chemical lifecycle safety management.
- ▶ Combining job safety analysis (JSA) and precautionary measures before starting a specific task;

### The Chongqing Production Base

The Chongqing Production Base is engaged in the production of lithium metal, lithium derivatives and sodium hypochlorite solution. Drawing on the EHS practices of the Zhangjiagang and Shehong Bases, it has established a sound safety management system through a number of measures including:

- ▶ Engaging third-party professional agencies to implement a comprehensive and systematic safety diagnosis, and mitigating identified potential risks;
- ▶ Putting safety above everything else, and improving safety management through effective communication and observation;
- ▶ Implementing a safety management responsibility system;
- ▶ Applying the 7S methodology in lean manufacturing.
- ▶ Conducting preventive management using visualization tools to identify unsafe behavior and conditions, and abnormalities;

### Safety training

Tianqi Lithium believes that comprehensive training on work safety is the key to the smooth and safe operations of all production bases. Based on a training system on safety, environment and occupational health issues, the company develops and implements training programs on a regular basis to ensure that employees are familiar with the rules and policies for production safety and that they know how to respond to emergencies or accidents. Specific measures include:

- ▶ Providing new recruits with training on work safety at the plant, workshop and unit levels;
- ▶ Safety training for transferred or returned employees;
- ▶ Process safety training;
- ▶ Behavioral safety training;
- ▶ Occupational health training;
- ▶ Regular emergency drills; and
- ▶ Sharing of best practices for addressing accidents.



Fire emergency drill at the Shehong Production Base, Sichuan, China



Sulfuric acid leak drill at the Zhangjiagang Production Base, Jiangsu, China



Fire emergency drill at the Chongqing Production Base, China

## Employee health

A healthy workforce is an important guarantee for the sustainable development of a company. Tianqi Lithium believes that all occupational hazards can be mitigated and prevented, and that the responsibility for protecting employees' occupational health rests on the company. We have formulated the Employee Occupational Health Management Plan to increase employees' knowledge and awareness of occupational hazards through health care and safety training activities.



Standard PPE at production bases

- ▶ Identifying occupational hazards that production equipment poses, and implementing risk control measures;
- ▶ Monitoring the health of employees in positions exposed to hazards from recruitment to turnover;
- ▶ Organizing training and workshops on occupational hazards and health;
- ▶ Keeping protective devices operational;
- ▶ Monitoring factors posing potential risks to employees' health.

Between 2015 and 2017, Tianqi Lithium recorded zero cases of occupational diseases for three consecutive years.



Gratuitous oral health diagnosis



## Taking Good Care of Stakeholders

Tianqi Lithium is responsive to the needs of stakeholders as part of the effort to implement CSR and address sustainable development from a creative perspective. Putting customers first, we keep improving product quality and supplier relations management. We also safeguard the legitimate rights of our employees and make sure they grow with us.

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## Investor rights and interests

Tianqi Lithium stands in awe of rules and orders, the shareholders and the market. We adopt a rules-based approach to corporate governance and, by complying with relevant laws and regulations, have in place a complete corporate governance structure consisting of the general meeting of shareholders, board of directors, and more. We have established institutional protection over investor rights and interests, including through strengthened communication with investors and effective assurance for the rights and interests of shareholders.

### Standardization of corporate governance

Strictly following the regulations and requirements of the China Securities Regulatory Commission (CSRC) and the Shenzhen Stock Exchange (SZSE), Tianqi Lithium has set up a comprehensive independent operation mechanism formed by Board of Directors, General Meeting of Shareholders, Board of Supervisors and Senior Management, and an organizational framework that are adaptable to the company's production and management activities. Every unit within the organizational framework operates independently with specific rights and responsibilities and provides supervision to each other, to ensure orderly conduct and full compliance of all production and management activities with relevant laws and regulations.

**Zero  
Penalty**

No administrative penalty by CSRC within 36 months

**Zero  
Denun-  
ciation**

No public denunciation from the stock exchange within 12 months

### Complied information disclosure

Tianqi Lithium voluntarily implements obligation of information disclosure. We guarantee timely and complete public disclosure of truthful and accurate information to ensure fair communication and make sure there is no selective disclosure of material or pre-disclosure of nonpublic information.

#### Information disclosure channel

Newspaper	Website	Regular Reports	Interim Notifications	Clarification Notifications	Evaluation Result
<b>Outcomes</b> The Securities Daily, Securities Times, China Securities Journal, and the Shanghai Securities News	cninfo.com.cn	4 reports released	112 notifications issued	None	Tianqi Lithium performs well in annual information disclosure as evaluated by the SZSE

## Protection of medium and small investors

Tianqi Lithium provides clarified decision-making procedures regarding the allocation of profits, which takes full account of minority shareholders' opinions. Any related transaction would be submitted to the shareholder meeting for consideration, while the related parties are required to abstain from voting on the matter to ensure fairness. Web-based voting channel is made available during the shareholder meeting and individual shareholders are organized to engage in the company's shareholder meeting and on-site surveys.



Q1 report, Q3 report, half-year report, and annual report



Minority shareholders are organized to join the field research in subsidiary companies or production bases located in China and abroad



Experts are invited to give thematic training on information disclosure, standardized governance, prevention of insider trading, and so on



Investors are organized to join the field study on an ongoing project in Kwinana, Australia

## Excellent customer services

Building on a customer-centric culture and solid technical strengths, Tianqi Lithium strives to deliver best quality products and services to meet customer demands and improve customer satisfaction.

### Dedication to uncompromising quality

Tianqi Lithium offers global customers high-grade, low-impurity and uniform-granularity spodumene, along with a broad range of lithium products boasting higher quality than national or industrial standards, including lithium carbonate, lithium hydroxide, lithium chloride and lithium metal. We also provide diversified and customized solutions based on the needs of customers.

#### ► Consistent improvement in product quality

Case

Tianqi Lithium ranks among world's top class suppliers of battery grade lithium carbonate. With the high-speed development of new energy vehicles, the quality standard for batteries and their raw materials has been set even higher.

Tianqi Lithium has mobilized all resources in founding the quality improvement taskforce for battery grade lithium carbonate. The magnetic impurity research team set up by Tianqi Lithium (Jiangsu) Co., Ltd. carried out continuous planning, data collection and analysis in accordance with the PDCA model, and spared no effort in upgrading technical processes, introducing advanced equipment and improving on-site control and management. They successfully brought the average level of magnetic impurities contained in battery grade lithium carbonate products below 300 ppb, which represented a disruptive innovation in the industry and refreshed the current industrial standard for battery raw materials.

