

TIANQI LITHIUM SUSTAINABILITY REPORT 2021



SUSTAINABILITY REPORT 2021

TIANQI LITHIUM

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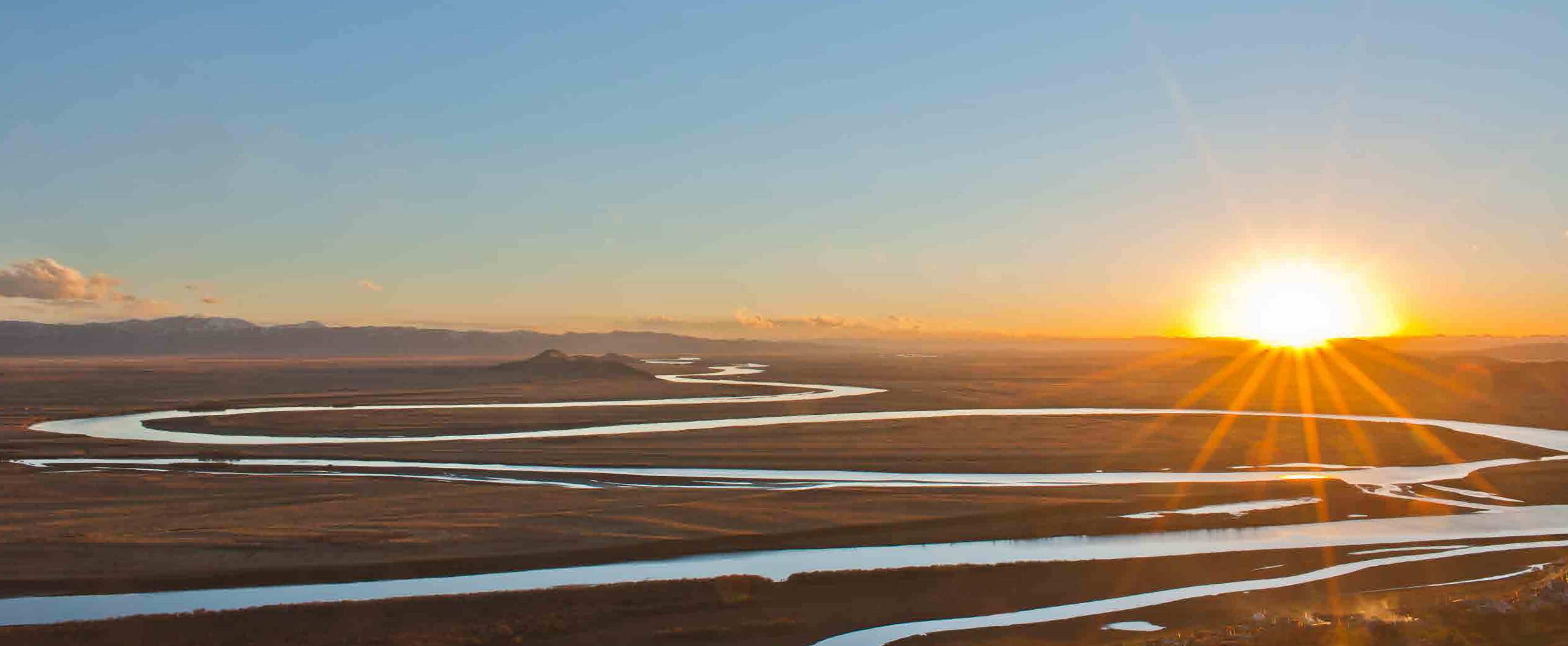


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TIANQI LITHIUM

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CHANGING THE WORLD WITH LITHIUM



A Message from Chairman	01	Governance	07	Operation	39	Community	77
About This Report	03	About Us	09	Quality Management	41	Volunteer Services	81
Board Statement	04	Responsible Governance	13	Technology Empowerment	45	Contributions to Communities	85
Highlights in 2021	05	ESG Management System	17	Supply Guarantee	51	Appendix	93
		Environment	25	Employees	57		
		Responding to Climate Change	27	Employment Overview	59		
		Environmental Management	31	Employee Development	63		
		Resource Utilization	35	Employee Care	67		
				Health and Safety	71		

A Message from Chairman

As the world undergoes a surging energy revolution with structural adjustments in energy consumption, there has been an increasing focus on lithium as a critical raw material, giving rise to radical changes in the lithium-ion battery supply chain. Since its establishment 30 years ago, Tianqi Lithium has grown into one of the world's top-tier companies in the lithium-ion battery industry by virtue of its abundant resources, leading lithium extraction technology, proven ability to operate efficiently and cost effectively, and extensive customer relationships developed as a key supplier in the industry chain.

While constantly striving to create economic value, Tianqi Lithium attaches great importance to the fulfillment of social responsibility and insists on responsible governance. We are committed to standardizing corporate governance, advocating a corporate culture of diversity and equality, and promoting sound development of the company by operating with integrity. Meanwhile, we continue to perfect our ESG management system and strengthen sustainable development. During the Reporting Period, we established the ESG and Sustainability Committee and the ESG and Sustainability Department to oversee the company's sustainable development process, set the strategic sustainable development goals for 2030, and developed an in-house model and strategy to guide the company's future sustainable development activities. During the Reporting Period, Tianqi Lithium's MSCI ESG independent rating was upgraded from B to BB, highlighting improvements in Tianqi Lithium's ESG practices and management as well as sustainable development growth.

We believe in the pressing need for pursuing a "dual carbon"¹ initiative to achieve sustainable development by lifting significant resource and environmental constraints, transforming and upgrading infrastructure utilising technological innovation, and promoting harmony between humanity and nature by meeting the growing demand for a clean environment. In response to the goals of "carbon peak and carbon neutrality" in China and the Sustainable Development Goals of the United Nations, Tianqi Lithium, continues to focus green manufacturing with significant efforts to employ energy efficiency and emission reduction technologies. Similarly, we have set environmental targets for our production plants, and strive to contribute to the global energy revolution with green products through low-carbon development, so as to realize the vision of a zero-carbon planet. During the Reporting Period, we made responding to climate change an important part of our group's green management, identified and assessed risks and opportunities related to climate change, and set out targeted measures to enhance our environmental performance.

Holding fast to craftsmanship, ingenuity and quality, we focus on the pursuit of efficiency and excellence, continue to strengthen our quality management with an emphasis on customer needs, and endeavor to seek reasonable allocation of resources and technologies while putting safety first. As we strive to become a technology-oriented firm, Tianqi Lithium devotes its efforts to the research and development ("R&D") of new energy materials, constantly empowering the integration and innovation of the new energy industry chain, and accelerating the green transformation of the energy industry. Building on this, the Company is committed to integrating the concept of sustainable development into

supply chain management, and working with partners to build an excellent ecosystem for the lithium industry through R&D, innovation, and industry communication and exchanges.

With a people-oriented philosophy in mind, we attract talent with opportunities for professional development, upskill employees through on the job training and bring people together through our business endeavors. We have established and continued to improve the human resource management system in line with our own development needs, and value and protect the basic rights and interests of employees, so as to take good care of the people that are critical to our development, achieving common growth and prosperity with them as we work together to build a world-leading and globally competitive company.

We are well aware that the company growth is inseparable from the support of all sectors of society, and the progress of society requires businesses to fulfill their social responsibilities. Adhering to the principle that "economic benefits should never override the environment or people's wellbeing and safety", we take the initiative in assuming social responsibilities, building volunteer service platforms, establishing close ties with communities, assisting in rural revitalization projects, promoting mutual support and progress between urban and rural areas, and facilitating the sustainable development of communities. As a leading multinational company based in Chengdu, Sichuan Province, we continue to step up efforts to fulfill responsibilities overseas, actively integrate into local communities, and support local sustainable development.

2021 was an extraordinary year in the history of Tianqi Lithium. Despite multiple challenges such as the continuing impact of the COVID-19 pandemic and drastic fluctuations in the lithium market, we continued to press ahead with corporate growth, setting up an international management team, planned new developments, and laid out new strategies. We brought in a strategic investment from IGO, restarted the process of a listing on the Hong Kong Stock Exchange, and effectively resolved our debt issues. We made significant efforts to reduce costs and increase efficiency, optimised three major domestic plants in Shehong, Sichuan, Zhangjiagang, Jiangsu, and Tongliang, Chongqing, which are now operating safely and efficiently with production reaching full capacity given strong market demand, and completed commissioning of the Kwinana plant in Western Australia. We opened new offices in both Hong Kong and Shenzhen to extend our capability and global reach.