“

“Customers are our first priority, and their demands are the goals we pursue. Then again, we need to surpass the customers' standards. Chasing after goals should not be normal; instead, we should lead, not only in the industry, but also the needs of our customers.

—Ni Hongde  
General Manager

Tianqi Lithium (Jiangsu) Co., Ltd

”

### Rigorous quality control

Thanks to strong capabilities of process control and product testing, Tianqi Lithium has achieved certifications ranging from ISO9001 quality management system, through ISO14001 environmental management system, to GB/T28001 occupational health safety management system. According to customers' feedback, the company conducts regular visits to customers in order to get first-hand information of their needs and improve product and service quality in a timely manner.

#### ► Quality promotion campaign

Case

Tianqi Lithium has organized quality promotion campaigns for three consecutive years since 2015. The campaign involves face-to-face communication with downstream customers, which informs the company of existing gaps in product quality, logistics delivery, after-sales service and other aspects and provides significant input to bolster future quality promotion. Through the campaigns, the company has continually improved product and service quality and meet the customer and market demands most effectively. Tianqi Lithium has been awarded by corporate partners with the honor of Best Supplier for its persistent pursuit of highest quality.



Tianqi Lithium holding face-to-face customer meetings to hear customers' voices

### Establishing complaints mechanism

Aiming to raise customer satisfaction, Tianqi Lithium has put in place a customer complaints mechanism featuring fast response and efficient implementation, which helps the company to learn experience and lessons in solving problems. Meanwhile, the company actively identifies potential problems in routine operations to prevent customer complaints and promote service quality.



Flowchart of solving customer complaints

#### ► Solving problems for customers and improving service quality

Case

Tianqi Lithium's plant in Shehong County produces battery grade lithium carbonate products. The products were often dispatched into split shipments of six batches, with the same batch loaded onto the same vehicle. However, customers found it difficult to have the shipments unloaded in the original order of batches. The chaos of the unloading process resulted in inconveniences for the subsequent sampling or use by customers.



In response to this complaint, Tianqi Lithium required the inventory management department to implement uniform loading of same batch shipments and provide a graphic illustration of the loading order when dispatching the shipments to customers. In this way, customers now can easily use the graphic illustration as reference when unloading the shipments, and make orderly, systematic arrangement of the products which allows for the convenient testing, use or management later.

## Strong supplier community

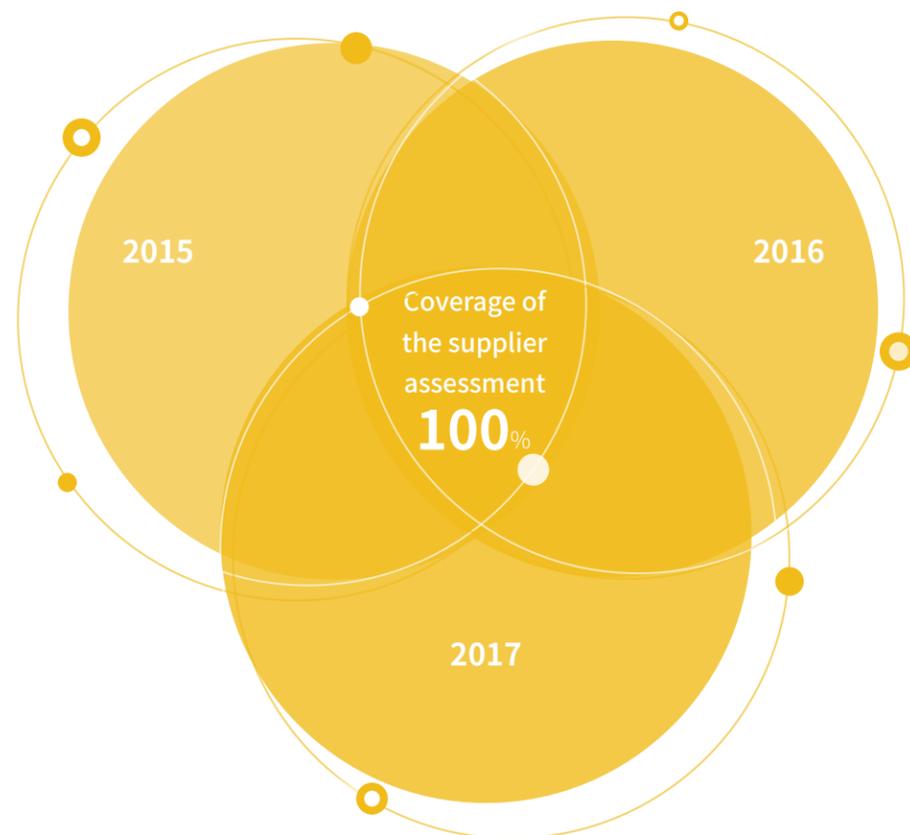
Tianqi Lithium endeavors to build a community of shared futures for suppliers, through strategic deployment along the supply chain and fulfillment of suppliers' social responsibility. Also, through sound management of the supplier system, we seek premium suppliers and share our own development outcomes.

### Responsible sourcing as a priority

Tianqi Lithium takes responsible sourcing as a top priority in work to be of service to the society and fully leverages the strengths of localized sourcing to achieve shared growth. We conduct supplier assessments to knock out poor performers in the practice of social responsibility, and at the same time give assistance to medium and small-sized suppliers to facilitate better performance in the practice of social responsibility.

### Enhanced supplier management

To create a fair environment, Tianqi Lithium has made fair competition mandatory in sourcing activities and prohibited any unreasonable barriers in the tendering process. In addition, we exercise a strict policy on selecting suppliers through a few assessment programs in social responsibility, such as the environmental and safe production management system and employees' occupational health protection.



## Employment development

Guided by the principle of respecting, understanding and caring for employees, Tianqi Lithium is committed to assuring the rights and interests of employees and supporting their career development. By creating an atmosphere of inclusiveness and promoting the culture of respect in the diversified workplaces, we have been working to develop positive feelings of accomplishment and a sense of gain in our employees.

### Assurance for basic rights and interests

Tianqi Lithium strictly abides by the Labor Law and the Labor Contract Law of the People's Republic of China and other relevant national and local laws and regulations on employment. The company explicitly provides for the rights and obligations of employees and exerts every effort to safeguard the rights and interests of employees.

#### Basic Facts of Tianqi Lithium Employees (2015-2017)

Indicator	Unit	2015	2016	2017
Total number of employees	Person	1121	1099	1384
Proportion of employees under contract	%	100	100	100
Social insurance coverage	%	100	100	100
Proportion of employees belonging to unions	%	100	100	100
Ratio of male employees to females	:	7:3	7:3	7:3
Proportion of females in the management	%	23	23	21
Employee turnover rate	%	9	8	6
Number of paid leave days per capita	Day/Year	10	10	10
Coverage of health examinations and records	%	100	100	100

## Complete set of career development guidelines

Tianqi Lithium emphasizes the shared growth of the company and the employees. To facilitate the long-term development of employees, the company offers comprehensive career pathways, diversified talent training programs, customized plans for individual development, and a rich array of professional training resources.

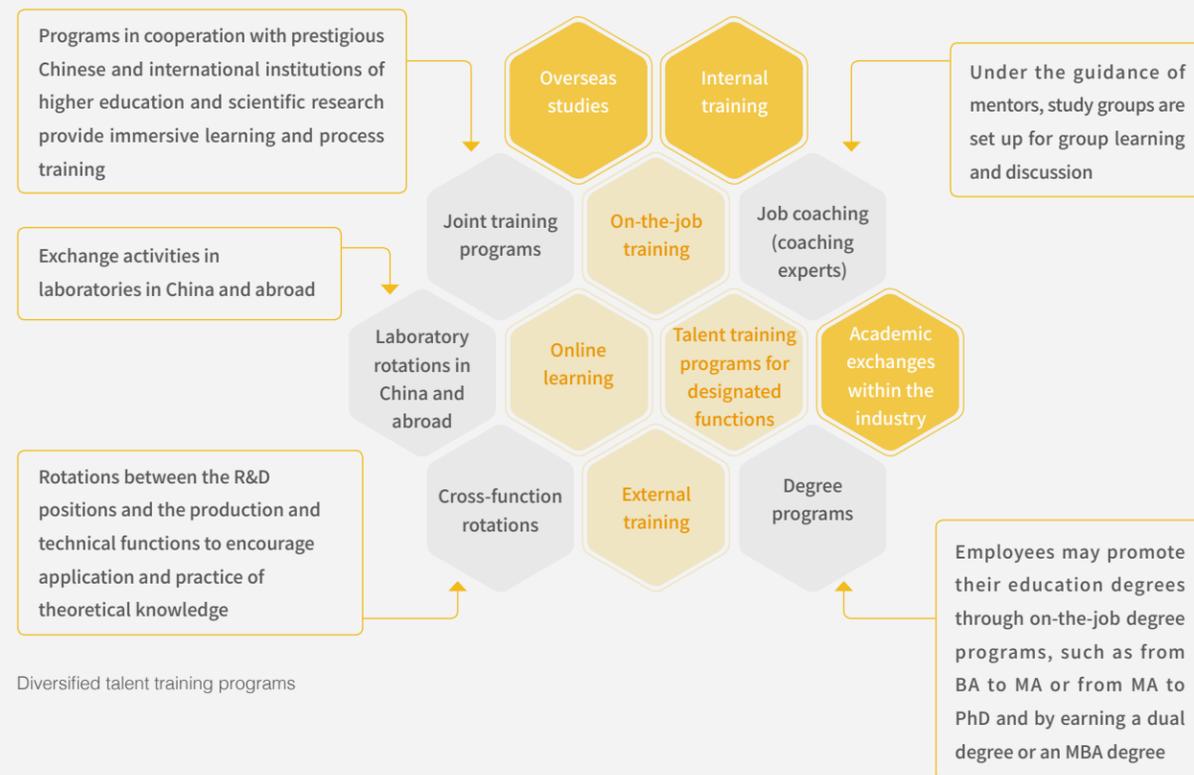
### Comprehensive career pathways

Based on the company's growth planning and employees' career goals, we have designed four career pathways for employees, namely the sales, the management, the production, and the R&D pathways. Career Maps specifying the detailed requirements for different positions are formulated, to facilitate employees' continuous learning and promotion.

### Diversified talent training programs

We offer employees diversified training programs according to their functions, competencies and needs.

#### Talent training



Diversified talent training programs

### Customized plans for individual development

We provide employees with customized Individual Development Plans (IDP), and try to ensure effective implementation of the plans, by means of dispatching employees to study on exchange in production bases and adopting the "master-apprentice" model.

#### Coaches and apprentices working together towards a common goal

Case

On 8 March, 2017, a grand signing ceremony for the first batch of "master-apprentice" teams was held in the Shehong Production Base, Sichuan Province. LIU Weidong, General Manager of Tianqi Lithium (Shehong) Co., Ltd., gave his interpretation of the Measures Governing the Master-Apprentice Relationships to clarify the requirements for the teams, and expressed wishes that the masters could lead by example while teaching without reservations and the apprentices should work hard and hold themselves accountable.

“

I will spare no effort to fulfill my duty, do my utmost to bring the apprentices on the right track to fast learning and growth, and work hard with them to grow together.

——ZHU Yanhong, Representative of Masters

I will keep modest and hardworking to become a backbone member in the company and achieve our common goal.

——CHEN Jiuqian, Representative of Apprentices

”

### A rich array of professional training resources

We have organized employees to participate in industrial summits and academic dialogues and introduced advanced professional training sessions on technologies and management, in order to enrich our training tools and resources and help the employees to grow fast.

#### Tianqi Lithium Employee Training Overview (2015-2017)

Indicator	Unit	2015	2016	2017
Number of trained employees	Person	8615	11920	14766
Trained time per capita	Hour	30	43	44
Employee training input	Thousand RMB	620	720	2570



"6 Golden Keys" to solving problems



Integrated management skill training for front-line managers

## Building a business that promotes happiness

Tianqi Lithium attaches great importance to the building of corporate culture and the creation of a harmonious and comfortable working environment. We have made efforts in giving care and assistance to employees with financial difficulties, helping employees to strike a balance between work and personal life, and increasing the organization-wide solidarity and cohesion.

### Building a thriving corporate culture

To create a positive, inclusive and supportive work environment, we have organized an interesting and varied series of teambuilding activities and tried to develop a corporate culture with unique values.



Corporate culture teambuilding activity

### ▶ Thematic employee activities to create harmonious work relationships

#### Case

Tianqi Lithium regularly organizes Happy Hour activities for employees in the workplace with various themes, such as welcome gathering for newcomers and birthday or festival celebrations, to create a happy work environment and forge solid working relationships.