We should set sail and ride the waves while the wind is strong. We should redouble our efforts as there is a long way to go. In the future, Tianqi Lithium will stick to its original aspiration of "unremittingly pursuing self-improvement and working hard", uphold a sense of responsibility to "change the world with lithium", seize the strategic opportunities of the era, and fulfill all of our strategic tasks, as we forge ahead and reach new heights in striving to become an "international leader of the new energy materials industry with lithium as the core"!

Weiping Jiang

Founder, Chairman, Tianqi Lithium Corporation



¹ China's nationally united strategy to deliver the 2030 capping carbon dioxide emissions and 2060 carbon neutrality goal

About This Report

Overview

As the fifth sustainability report released by Tianqi Lithium Corporation, this Report provides a systematic explanation of the Company’ s visions, work implemented and achievements made in terms of sustainable development in 2021. By issuing such sustainability reports, we hope to strengthen communication, provide additional transparency, build connections and reach consensus on sustainable development with all Company stakeholders.

Reporting Period

This Report covers the Company’ s performance from January 1, 2021 to December 31, 2021 (hereinafter referred to as the “Reporting Period”) and may be partially retrospective.

Basis of Preparation

This Report has been prepared in accordance with the listing provisions set out in Appendix 27 of the “Environmental, Social and Governance Reporting Guidelines (ESG Reporting Guidelines)” issued by the Hong Kong Stock Exchange (HKEx) and with reference to Guidelines on Environmental, Social Responsibility and Corporate Governance Disclosure for Listed Companies on the Shenzhen Stock Exchange (Draft for Public Comments), GRI Standards published by Global Reporting Initiative (hereinafter referred to as “GRI”) and the Sustainable Development Goals (SDGs) of the United Nations.

Reporting Scope

This Report covers Tianqi Lithium Corporation and its affiliates. For ease of presentation and reading, Tianqi Lithium Corporation and its affiliates are herein collectively referred to as “Tianqi Lithium”, the “Company” or “we”. The plants include the Shehong plant in Sichuan, the Zhangjiag-ang plant in Jiangsu, the Tongliang plant in Chongqing, the Kwinana plant in Western Australia, and the Anju plant in Sichuan.

Selection of Indicators

This Report mainly considers the quantification, materiality, balance, and consistency of each specific indicator related to the performance disclosure of the major sustainability topics. We will continue to adjust and optimize the disclosure indicators in future reports.

Source of Data

All qualitative and quantitative information used in this Report is from the publicly available information, internal documents, and relevant statistical data of Tianqi Lithium Corporation. All references to monetary values set forth herein are in USD² unless otherwise specified.

Publication

This Report is published in the electronic form online. You may access and download the electronic version at www.cninfo.com.cn and the official website of Tianqi Lithium Corporation (www.tianqilithium.com).

Confirmation and Approval

This Report was approved by the ESG and Sustainability Committee of the Board of Directors on 24th June, 2022 after confirmation by the management.

Contact Us

Please feel free to contact us if you have any questions, suggestions or comments on our sustainability management or this Sustainability Report:

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² The exchange rate of the US dollar is based on data from the National Bureau of Statistics. The average exchange rate for 2021 is 1 US dollar to RMB 6.4515.

Board Statement

Responsibilities of the Board	The Board of Directors shall be ultimately responsible for Tianqi Lithium’ s ESG (environ-mental, social, and governance) management policy, strategies, goal setting and goal progress review, and ESG information disclosure. During the Reporting Period, the ESG and Sustainability Committee was set up under the Board of Directors of Tianqi Lithium, which is mainly responsible for developing the Company’ s ESG and sustainability strategic plans and goals, identifying ESG related risks, coordinating ESG management, and upgrading the Company’ s sustainable development. The ESG and Sustainability Committee shall consist of no less than three board members, including no less than one independent non-executive director. Its responsibilities are detailed on the official website: Detailed Working Rules of the ESG and Sustainability Committee of the Board of Directors of Tianqi Lithium Corporation.
Daily Implementation	The Office of the Board of Directors and the ESG and Sustainability Department are the day-to-day working bodies of the ESG and Sustainability Committee, responsible for the preparatory work of the Committee’ s decision making. The Office of the Board of Directors is the organizing arm of the Committee; the ESG and Sustainability Department is the specific department undertaking the Committee’ s operations.
Risk Management	The Company implements a risk management framework administered by the Board of Directors, supervised by the Audit and Risk Committee, and implemented by the Audit Department and subsidiaries to identify, manage, monitor, and control various risks of the Company. Meanwhile, we have integrated ESG related risks into our risk management and control system, with the ESG and Sustainability Committee examining key trends in environmental, social, and corporate governance and climate change, as well as related risks and opportunities, to ensure that the Company’ s position and performance on ESG and sustainability issues comply with relevant regulations and standards.
Materiality Analysis	Tianqi Lithium maintains close communication with internal and external stakeholders to identify and evaluate major ESG factors in order to develop ESG strategies. We have discussed and approved the major ESG factors identified, formulated ESG strategies, goals, and management policy based on the relevant factors, tracked international ESG trends and peer performance in a timely manner, and regularly reviewed the progress of relevant work.

Highlights in 2021



Governance

Set up the ESG and Sustainability Committee

MSCI ESG rating upgraded from B to **BB**

Built a model and a strategy house of sustainable development



Environment

All production bases have started carbon accounting and product carbon footprint verification

Accelerated the use of clean energy, with the Shehong plant in Sichuan completely eliminating raw coal and cleaned coal, and realizing the full use of green electricity

91% of the total water consumption was recycled/reused

Zero environmental penalties caused by excessive or illegal discharge of pollutants, and **zero** unexpected environmental accidents



Operation

A total R&D investment of **2,918.14** thousand dollars in 2021

56 utility model patents, **4** overseas invention patents, **74** domestic invention patents, and **11** appearance design patents as of the end of the reporting period

Participated in the preparation or revision of **18** industry and national standards

Customer satisfaction **>95%**



Employees

Invested a total of **92.92** thousand dollars in employee training

Total attendance reached **15,253**

Generated **63,160.35** hours of training in total with **46.65** hours of training per employee on average



Community

Community investment totaled **966.43** thousand dollars in 2021

Invested a total of **30.27** thousand dollars in volunteer service, with **107** people contributing **131.50** hours in volunteer service activities in 2021

5 GENDER
EQUALITY8 DECENT WORK AND
ECONOMIC GROWTH16 PEACE, JUSTICE
AND STRONG
INSTITUTIONS

Governance

Determined to “change the world with lithium”, Tianqi Lithium keeps pursuing technological innovation and improving product quality with fruitful results in the process of becoming China’s top and world-leading new energy materials company with lithium as the core. In 2021, we emphasised our focus on international development and continued with our strategic global layout of high-quality lithium resources. According to a report by Wood Mackenzie, we are the only lithium manufacturer in China that is 100% self-sufficient and fully vertically integrated through a large, consistent, and stable supply of lithium concentrate³ While constantly striving to create economic value, Tianqi Lithium insists on responsible governance, supports global sustainable development goals, advocates for a corporate culture of diversity and equality, and continues to improve our ESG management system, thereby contributing to the overall sustainable development of the Company.

³ Source: Prospectus for H Shares of Tianqi Lithium Corporation (January 2022 version)

About Us



Tianqi Lithium Global R&D Center Rendering

Company Profile

Listed on the Shenzhen Stock Exchange (stock code: SZ.002466), Tianqi Lithium has undergone corporate restructuring, IPO, capital expansion, and global mergers and acquisitions, etc.. Despite the ever-changing internal and external environment, Tianqi Lithium keeps forging ahead and stays true to its original aspiration. We are committed to making full use of the values of openness and cooperation across all aspects of corporate philosophy, management team, R&D of technologies, product quality, corporate financing, corporate culture, and sustainable development. By adhering to international standards and operating in accordance with international industry rules, we aim to become a driver for the global energy revolution by exerting a greater influence. In 2021, we completed the IGO transaction introducing the Australian listed company as a strategic investor for our overseas subsidiary Tianqi Lithium Energy Australia Pty Ltd (TLEA, formerly Tianqi UK) and formed a strategic partnership with IGO to boost the strategic development of the Company with a forward-looking vision. In December 2021, Snowball Finance, a social network and information portal for investors in China, released its 2021 Annual Gold List, and Tianqi Lithium won the “2021 Valuable Listed Company to Focus on” award, a testimony to the attention and recognition of the Company given by capital market and investors from all sectors as well as the market’s affirmation and encouragement of the Company’s forward-looking strategic layout of high-quality, low-cost upstream resources and continuous efforts in advancing its international strategic layout.