An employee's birthday celebration at work

### Assisting employees with financial difficulties

The company's commitment to caring for employees is manifested in a variety of activities designed to help employees get out of trouble and give them a sense of belonging.

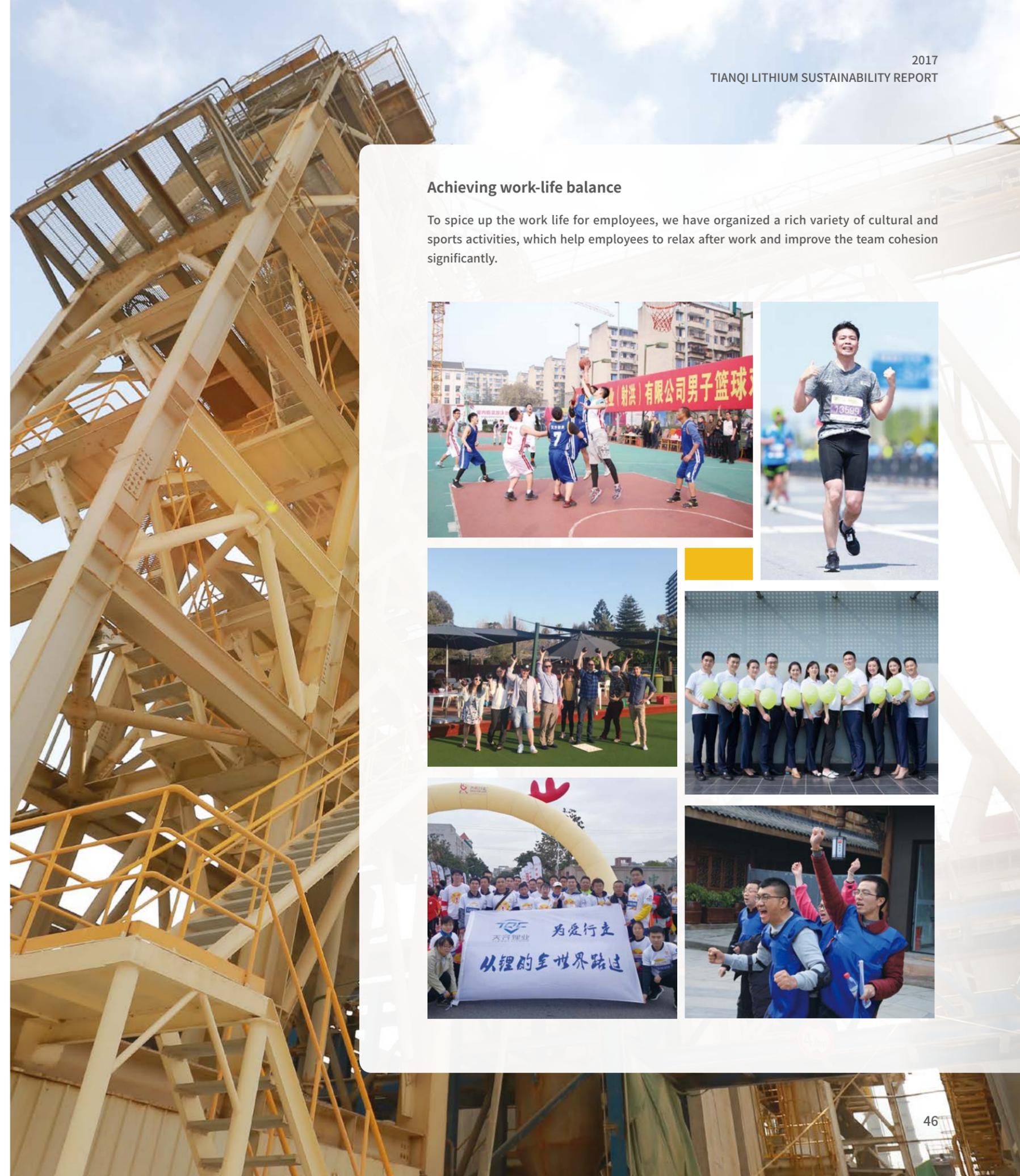
- ▶ An assistance fund is provided to help employees in need finance their children's tuition costs.
- ▶ Tuition support activities are organized when school starts to finance employees living in poverty and with children going to college.
- ▶ During the Spring Festival holidays, employees with financial difficulties are offered holiday gifts.
- ▶ Holding charity fundraising activities for difficult employees
- ▶ Employees who live away from home in inadequate housing conditions are provided with a special high-temperature subsidy for the summer months.



Providing employees in need with festival gifts

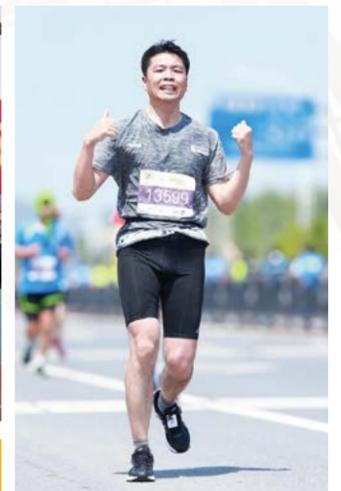


Fundraising to solve employee difficulties



### Achieving work-life balance

To spice up the work life for employees, we have organized a rich variety of cultural and sports activities, which help employees to relax after work and improve the team cohesion significantly.



# Listening to stakeholders' voices

Communication with stakeholders is an integral part of corporate social responsibility. Tianqi Lithium places considerable emphasis on the communication with stakeholders and listening to their voices. By the end of 2017, we had earned worldwide recognition from society and industry and received multiple honors and awards for our contribution in the area of corporate social responsibility.

## Industry recognition

### September 2016

Winner of the 2016 Western Australia's Tidy Towns – Sustainable Communities Awards

The Keep Australia Beautiful Network (KAB)

### November 2016

Outstanding Private Enterprise in Sichuan Province

General Office of Sichuan Provincial People's Government

### April 2017

Poverty-relief Model Group in the 2016 Sichuan Province Poverty Alleviation Program

Sichuan Province Work-in-Progress Conference on Poverty Alleviation

### June 2017

Special Contribution Award for the Public Advocacy Ads on the World Environment Day (June 5)

China Environment News

### July 2017

Innovative Enterprise of the Year Contributing to Targeted Poverty Alleviation at the 2017 China Corporate Social Responsibility Annual Meeting

The Southern Weekend

### August 2017

2016 Golden Ox Award for Best Board Secretary granted at the Award-giving Ceremony of the Nineteenth Golden Ox Award for Listed Companies in China and High-end Forum

China Securities Journal

### November 2016

Best Shareholder Returns Award on the 2016 Reputation Ranking of Listed Companies in China

National Business Daily

### December 2016

Best-performing Listed Company of 2016

Gaogong Industry Research Institute (GGII)

### May 2017

Five awards received for the Australia's Tidiest Towns Award

KAB

### June 2017

Chinese Enterprise Engaging in Corporate Social Responsibility of 2017

China Environment News

### August 2017

"Growth Category" Top 10 Companies Listed as Small and Medium Enterprises in the Eleventh Edition of the Award for Most Valuable Listed Companies in China

Securities Times

### August 2017

"Value Category" Top 50 Companies Listed as Small and Medium Enterprises in the Eleventh Edition of the Award for Most Valuable Listed Companies in China

Securities Times



### September 2017

Named 2017 Top 500 Energy Group in China

The First Annual Conference of China Energy Industry Development

### November 2017

2016-2017 Award for Raw Material Supplier of Power Battery Industry

Organizing Committee of the Second International Summit of Power Battery Cloud-based Applications

### November 2017

2017 Golden Wisdom Award for Most Valuable Listed Companies in China:

- Outstanding Management Team Prize for Listed Companies in China in 2017
- Most Respected Board of Directors Prize for Listed Companies in China in 2017
- Outstanding Investor Relations Team Prize for Listed Companies in China in 2017

JRJ.com

### December 2017

2017 Award for Chinese Enterprise Fulfilling Corporate Social Responsibility in Poverty Alleviation

Xinhuanet  
2017 China Social Responsibility and Public Welfare Ceremony

### September 2017

Tianqi Lithium Chairman JIANG Weiping received the Contribution Prize of Suining Poverty Alleviation Program Awards

Leading Group of Suining Poverty Alleviation Program

### November 2017

Best Board of Directors Award on the 2017 Reputation Ranking of Listed Companies in China

National Business Daily

### November 2017

"2017 Blue Paper on Enterprises in Support of Poverty Reduction" Award for Enterprise Role Model in Poverty Alleviation

State Council Leading Group Office of Poverty Alleviation and Development  
Social Responsibility Research Center of the Chinese Academy of Social Sciences  
China CSR 100 Forum

### December 2017

Outstanding Member Group Technology and Innovation

Strategic Federation for Industries related to Mandatory Recycling of Resources

### December 2017

Board of Directors of Strategic Excellence

Shenzhen Foundation for International Exchange and Cooperation



## Employees' voices



Tianqi Lithium has ignited my passion. During the past half year since I joined Tianqi Lithium, I have turned from a college graduate to a R&D professional. Friendship with colleagues inspires my work enthusiasm while the support from the management gives me more confidence in the job. In face of both challenges and opportunities, I must continue to improve my capabilities and make full use of my time with the company.

—LI Yiwen



Tianqi Lithium is a platform full of potential. Working here, you can experience a diversified corporate culture, keep in touch with all kinds of internal and external information, and constantly come up with new ideas to meet any challenges. The company has a most inclusive workforce. Everyone is respected and can have his or her voice be heard.

—LIN Siqian

Tianqi Lithium is like a big family. In this family, no matter what was your major or what is your career aspiration, you can find a position that is best suited for you and get your own space for development.

—Jack CAI



The most attractive things about Tianqi Lithium are its people, work atmosphere and corporate culture. The company treats every employee with respect and provides a good career development platform to promote cooperation between coworkers and boost employee morale.

—Cherry YANG



I joined a wonderful team in Tianqi Lithium, which helps me to improve myself and fight with me on all fronts at work. Pressure from work is inevitable, but with my team, this pressure can be turned into motivation driving me to go farther.

—Lynn GUO



Choosing a career is choosing a lifestyle. Tianqi Lithium is a great company which drives progress across the world, and I have chosen to work at Tianqi Lithium for a successful future. I believe my boundless future starts right here.

—ZOU Wei

Tianqi Lithium will help you realize your dream. Choosing a right job is of critical importance to one's career development. A different starting point will lead to a different route and a different future. I feel very lucky to work at Tianqi Lithium.

—Grace ZHANG



## Leading the Industry

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## Promoting technological innovations

Tianqi Lithium always adheres to the principle of scientific and technological innovation and sets goals on the basis of market needs. By exploring potential capacities, we have constantly achieved breakthroughs in R&D innovation and a competitive edge in R&D and technologies. These accomplishments have supported new generations of technologies and products, while bolstering the company's strategic positioning and maintaining a leading position in industry.

### Institutional innovation

Enjoying the status of National Intellectual Property Advanced Enterprise, Tianqi Lithium has actively promoted the development and innovation of technologies and continuously improved R&D management system. We have established our own intellectual property management system and a complete intellectual property regulatory regime, which enables more standardized and sound management of technological innovations and intellectual property rights, as well as a shift of focus from the number, through the quality and to the efficacy of intellectual property rights.

#### ► Internal Management System

**Institutional rules in this regard mainly include** the Measures for Scientific Research Project Management, Scientific Research Project Ownership Rules, the Fund Management Measures for Scientific Research Projects, the Verification (Evaluation) Measures for Scientific Research Projects, and the Promotion and Reward Measures for the Outcome Evaluation of Scientific Research Projects.

#### ► Incentive Mechanism and Rules

The company has established an incentive mechanism for innovative projects, which takes into account the rights, duties and interests of project owners and offers huge incentives for the key contributors in a major innovative scientific research project.

Award incentives cover ten awards for: innovation outcomes, energy saving and consumption reduction, technological inventions, application and commercialization of research outcomes, excellent suggestions, scientific research papers, intellectual property information, and intellectual property management.

#### ► R&D Management

The company implements track management over whole project processes, encouraging innovations while accepting and forgiving failure. A responsibility system is in place specifying duties and responsibility for each post and arranging posts according to practical needs. All vacant posts are open to public recruitment, which should be conducted through fair and equitable competitive selection.

#### ► Intellectual Property Management System

**The system is comprise of a series of institutional rules:** General Provisions for Intellectual Property, Regulations on Intellectual Property File Management, Patent Management Rules, Trademark Management Rules, Corporate Copyrights Management Rules, Business Secret Management Rules, Intellectual Property Related Incentive and Disincentive Measures, Intellectual Property Contingency Plans, Technology Contract Management Rules, Control Procedures for Intellectual Property Application, Control Procedures for Intellectual Property Retrieval, Control Procedures for Intellectual Property Alteration and Waiver, Control Procedures for Intellectual Property Information Release, and Intellectual Property Cost Manage Measures.