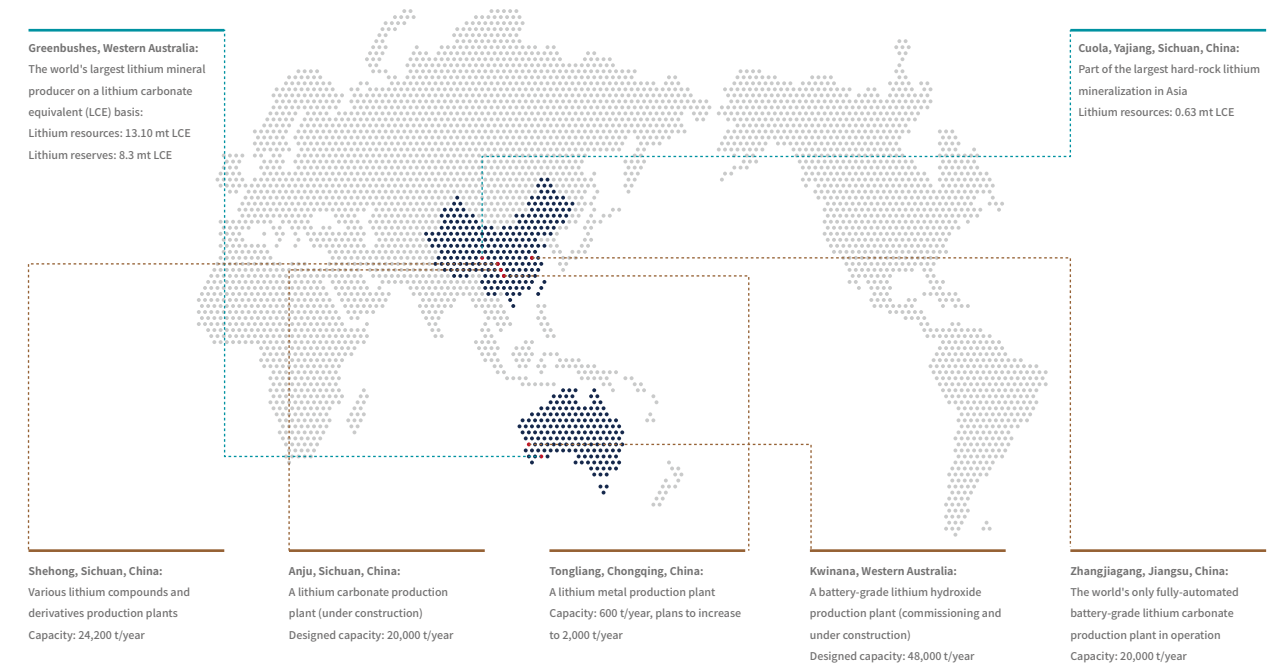


Business Overview

Business Segments

Committed to the long-term development strategy of “consolidating the upstream, strengthening the midstream, and penetrating the downstream”, Tianqi Lithium’s main business encompasses the key stages of the lithium industry supply chain, including the development of hard rock lithium mineral deposits, the processing and sale of lithium concentrate, and the production and sale of lithium chemical products, and covers two major types of products: (i) lithium concentrates and (ii) lithium compounds and derivatives. Lithium concentrate products include chemical-grade and technical-grade lithium concentrate, while lithium compounds and derivatives include lithium carbonate, lithium hydroxide, lithium chloride, and lithium metal. Our products are used in a wide range of end markets, including electric vehicles, energy storage systems, aircraft, ceramics, and glass. According to Wood Mackenzie report, we are the world’s second largest supplier of battery-grade lithium carbonate and one of the world’s top ten suppliers of battery-grade lithium hydroxide based on our 2021 annual output.

Meanwhile, Tianqi Lithium keeps an eye out for investment opportunities that will add value to the Company and invests in new energy and lithium assets, so as to drive the sustainable and stable growth of the Company, guide the healthy development of the new energy materials industry, and facilitate the transformation of the new energy industry.



Operation and Resources

The Greenbushes mine in Western Australia and the Cuola mine in Yajiang, Sichuan, jointly ensure that Tianqi Lithium has a stable supply of high-quality lithium raw materials, contributing to improving operational efficiency, stability, and flexibility of our chemical production. In terms of production, the Company operates plants leading the industry in scale and technology in both China and Australia, and builds partnerships with global customers by virtue of a vertically integrated global industry chain to jointly boost the long-term sustainable development of the new energy industry.

Responsible Governance

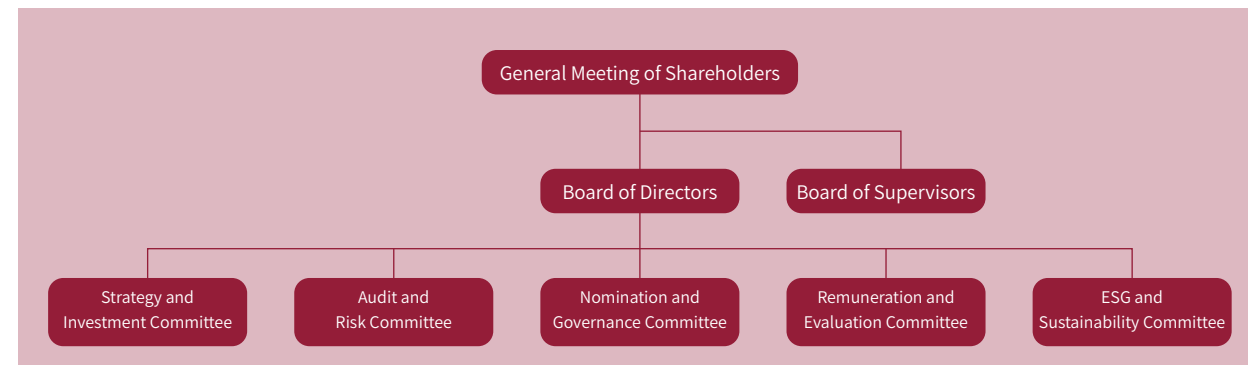
Assuming its responsibility to “change the world with lithium”, Tianqi Lithium strives to develop through “standardization of internal control, meticulous management, and business globalization”, constantly standardizing corporate governance, strengthening internal risk monitoring, and regulating business practices, so as to promote the sustainable development of the Company by operating with integrity.

Compliance Management

In strict accordance 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 in China, Shenzhen Stock Exchange Stock Listing Rules, Shenzhen Stock Exchange Guidelines for Standard Operation of Listed Companies (2020 Revision), and the requirements of applicable laws and regulations and regulatory documents of the China Securities Regulatory Commission (CSRC), the Company has formulated a series of internal governance systems such as the Articles of Association, thereby forming a corporate governance mechanism with a clearly defined hierarchy and effective checks and balances between decision-making, supervision, and execution levels which contributes to better decisions.

We have established a corporate governance structure consisting of the General Meeting of Shareholders, the Board of Directors, the Board of Supervisors, and the management. The Board of Directors comprises five special committees: the Strategy and Investment Committee, the Audit and Risk Committee, the Nomination and Governance Committee, the Remuneration and Evaluation Committee, and the ESG and Sustainability Committee, which are responsible for the overall management, supervision, and regular review of the Company to maintain high standards of corporate governance, protect the rights of all stakeholders, and increase the value of the Company.

We value a diverse board structure, encourage gender equality, and are committed to increasing the proportion of women on the Board. Currently, the Company’s Board of Directors has eight directors, three of whom are women.



Risk Management and Internal Control

Tianqi Lithium strictly complies with laws and regulations including the Company Law of the People’s Republic of China, the Audit Law of the People’s Republic of China, the Basic Norms of Enterprise Internal Control, the Regulations on Internal Audit of the National Audit Office of the People’s Republic of China, and Internal Audit Principles of China, according to which the Company has established the Internal Audit Management System and the Internal Accountability System. The Company implements a risk management framework administered by the Board of Directors, supervised by the Audit and Risk Committee, and implemented by the Audit Department and subsidiaries to identify, manage, monitor, and control various risks of the Company. Meanwhile, we have integrated ESG related risks into our risk management and control system, with the ESG and Sustainability Committee examining environmental, social, and governance risks. During the Reporting Period, we consolidated and optimized the risk management system supported by the three lines of defense and built around the centralized control of internal risks and the continuous monitoring of external risks, forming effective supervision of the entire business lifecycle of the Company. In addition, we facilitated the establishment of a digital audit information platform, improved audit quality and efficiency, expanded the coverage of corporate audit, standardized and systematized internal audit, and promoted the important role of internal control in strengthening internal control and risk management.