## R&D team

Tianqi Lithium has long placed human resources as a top priority in promoting R&D projects towards the preset goals. Stressing on the development and growth of employees, we have gradually formed a well-structured, high-performing team of professionals from various backgrounds with a spirit of innovation and perseverance.



A corner of the R&D laboratory

## Application and commercialization of research outcomes

Tianqi Lithium has continued to restructure innovation mechanism and build up an enterprise-led, market-oriented technological innovation system that facilitates close industry-academy research partnerships, which brings about the highly efficient application and commercialization of research outcomes.

Tianqi Lithium has a number of R&D facilities, including laboratories located in Chengdu, Shehong, Chongqing, Jiangsu and Australia, each with their own strong suits. The R&D centers work either independently or in collaboration with one another to ensure rational and effective use of resources. Meanwhile, the company has planned to establish a digital simulation lab, in order to cut down experiment costs, improve data credibility and shorten production time.

## Innovation outcomes

Tianqi Lithium has so far achieved a total of 69 valid patents, including 36 for inventions. One of the patents related to “a method of producing low magnesium battery grade lithium carbonate from lithium sulfate solution” was a joint effort by several departments of the company and is regarded a core outcome of innovation. In 2013, this patent won the Grand Prize of First Sichuan Province Patent Awards and the Golden Prize given by the State Intellectual Property Office of China, the latter is the highest award jointly granted by the State Intellectual Property Office of China and the World Intellectual Property Organization.

This innovative technology has provided better quality lithium carbonate as raw material for the global lithium battery industry and boosted the rapid and steady development of the lithium battery industrial chain by ensuring the stability, safety and reliability of lithium batteries, generating tremendous social and economic benefits.

## Leading the industry

Tianqi Lithium has been acting as a positive practitioner leading the development of the industry. By enhancing the company's position and exploring new trends and directions in industry, we have pioneered the industrial sustainable

development. We have also built up platforms for interaction and keep promoting communication within the industry, to help create a better industrial ecological system.

## Communication and cooperation

Tianqi Lithium keeps contributing to the progress in industry. Through participation in academic seminars and technology exchange workshops, we have learnt the development trends of technologies. Building on independent or commissioned R&D activities and introduction or re-innovation of technologies, we have developed a range of production technologies for lithium products with our own independent intellectual property and solved a large number of technological issues faced by peers, giving a spur to the sustainable innovation and development of new energy industry.

We launched open-end R&D projects with higher education institutions, scientific research institutions and relevant enterprises around the world, such as Sichuan University, the University of Electronic Science and Technology of China, Sichuan Non-ferrous Metallurgy Research Co., Ltd., Tsinghua University, Tianjin University, Northeastern University, Beijing

Institute of Technology, Qinghai Institute of Salt Lakes of the Chinese Academy of Sciences, Harvard University, Argonne National Laboratory in the US and Hydro-Quebec in Canada, and acquired abundant accomplishments.

We held and attended 27 national or international academic exchange meetings, such as the Fourth International Lithium Science Technology Conference & New Energy Materials Summit, the Lithium Supply & Markets (LSM) events, the International Congress for Battery Recycling (ICBR), the International Rechargeable Battery Expo, the China International Battery Fair (CIBF) and the Nature Conference on Materials Electrochemistry, and reached plenty of consensus with industry partners through extensive communication worldwide, as a contribution to the sound and steady development of the entire industry chain.



The Second International Summit on Power Battery Applications & the Third China Battery Industry Seminar on Intelligent Manufacturing



Attending high-end academic exchange meetings

## Building platforms

Tianqi Lithium has worked actively on the building of platforms for foreign exchange and cooperation, aiming to attract and gather technological elites from China and abroad and promote talent exchange and technological cooperation for the new energy industry.

- ▶ Tianqi Lithium has taken the lead in the lithium industry to set up a lithium research institute since its foundation in 1995 and has now developed into a best-equipped enterprise which boasts approximately 200 pieces or suits of key equipment, such as electro-chemistry work station, XRD, SEM, BET, ICP, AAS, FTIR, IC instrument and glove boxes.
- ▶ In 2013, the company's R&D Department and Lithium Research Institute consolidated into the Tianqi Lithium R&D Center.
- ▶ In 2015, as approved by the Evaluation Committee of the Association for Science and Technology, the company established a provincial-level academician (expert) work station, which has conducted nearly 100 R&D projects.
- ▶ In 2016, the company was approved to build the Sichuan Province Key Lab for Lithium Resources and Materials, the first enterprise to do so in the industry of lithium salts, and now it is applying to build a state-level key lab.

Some of the platforms completed are shown as follows:

- ▶ Sichuan Province Key Lab for Lithium Resources and Materials
- ▶ Sichuan Province Engineering Research Center
- ▶ Sichuan Province Academician Work Station (Expert: Academician ZHENG Mianping)
- ▶ Sichuan Province Innovative Practice Base
- ▶ Innovative Practice Base for Postdoctoral Studies
- ▶ National High-tech Industrial Base for New Magnesium and Lithium Materials
- ▶ Sichuan Province Lithium Battery Engineering Center
- ▶ National Intellectual Property Advanced Enterprise

## Industrial standards

Tianqi Lithium endeavors to conform with international standards by focusing on research and analysis of industrial trends and developments. With a clear sense of the position and competitive edge in the industry, the company tries to bring out full R&D potential in the field of new energy and step towards the goal of becoming a world-class enterprise.

Being one of the founders for the Lithium Branch of China Non-ferrous Metals Industry Association, Tianqi Lithium led and participated in the development of 26 national and industrial standards, among which the Industrial Standard for Battery Grade Lithium Carbonate (YS/T582-2013) has been widely applied and received general acclaim in the lithium industry.



## Social Services and Public Benefits

Tianqi Lithium embraces social responsibility through active engagement in public welfare and building of corporate soft power. On one hand, we made substantive effort in poverty alleviation across China in response to the national strategy for targeted poverty reduction, such as “Three Major Projects” in the area of health care and activities of pairing assistance, while on the other hand, we enhanced cultural and educational exchanges in foreign countries and positive interactions with local communities, in order to better implement our corporate social responsibility.

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## Targeted poverty alleviation

While looking to grow and expand the business, Tianqi Lithium keeps in mind the mission to “eradicate absolute poverty”. To achieve this grand development goal of

human society and respond to the national call for targeted poverty alleviation, we have carried out poverty reduction activities in service of the people.

### Purposeful approach to poverty alleviation

Guided by the principle of “identifying true needs and doing substantial work”, we have worked on improving the livelihoods of those living in poverty and promoting

their capabilities of self-supporting and self-reliance, and step by step, developed a sustainable model which is ready for replication and large-scale application.

### Making plans for poverty alleviation

In accordance with the overall requirements of the CPC Central Committee and the State Council for the work on poverty alleviation in the new era, our activities for targeted poverty alleviation will be carried out in a more systematic and professional way, with a long lasting impact.

company’s financing and networking advantages, we ensured the steady operation of demonstration joint village clinics and presented a replicable model to provide better health care services for local people. In future, based on resources available and market demands, we will assist local governments in promoting local economic growth and conduct additional poverty alleviation projects in industrial development, education and other areas.

In 2018, we carried on activities of the “Three Major Projects” on health care in Suining. By leveraging the

### Taking action for poverty alleviation

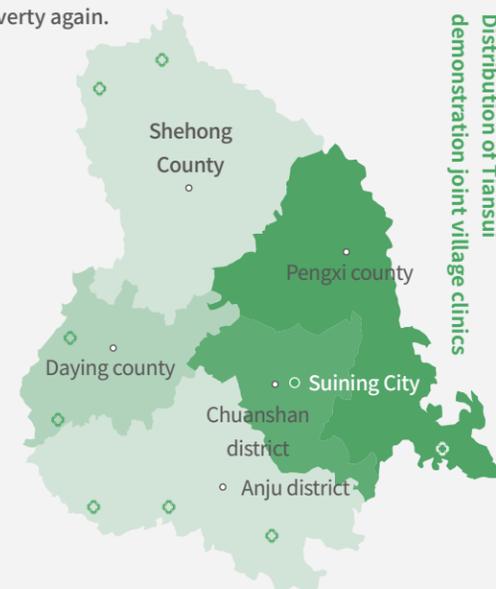
Following a guideline that combines assistance provision with self-reliance promotion and under the leadership of Suining Municipal Government, we performed a wide survey of village organizations and villagers for their opinions, and implemented the “Three Major Projects” on health care to improve local health infrastructure, facilitate medical team development and increase technical support

and assistance. Through a series of progressive steps, the health conditions for local people living in poverty have basically improved. Specifically, they get sick less often, spend less when seeing doctors, and enjoy financial assistance in case of serious illnesses, without risk to fall into poverty again.

**Demonstration Joint Village Clinics:** The top ten clinics of Project Phase-I covered 54 villages, spanning an area of 135.54 square kilometers and benefiting a population of 120,000.

**Volunteer Medical Professionals:** By December of 2017, the project had dispatched about 1,250 volunteer medical professionals, who had served over 15,000 people living in poverty and helped them save more than 200,000 RMB.

**Village Doctor Capacity Building:** Project Phase-I provided intensive full-day training to 109 village doctors working in impoverished counties and villages.



### Demonstration Joint Village Clinics

We built new Demonstration Joint Village Clinics or renovated existing ones in densely populated villages, which played a demonstration role in promoting the development of village clinics in general. With upgraded functions and facilities, these clinics can satisfy the basic needs of villagers and make sure that local rural people get basic health care and medical services without leaving hometown.



Traditional Chinese Medicine Center



A plate marking the completion of a joint village clinic project



A completed joint village clinic (outside)



A completed joint village clinic (inside)

### Village Doctor Capacity Building

Village doctors are an indispensable force in the development of rural medical services and the provision of health care to rural residents. The Village Doctor Capacity Building project provides training sessions on topics such as specialized theories, practical skills and preclinical learning, and adopts varied evaluation methods like theory tests or skill competitions. It has largely improved village doctors’ understanding of medical theories and capabilities in medical services, leading to more standard and efficient health services for villagers.



Village doctors in preclinical learning



Village doctors in simulated diagnosis during a skill competition

## Volunteer Medical Professionals

The Volunteer Medical Professionals project aimed to deliver premium medical resources to rural areas, improve the quality of rural medical workforce and reinforce the rural capacities of medical services. Teams of medical professionals comprised by outstanding medical experts selected from municipal or county-level hospitals were dispatched to village clinics to offer volunteer services, including free diagnosis for impoverished families, free medicine, free training on village doctors, advocacy of health knowledge and other kinds of health care assistance. In this way, villagers living in poverty could enjoy high quality medical services from experts without going to large hospitals in cities, while local communities' capacities of medical services were virtually enhanced.

### Medical experts

Senior professional titles

above Vice Director or Associate Professor

Higher education qualifications

above Master's or doctoral degrees

### Designated services

One on one

one expert designated to one impoverished village

Face to face

one expert designated for one village doctor



Medical professionals provide free diagnosis at Fuxing Town in Shehong County, Suining City



Medical professionals provide free diagnosis in Anju District, Suining City

## Comments from stakeholders:

“

As a front-line medical practitioner, I am fully aware of the characteristics and difficulties of the medical service work in communities. Tianqi Lithium built a joint village clinic here and it has greatly improved the local medical conditions. We appreciate their attention and support.

——ZENG Xuyan, head of a township hospital

The completed joint village clinic has not only met the basic medical needs of residents in 2 to 8 villages, but also supported the coverage of medical expenses by social health insurance. This brings much convenience to local villagers. We are grateful to the leadership of municipal government and the donation of Tianqi Lithium.

——LIU Geping, head of a township hospital

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“

After the village doctor training on theoretical and practical medical knowledge, my professional expertise and skills both improved and I can put the knowledge into practice at work.

——YU Zhengao, village doctor of Erhuanggou Village

During the village doctor training, I was most impressed with the preclinical learning part when we were allowed to see the cases more directly, make more thorough analysis and have a better understanding of medical conditions. The joint village clinic provides health security for villagers, and also help to improve the capabilities of us village doctors.

——YANG Yinghui, village doctor of Longtan Village

In the past, it took a day's time for us to go to doctors in the city; the hospital was so far away and it pained me to spend on traffic. Nowadays, we can see the doctor in our village; it is very convenient, thanks to the assistance of Tianqi Lithium. All villagers are happy about that.