Internal Risk Control

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

Conduct internal risk assessment and special audit

External Risk Prediction

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

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

Business Ethics

We firmly believe that business ethics is essential to creating an open, transparent, and healthy business environment. In this regard, we continue to improve our policies and systems related to the code of ethics and business conduct, while carrying out relevant training for employees to heighten their awareness of business ethics.

Code of Ethics and Business Conduct

We strictly abide by the Company Law of the People's Republic of China, the Anti-Unfair Competition Law of the People's Republic of China and other applicable laws and regulations, and issued the Code of Ethics and Professional Conduct during the Reporting Period to govern the behavior of our employees. In addition, we completed the preliminary preparation of the Code of Business Conduct during the Reporting Period, providing regulatory provisions and clarifying responsibilities on key issues such as standards of conduct, anti-monopoly, anti-bribery, confidential information, and data protection and privacy. In our overseas operations, we have formulated a Code of Conduct Policy to standardize the behavior and business activities of overseas employees.

During the Reporting Period, we conducted training for all full-time employees⁴ on such standards as the code of business ethics through an online training program and offline promotion with posters, covering about 1,250 people and a total of 1,250 hours.

Striving to Be a Role Model of Honesty and Trustworthiness Awareness Month

During the Reporting Period, Tianqi Lithium launched a publicity month with the theme of "Striving to Be a Role Model of Honesty and Trustworthiness", uploading test questions on the Code of Ethics and Professional Conduct, the Anti-Fraud and Whistleblowing System, the Detailed Rules on Anti-Fraud and Whistleblowing, and other systems, and inviting all employees to complete the test.

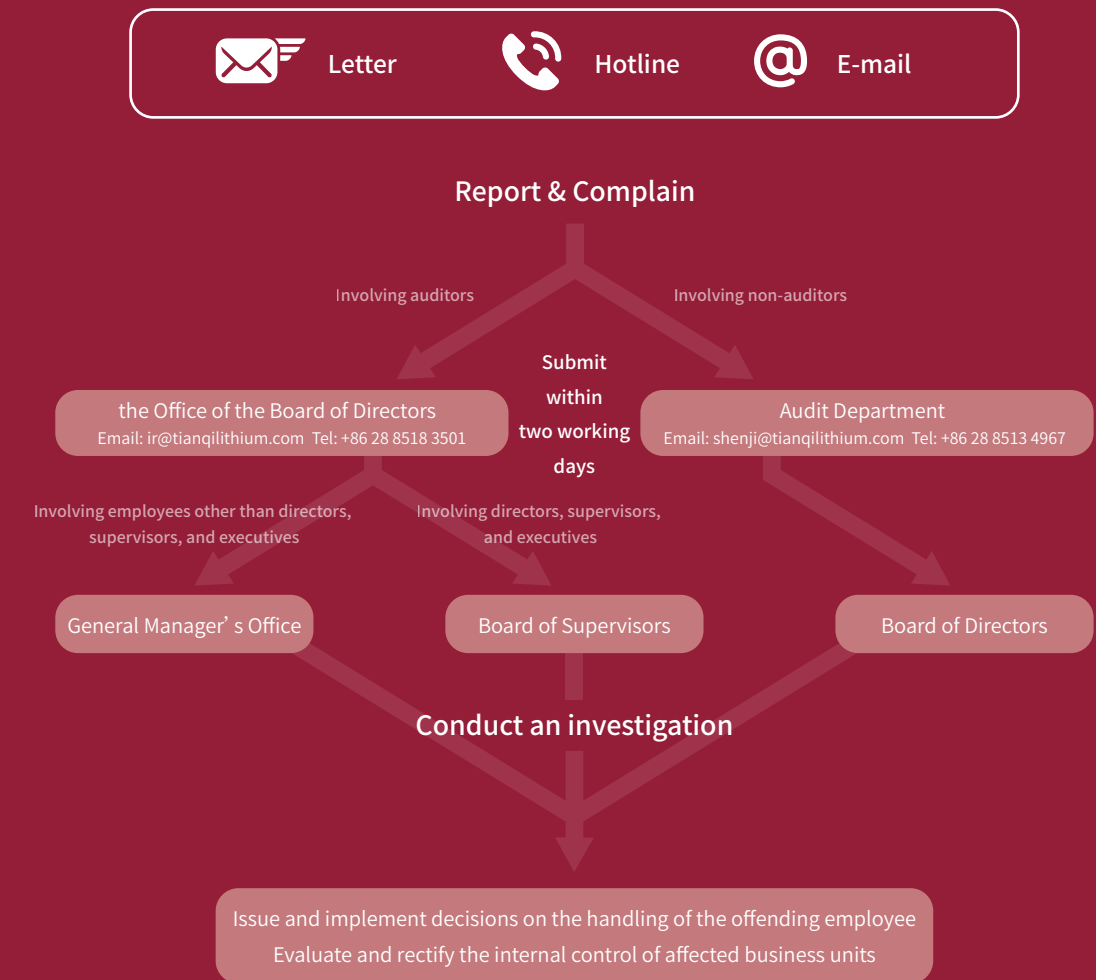
Anti-Corruption and Anti-Fraud

In accordance with applicable laws and regulations including the Interim Provisions on Banning Commercial Bribery, we have established the Anti-Money Laundering and Counter-Terrorism Financing Compliance System, the Anti-Fraud and Whistleblowing System, and other internal policies, and organized key project personnel to sign a Letter of Commitment to Integrity, raising employee awareness of anti-corruption while making continuous improvements to the anti-fraud and whistleblowing system. At our manufacturing facility in Kwinana, Western Australia, we have also instituted an Anti-Bribery and Anti-Corruption Policy, requiring employees to fulfill their anti-corruption and anti-commercial bribery obligations and create a work environment that values openness and integrity. The Company was not involved in any corruption or bribery related lawsuit during the Reporting Period.

Based on the Anti-Fraud and Whistleblowing System, we carry out standardized management of disciplinary violations and malpractices, accountability mechanisms, and reporting channels and handling procedures. In addition, strict measures are taken to protect whistleblowers. We encourage all employees to report fraud by providing their details or anonymously through proper channels. The Company provides two reporting channels, including the Audit Department and the Office of the Board of Directors, and has put in place a complete reporting process for both auditors and non-auditors.

⁴ All full-time employees excluding contractors

Reporting Channels and Handling Procedures of Tianqi Lithium



During the Reporting Period, we carried out a series of special training and activities on anti-corruption and anti-bribery to promote the anti-fraud and whistleblowing system and reinforce a culture of integrity.

Anti-Fraud and Whistleblowing Seminar

During the Reporting Period, we held a seminar on "Anti-Fraud and Whistleblowing" for deputy department managers and above, giving a detailed explanation of the reporting process, channels, and the handling of reports, involving 77 participants and 770 hours of training in total.

Anti-Commercial Bribery Lectures

During the Reporting Period, we organized anti-commercial bribery lectures educating employees on the code of conduct and guidelines against bribery and tested the training results in the form of examinations. Seventy-two participants, including senior management, department heads, and key employees, spent a total of 1,080 hours in training.

ESG Management System

Well aware of the importance of ESG governance for sustainable development, Tianqi Lithium increases its involvement in sustainability efforts by refining the governance structure and strengthening governance, and continues to promote and implement ESG related matters. During the Reporting Period, the Company's MSCI ESG rating was upgraded from B to BB, and it was listed as one of China's Top 500 ESG Companies of 2021 by Sina Finance's ESG Rating Center, putting the domestic and international market's stamp of approval on our ESG practice and management as well as sustainable development capacity.