——LI Changguang, resident of Shivan Village

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Aside from assistance provided in the area of health care, we launched capacity-building activities to boost sustainable development in impoverished areas, with an aim to achieve concrete results in local poverty reduction. Through pairing assistance to the Taohuahe Village of Shehong County in Suining City, Sichuan Province, we helped to improve the local transportation conditions and promote the rapid development of regional economy.

## ► Tianqi One Heart Bridge

### Case

Taohuahe Village is a remote village located dozens of kilometers away from Shehong County. The old Anqiaozi Bridge in the village had been worn down by years of use and for lack of maintenance, causing many drowning accidents and threatening the safety of almost ten thousand people living along the Taohua River.

To conquer the traffic difficulty for local residents, Tianqi Lithium donated to build a new bridge named Tianqi One Heart Bridge, putting an end to the risky transportation

in the village. The completed new bridge has improved the local transportation conditions and promoted the rapid development of regional economy, while raising villagers' living standards and contributing to social harmony.

Tianqi One Heart Bridge has benefited over 12,000 people of 9 villages, scattered in an area of 6.67 square kilometers.

## Comments from stakeholders:

“

With the completion of Tianqi One Heart Bridge, villagers are enjoying more convenience in both transportation and production activities. The bridge has brought 50 years' progress to our village. We feel grateful for the help of the municipal government and Tianqi Lithium.

——ZHAO Yuanqing, Village Party Branch Secretary of Taohuahe Village

This construction project was warmly welcomed by local people. They were very hospitable and cooperative, which really touched us.

——HOU Guobing, head of the Tianqi One Heart Bridge construction project

Thanks to Tianqi Lithium! The company invested so much money in our village and built such a great bridge—even cars can pass on it.

——ZHAO Zeyang, resident of Taohuahe Village

”

## Lighting up the life with smiles



The picture shows the stakeholders of Tianqi Lithium's precision poverty alleviation project.

## Social responsibility overseas

Tianqi Lithium seeks rapid international expansion, and at the same time enhances fulfillment of social responsibility overseas. Acting as a responsible international enterprise, we have promoted cultural exchange between China and foreign countries through active engagement in public welfare activities overseas and positive interactions with local communities.

### Promotion of cultural exchange

As 2017 marked the 45th anniversary of the China-Australia diplomatic relations, Tianqi Lithium organized activities to promote academic and trade exchanges between the two nations, focusing on the concerted action of industries, exchange of technologies, cultural dissemination and information sharing.

#### ► First Sino-Australia Economic & Trade Forum

Case

On 17 October, 2017, the First Sino-Australia Economic & Trade Forum cohosted by the Southwestern University of Finance and Economics (SWUFE) of China and the University of Western Australia (UWA) and organized by Tianqi Lithium opened in Perth, Australia. Over 100 Chinese and Australian economists, political and business leaders and academic representatives attended the forum and discussed the hotspot issues in the development of China-Australia economic and trade cooperation.



Exchange student representative from SWUFE speaks at the forum



SWUFE shows its gift to UWA

### Joint effort in building harmonious communities

In the process of growing business in Australia, Tianqi Lithium and its controlled company Talison Lithium have adhered to the principles and strategies of green development and fulfilled the responsibilities for protecting environment and conserving natural resources. Meanwhile, to contribute to social harmony, we have participated in local events and public welfare projects, and stressed on communication with community residents by inviting them to visit the company.

#### ► iDiversity brings students to the lithium industry

Case

Tianqi Lithium has taken part in a local project – iDiversity in Australia. The project is designed to arrange children to visit factories and enables students with special learning needs to know better of relevant industries through communication with factory staff, which helps the students to understand different walks of life and get prepared to start careers and cope with work pressure in future.

In cooperation with the iDiversity project, Tianqi Lithium arranged a group of students to visit Kwinana Production Base and work as interns with staff. When the project ended, each student received a “diploma” from Tianqi Lithium.



# Appendix

## About the report

### Reporting Period

The report covers the period of January 1, 2017 through December 31, 2017. Some parts of the report were extended to improve its comparability and forward looking-ness.

### Publication Cycle

The Sustainability Report of Tianqi Lithium Corporation is released annually.

### Coverage

“Tianqi Lithium Corporation”, including its subsidiaries and branch companies, is the main reporting entity. For the purpose of conciseness, it is referred to in the report as “Tianqi Lithium Corporation”, “Tianqi Lithium”, “the Company” or “we” .

### Reference points

G4 Sustainability Reporting Guidelines by Global Reporting Initiative

ISO26000 Social Responsibility Guidance Standard by International Organization for Standardization

Sustainable Development Goals (SDGs) by United Nations

### Clarification on Data

All data of 2017 cited in the report are based on financial previews available. If there is any discrepancy between the financial data herein and those in the annual report, the latter shall prevail.

### Further Reading

For the electronic version of this report and more information about Tianqi Lithium Corporation, please visit our website:

[www.tianqilithium.com/](http://www.tianqilithium.com/)

## Feedback form

Dear Reader,

Thanks for your attention to the 2017 Sustainability Report of Tianqi Lithium. This is the first report of our sustainability series. We would like to know your opinions about the report for future improvement. Any comment or suggestion is most welcome.

Close-ended questions (Please answer by ticking the appropriate box):

1.How would you grade the overall quality of this report?

Excellent  Good  Fair  Poor  Very Poor

2.Do you think the report can reflect the company’ s major economic, social and environmental impacts?

Yes  No

3.How you find the quality of the information, data and indicators disclosed in the report in terms of clarity, accuracy and completeness?

Excellent  Good  Fair  Poor  Very Poor

4.How would you rate the structural organization of this report?

Excellent  Good  Fair  Poor  Very Poor

5.Do you feel the report is reader-friendly in terms of its design and layout?

Excellent  Good  Fair  Poor  Very Poor

**Open-ended questions (Please specify your answer in the blank):**

**1.Which parts of the report are most satisfying to you?**

**2.What else information do you need to learn and hope the report disclose further?**

**3.What are your comments and suggestions on Tianqi Lithium' s CSR practices?**

**Please provide your personal information below:**

Name: Occupation:

Company: Address:

Postcode: E-mail:

Tel: Fax:

Please contact us at:

Social Responsibility Department of Tianqi Lithium Corporation

Add: No. 10 East Gaopeng Road, Hi-Tech Development Zone, Chengdu, Sichuan, 610041 China

Tel.: +86 28 8514 6615

We will protect your information from being used by any third party and we would be very grateful to your invaluable comments and suggestions.



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