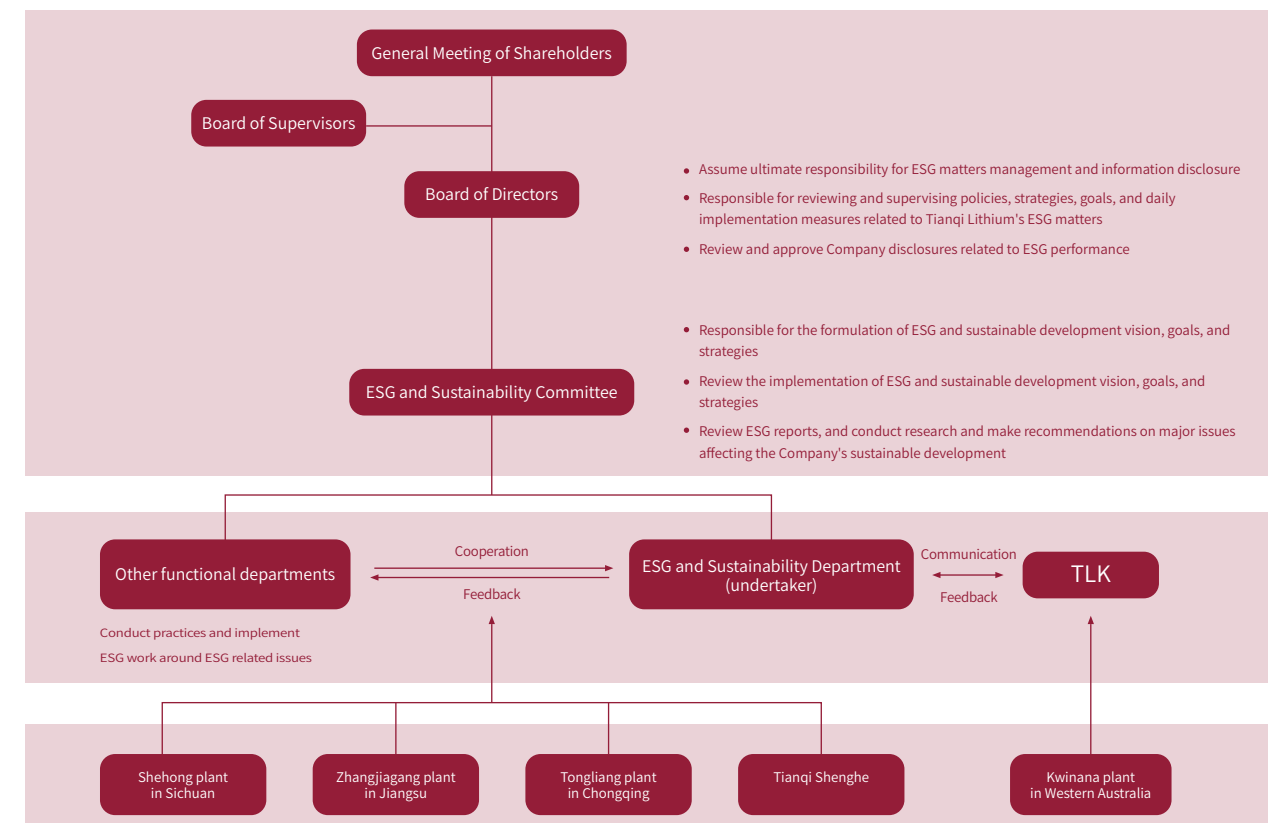
Our MSCI ESG rating increased to BB

ESG Governance

ESG Governance Structure

Tianqi Lithium has integrated the concept of sustainable development into its strategic development goals and incorporated its implementation into the Company's daily operation management and innovation activities. To ensure ESG management effectiveness, we elevated ESG governance to the level of corporate governance, hold the Board of Directors accountable for ESG governance matters, and set up the ESG and Sustainability Committee during the Reporting Period. Meanwhile, the Social Responsibility Department was officially renamed the ESG and Sustainability Department to ensure a clear and coordinated division of responsibilities at all levels, thereby boosting the Company's overall ESG performance.

ESG Governance Structure of Tianqi Lithium



Sustainable Development Goal and Strategies

Relying on a sound ESG governance structure, Tianqi Lithium further reviewed the Company’s sustainable development process, set the strategic goal of sustainable development for 2030, and built a model and a strategic framework to guide the company’s future sustainable development.

Sustainable development goal:

We aim to be a global leader in sustainable development in the new energy industry by 2030, helping enterprises to align their development with that of the economy, society, environment.

Phase III: Upgrade the system (2022-2023)

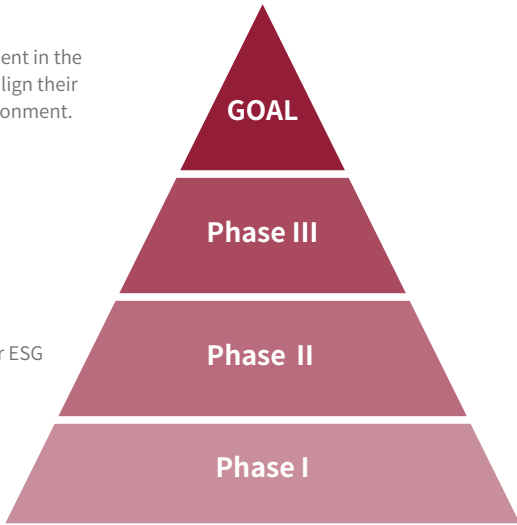
Achieve regular Board oversight of ESG matters.

Phase II: Complete the structure (2021-2022)

Clarify the responsibilities of the Board of Directors for ESG management and the ESG governance structure.

Phase I: Lay the foundation (2020-2021)

Build a preliminary governance structure for sustainable development.



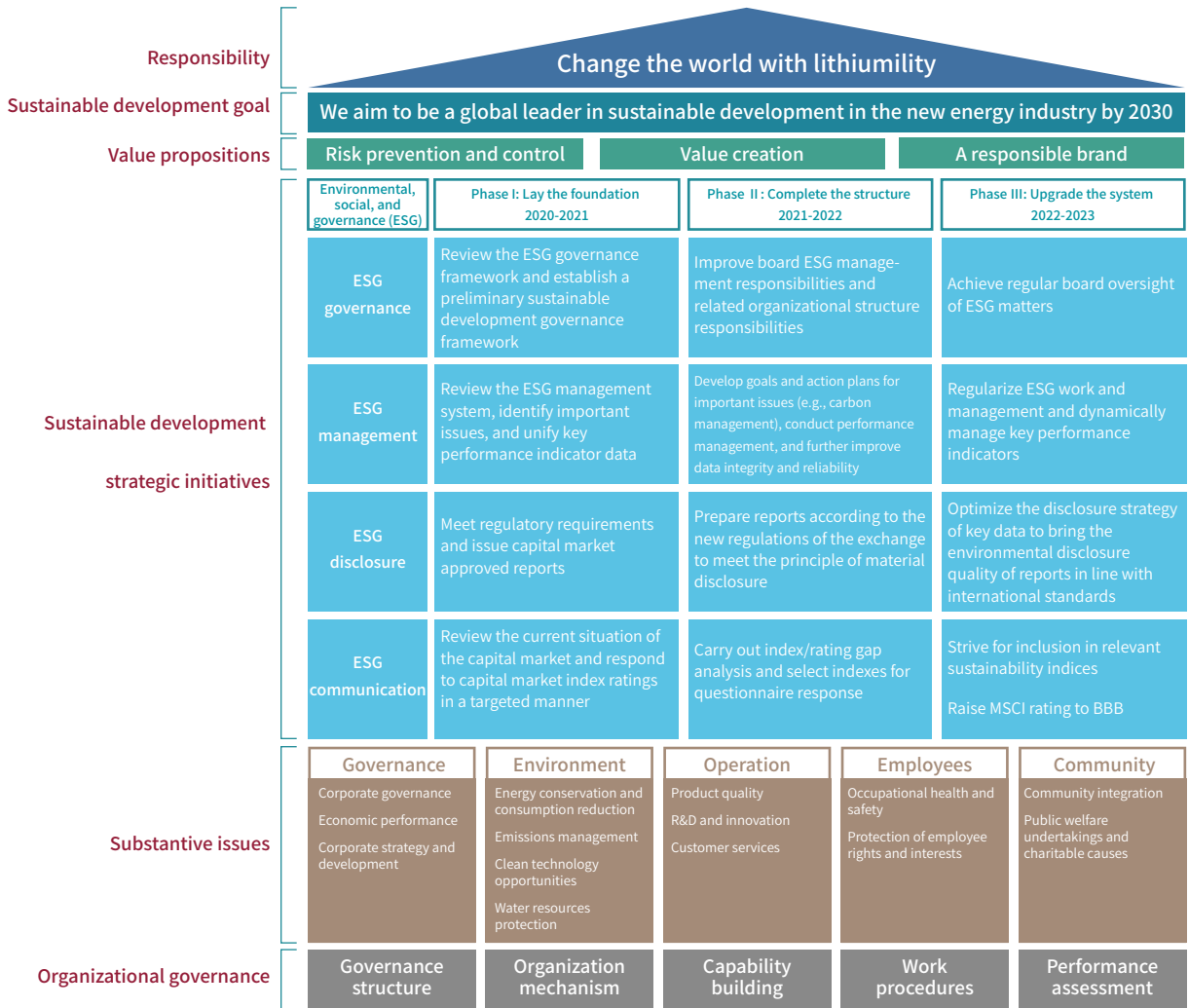
Sustainable Development Model

Tianqi Lithium's sustainable development strategy model is based on risk prevention and control, driven by value creation, exerting external influence by building a responsible brand, and measured against integrity and compliance. The Company establishes internal rules and regulations for key ESG issues such as risks, health and safety, and environment and community integration, and sets regular qualitative and quantitative assessment objectives. It focuses on incorporating the REHSC (risk, health and Safety, and environment and community engage-ment) strategic management system, putting our responsibility to "change the world with lithium" into practice.



Sustainable Development Strategic Framework

Based on the sustainable development model, the sustainable development strategy framework further defines substantive ESG matters and strategic initiatives, providing a strategic basis for the realization of long-term and phased strategic goals.



ESG Themed Activities

To strengthen the Company’s ESG culture and contribute to the sustainable development of the industry, we organized a number of activities where participants exchanged ideas and views on ESG issues.

Corporate Action Workshop on the “Dual Carbon” Goals

In September 2021, the “Corporate Action Workshop on the “Dual Carbon” Goals (Chengdu)” was held at our headquarters, where many shared their views from three aspects including challenges and opportunities faced by the lithium industry in the context of the “dual carbon” goals, ideas for achieving carbon neutrality in the lithium industry, and sustainable development practice of Tianqi Lithium. More than 40 guests from well-known companies and organizations in Sichuan Province participated in the workshop in person or online.

Stakeholder Engagement

Tianqi Lithium has built a mechanism for regular communication with various stakeholders based on the Stakeholders' Rights and Interests Model to understand and respond to the expectations and demands of all stakeholders in a timely manner.

Category of stakeholders	Issues of concern	Responses
Customers	Product quality	Product quality testing
	R&D and innovation	Increased investment in R&D and innovation
	Customer services	Further optimization of customer services
	Clean technology opportunities	R&D of Clean technology
Employees	Protection of employee rights and interests	Employee communication measures including an employee satisfaction survey
	Occupational health and safety	Broader employee development channels
	Career development and training	A sound occupational health and safety management system
	Chemical safety	Developing management processes and response plans
Shareholders	Corporate strategy and development	Regular and ad-hoc information disclosure
	Corporate governance	Complaint, whistleblowing, and supervision mechanisms
	Economic performance	Release of annual and semi-annual reports
	Protection of shareholders' rights	General meetings of shareholders and investor communications
Government /Regulators	Responding to climate change	Identifying climate change related risks and launching carbon management projects
	Energy conservation and consumption reduction	Energy conservation and emission reduction measures
	Water resources protection	Water recycling and related technologies
	Emissions management	Implementing emissions management measures
	Ecological protection	Strengthening the development of green mining activities
	Waste disposal	Improving waste disposal management and employing circular economy best practices
	Chemical safety	Developing management processes and response plans
Partners	Responsible procurement	A fair and transparent procurement management system
	Boosting industry development	Supplier training and assistance, industry activities and communication
Communities	Community integration and support	Increasing investment in communities
	Public welfare undertakings and charitable causes	Launching a number of public welfare programs and volunteer service programs



We attach great importance to the rights and interests of investors, maintain efficient communication with them, disclose company information on a regular basis, and respond to investors' demands in a timely manner. During the Reporting Period, the Company:



Held general meetings of shareholders

A total of five general shareholder meetings were held and received over 250 individual and institutional investors



Held performance presentation meetings

A total of four performance presentations were held, with more than 680 investors attending online and on-site.



Received investors

We received 63 individual investors and 191 institutional investors and participated in an online group reception day for investors of listed companies in Sichuan.

Responded to investors

We participated in 69 on-site meetings and teleconferences;



Responded to 882 questions from 347 investors on the Hudongyi app, with a response rate of 100%, exceeding 99% of the companies listed on SZSE;

Set up a hotline and email address for stock and bond investors, receiving an average of about 6-8 calls per day from investors and replying to more than 80 interview emails from investors and the media throughout the year.



Responded to the capital market

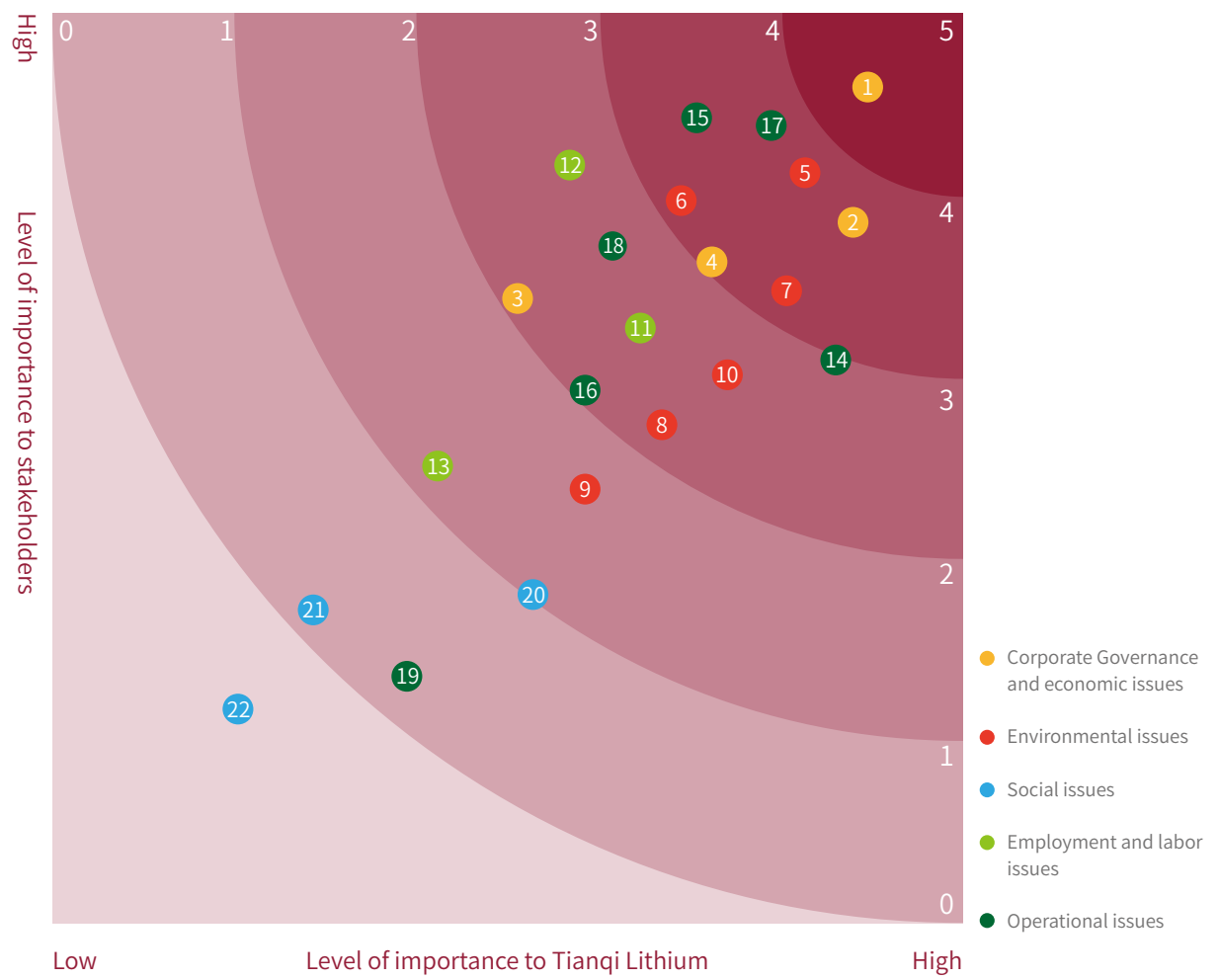
We responded to 15 inquiries and interviews related to rumors of stock price fluctuations, the Company's operating conditions, progress of major issues, and industry prospects, and promptly and positively responded to market concerns, protecting the company's reputation.

ESG Material Issues

To better respond to stakeholder demands, and in line with the Company’s strategic development direction and industry trends, we identified the material ESG issues of 2021 based on peer benchmarking, policy analysis, and stakeholder interviews, and drew the material issues matrix accordingly. The relevant issues will be detailed in subsequent chapters and stakeholders’ expectations will be responded to.



During the Reporting Period, based on the above materiality analysis process, we updated the material issues matrix, and added responding to climate change as an issue of high importance. Tianqi Lithium’s material issues matrix 2021 is as follows:



Material Issues			No.	Material Issues			No.
Corporate Governance and economic issues	Corporate governance		1	Employment and labor issues	Occupational health and safety		12
	Economic performance		2		Career development and training		13
	Protection of shareholders' rights and interests		3		Protection of employee rights and interests		14
	Company strategies and development		4	Operational issues	Product quality		15
Environmental issues	Responding to climate change		5		Chemical safety		16
	Clean technology opportunities		6		R&D and innovation		17
	Emissions management		7		Customer services		18
	Ecological protection		8		Boosting industry development		19
	Waste disposal		9		Responsible procurement		20
	Energy conservation and consumption reduction		10	Social issues	Community integration		21
	Water resources protection		11		Public welfare undertakings and charitable causes		22

Note: The issues in red are highly important with a significant influence on both Tianqi Lithium and stakeholders.

6 CLEAN WATER
AND SANITATION7 AFFORDABLE AND
CLEAN ENERGY12 RESPONSIBLE
CONSUMPTION
AND PRODUCTION13 CLIMATE
ACTION

Environment

As a leader in the new energy industry, Tianqi Lithium actively responds to the low-carbon and green development initiatives of the United Nations SDGs, and constantly fosters the innovation and application of green products, energy saving and emission reduction technologies while focusing on green manufacturing, thereby contributing to the global energy revolution and the vision of a zero-carbon planet.

Responding to Climate Change

In the global response to climate change, the lithium industry has entered a stage of rapid development. We take the initiative to implement China's "dual carbon" policy by making our own contributions to the "dual carbon" goals and take an active part in the global mission of tackling climate change while adhering to green and low-carbon development.

Opportunities Brought by Climate Change

Energy transition is one of the best ways to achieve carbon peak and carbon neutrality where problems such as global energy shortage and climate anomalies loom large. So far, several countries have pledged to become "carbon neutral" by 2050 or 2060. Emissions from internal combustion engine vehicles are an significant source of global greenhouse gases. In 2020, the Ministry of Industry and Information Technology of the PRC released the New Energy Automobile Industry Development Plan (2021-2035), making clear the importance of new energy battery electric vehicles in the country's structural energy adjustment programme, a positive sign for the long-term development and longevity of new energy battery electric vehicles.

Recognized globally as an emerging industry of strategic importance, with an industry supply chain covering upstream resources, midstream materials, downstream battery systems, and battery electric vehicles, the new energy industry is set to become a crucial bridge of global cooperation in the future. At the heart of electric cars are lithium-ion batteries. In terms of the global supply of lithium-ion batteries, Europe and the United States, besides China, Japan, and South Korea, are accelerating plans to increase their respective footprints in the lithium-ion battery industry. To achieve zero greenhouse gas emissions, they either are launching, or will soon launch, mid and long-term plans for the development of new energy battery electric vehicles. As major economies around the world reach a consensus on moving towards carbon neutrality and developing green economy, the booming lithium industry in China brings unprecedented opportunities to the lithium-ion cathode materials market. Thanks to fast-growing global sales of electric vehicles and supply chain inventory replenishment, the lithium industry will predictably see robust demand and a return to high-speed growth going forward at an increasing scale.

In 2021, China produced a total of 298,200 tons of lithium carbonate, an increase of 59.47% over the previous year, and 190,300 tons of lithium hydroxide, up 105% year on year.⁵ The country has become the world's largest producer and consumer of raw materials used in the manufacture of lithium-ion batteries. With rapidly growing market demand, Tianqi Lithium follows national policies and takes advantage of industry opportunities to accelerate the R&D, innovation, and continuous upgrading of green lithium⁶ products, giving solid support to the development of the new energy industry, facilitating the green energy transition, and contributing to the fight against climate change.

During the Reporting Period, we developed the Green Lithium Project dedicated to industrialized technology R&D, process design, engineering construction, production operation, and product development for transforming lithium slag into lithium-based silicon aluminum powder products, as well as the incubation and demonstration of pilot plants for related technology. As a fine example of low-carbon, energy-saving raw materials in the new dual carbon era, such products highlight the unique advantages and concept of green practice featured in "specialized, refined, differential and innovated" products and illustrate how the lithium industry is responding to the carbon peak and carbon neutrality goals.

Climate Change Related Risks

In light of increasing concern about climate change related issues in the international community, we have made responding to climate change a crucial component of our green management. Following the advice of the Task Force on Climate-Related Financial Disclosures (TCFD), we respond to long-term expectations in environmental accountability through forward-looking risk management. By assessing how a range of climate change related risks are connected to and affect the group's business, we have developed targeted measures to reduce future risks while actively exploring the possibilities of low-carbon transition to help achieve China's "dual carbon" goals.

⁵ Data released by China Nonferrous Metals Association Lithium Industry Branch

⁶ Green lithium refers to lithium products or processes with great environmental benefits incorporating recycling, energy conservation and consumption reduction, and other concepts of green practices.

Type of risks		Description	Responding Measures
Physical risks	Acute risks	Extreme weather events such as typhoon, flood, drought, extreme high temperature, and cold climate may affect the health and safety of employees and the production and operations of the Company.	Pay close attention to weather forecasts to ensure production safety and make adequate preparation; Make emergency plans for all production plants to deal with the impact of sudden weather events on production;
	Chronic risks	Changes in temperature and rainfall may affect the production and operations of the Company	Conduct prospective risk identification and assessment of chronic climate risks.
Transition risks	Policy and legal risks	Stricter emission reporting and compliance requirements can result in fines, business losses, shutdowns, and negative impacts on brand and reputation if the Company fails to comply with local laws.	Closely follow national policies on energy conservation and emission reduction, and promptly understand and comply with relevant regulatory laws and regulations; All production plants have started carbon accounting and product carbon footprint verification, and will carry out on-site investigation to confirm the scope of emissions, unit of measurement, and sources of emission; Help improve industry standards by participating in the formulation of carbon emission standards such as Carbon Emission Accounting and Reporting Requirements for Lithium Salt Processing and Manufacturing Companies, Product Carbon Footprint Accounting and Reporting Requirements for Lithium Carbonate, and Product Carbon Footprint Accounting and Reporting Requirements for Lithium Hydroxide.
	Technological risks	Failed investments in low-carbon technologies	Reinforce comprehensive assessment and forward-looking consideration of low-carbon emission reduction technologies, accounting for the cost and benefits of technology improvements;
		Costs of switching to low-carbon technologies	Continue to deepen cooperation with research institutions and universities, jointly exploring low-carbon technology opportunities and reduce front-end investment costs and overall embodied emissions.
	Market risks	The impact of consumers' preference for green and low-carbon products on the Company's market planning and technology development	Keep abreast of industry research, understand changes in the demand and preference of end consumers for new energy vehicles, and make timely adjustment to market planning and technology development;
		The increase in procurement costs caused by the rising prices of raw materials	Analyze the changes in raw material prices, and effectively manage the risk of rising procurement costs by communicating with suppliers and integrating resources.
	Reputational risks	Stakeholders' concern about negative ESG related news; inadequate disclosure could tarnish the Company's reputation, resulting in a reduction of income.	Strengthen the focus on disclosure and transparency requirements related to sustainable development and climate change, and optimize external communication channels for corporate social responsibility while ensuring compliance; Continue to pay attention to and participate in domestic and international initiatives for environmental protection that are well recognized or widely applicable, highlight the low-carbon and green attributes of the lithium industry, and strive to build a green brand.

During the Reporting Period, we implemented energy conservation and emission reduction measures in production and technology with regard to the climate change related risks identified above, aiming to reducing carbon emissions in our operations:

Emission reduction technical upgrading

Preparation of anhydrous lithium chloride through crystallization: To innovate the Company's existing lithium chloride process and reduce the use of auxiliary materials and the production of fine products, we completed and established the process data package for preparing anhydrous lithium chloride through crystallization during the Reporting Period, and plan to upgrade the technique of crystallization for the existing lithium chloride production line in 2022. The effective implementation of the program will help improve the quality of lithium chloride products and further reduce the energy consumption of lithium metal electrolysis.

Resource utilization

Comprehensive utilization of secondary products from lithium slag: During the Reporting Period, we advanced the development of a high-value comprehensive recovery and utilization process for lithium slag to optimize the existing process. We phased in the use of products generated from solid waste resources to replace a high proportion of virgin minerals in the downstream, studied the impact of product low-carbon path changes, and provided support for the carbon asset management plan of upstream and downstream companies with a series of low-carbon products. Combining the benefits of environmental protection and circular economy, the program is conducive to the company's comprehensive recovery and utilization of lithium ore, lithium slag, and other resources. It is a concrete action taken by the lithium industry to further implement the sustainable development strategy, establish and improve the green, low-carbon circular economy, and achieve the “dual carbon” goals.

In addition to the above measures, the Company systematically launched the carbon management program during the Reporting Period. Carbon management meetings were organized at both the headquarters and domestic and overseas production plants to coordinate communication between various departments on climate change, the dual carbon policy, Tianqi Lithium carbon management planning, and so on, aiming to raise the awareness of carbon management of all employees. We have also played an active part in the formulation of low-carbon standards in the industry. In 2021, we completed the application and were elected as a member of the Low-carbon Standardization Working Group of the National Nonferrous Metal Standardization Technical Committee.



Shot in Chongqing Plant



Shot in Chengdu Office

Environmental Management

In strictly complying with the Environmental Protection Law of the People's Republic of China, Law of the People's Republic of China on Environmental Impact Assessment, Law of the People's Republic of China on the Prevention and Control of Atmospheric Pollution, Law of the People's Republic of China on the Prevention and Control of Water Pollution, Law of the People's Republic of China on the Prevention and Control of Environmental Pollution Caused by Solid Wastes, and other environmental protection laws and regulations applicable in the place of operation, Tianqi Lithium carries out environmental impact assessments and environmental monitoring to reduce the impact of our operations on the environment and create a sustainable business model. As of December 31, 2021, all our domestic and overseas operating production plants had obtained the ISO 14001 certification.

By establishing such systems as the Waste Gas Discharge Management Measures, Wastewater Discharge Management Measures, Solid Waste Disposal Management Measures, and Hazardous Waste disposal Management Measures, we help create and perfect various environmental management systems. During the Reporting Period, the Kwinana plant in Western Australia issued and improved the Environmental Management Procedure, which standardizes environmental management responsibilities, strategies, emergency controls, training, and audit processes.

In order to establish a goal-oriented management mechanism and promote the closed-loop management and effective improvement of green development, the Company has set environmental targets for all its production plants, implementing effective targeted management of carbon emissions, energy use, and water efficiency. Meanwhile, a target performance appraisal system has been set up to further improve the Company's environmental performance and build a green brand image. During the Reporting Period, all pollutants of Tianqi Lithium were discharged in compliance with applicable standards, and there was no environmental penalty caused by excessive or illegal discharge of pollutants, and no unexpected environmental accidents occurred. (For the two tables below, it would be good to introduce how these values have dropped from 2020 values. If these are targets, then identify the transitional pathways to achieve these targets)

Energy efficiency targets

- Shehong plant in Sichuan: 2.53 tons of coal equivalent/ton of products (lithium carbonate)
2.25 tons of coal equivalent/ton of products (lithium hydroxide monohydrate)
- Zhangjiagang plant in Jiangsu: 2.14 tons of coal equivalent/ton of products (lithium carbonate)
- Tongliang plant in Chongqing: 5.86 tons of coal equivalent/ton of products (lithium metal)

Water use efficiency targets

- Zhangjiagang plant in Jiangsu: 21.8 tons/ton of products (lithium carbonate)
- Tongliang plant in Chongqing: 80 tons/ton of products (lithium metal)

Emission Compliance

The Company pays great attention to pollutant discharge during production and operation, and has taken the initiative to put the concept of green production into practice. We have established specific management systems at each production plant based on the applicable environmental management system, prioritizing the management of wastewater, waste gas, and wastes in our environmental protection efforts, to keep pollutants under control at the source and implement total quantity control.

Wastewater Management

Wastewater is managed at each production location via the use of on-site water treatment facilities. We monitor the PH value, COD value, total nitrogen, total phosphorus, and other pollutant indicators for water entering and exiting the wastewater treatment process to ensure that discharges are aligned with the standards set by the relevant state authorities. Meanwhile, the utilization rate of wastewater has been increased and wastewater discharge reduced through multipurpose wastewater reuse projects to increase the overall efficiency of our water use.

The intelligent wastewater return pipeline project at the Zhangjiagang plant in Jiangsu

During the Reporting Period, we continued to push forward the intelligent wastewater return pipeline project at the Zhangjiagang production plant in Jiangsu province. The wastewater discharge pipeline was modified to incorporate an above ground pipe and open-ditch drainage system, ensuring clear visibility of the discharge pipeline to effectively identify any loss of water due to leaks from damaged pipes. In addition, the system can feed data from the online monitoring equipment back to central control in a timely manner. If an anomaly is detected in any of the wastewater discharge indicators, the valve of the discharge pipeline can be closed remotely and the valve of the return pipeline opened to avoid the excessive discharge of wastewater.

Waste Gas Management

Committed to reducing waste gas emissions in the production process, in terms of reducing pollutant concentration and pollutant discharge, we select high-quality materials, clean energy, and advanced technology to protect air quality. During the Reporting Period, we continued with the installation and application of real-time waste gas monitoring systems to implement timely and effective control of harmful gases.

Application of online waste gas monitoring equipment at the Tongliang plant in Chongqing

During the Reporting Period, online waste gas monitoring equipment was installed and put into use at the Tongliang plant in Chongqing to monitor the concentration of chlorine gas in waste gases in real time, so as to prevent residual chlorine from corroding process equipment and causing harm to the environment and human body.

Waste Management

We carry out comprehensive waste management by strictly following three principles: waste minimization, waste recycling, and harmless disposal. Each plant has a waste management department, which is responsible for coordinating the daily management and quantity calculation of all kinds of waste and promoting waste reduction and recycling. We sort and manage wastes by collecting and reusing harmless wastes and delivering hazardous ones to a qualified third party for harmless disposal. During the Reporting Period, the Kwinana plant in Western Australia issued and perfected the Waste Management Procedure to facilitate the recycling and reuse of resources in accordance with the principles of a circular economy and sustainable development.

Upgrading of the temporary storage room for hazardous wastes at the Shehong plant in Sichuan

During the Reporting Period, the temporary storage room for hazardous wastes at the Shehong plant in Sichuan was upgraded with reinforced anti-seepage measures. Meanwhile, the generic trays used in the room were replaced by leakproof trays to avoid secondary contamination caused by leakage from hazardous wastes onto the floor. These business improvements and upgrades ensure the safety of our employees and the environment in which we operate.

Ecological Protection

Given earth's limited resources, we continue to focus on ecological environmental protection and green mine development. Following the Implementation Opinions on Accelerating the Development of Green Mines issued by the Ministry of Land and Resources, we pursue the goal of "safety, efficiency, and environmental protection" by adopting scientific and environment-friendly mining methods and beneficiation processes, continuously tracking ecological restoration at all stages, preserving biodiversity, reducing the production and storage of tailings, barren rock, and other solid wastes from mines, and comprehensively utilizing solid wastes from mines through advanced technology. Once the use of a solid waste storage facility is discontinued, it will be closed in strict accordance with relevant environmental protection regulations to prevent future environmental pollution and ecological damage.

During the Reporting Period, while carrying out mining operations according to law, we continued to extend the lifecycle of mineral resources by optimizing the layout of exploration and development, building a team and an experimental platform for the comprehensive utilization of mineral resources, promoting structural adjustment of the mining industry, and devoting greater efforts to the protection and restoration of the geological environment in mining areas. Meanwhile, we worked with local communities to help preserve ecological diversity by exploring new ways for mines to develop in harmony with the surrounding environment.

Run mines according to law and standardize management

We abide by green mine development standards and ensure that mine planning and operations incorporates green mining practices.

We implement a strict environmental access system in accordance with the Law of the People's Republic of China on Environmental Impact Assessment. Before the implementation of new, renovation, and expansion projects, we conduct a comprehensive environmental impact assessment to understand the possible ecological and environmental impacts of the project.

At our Greenbushes operation, we gather and manage rainwater onsite for use in the operation of the mine and mineral processing and seek to re-process former mine tailings to recover spodumene lithium ore.

Contribute to environmental management and land conservation

We leverage technological innovation in the exploration, exploitation, and comprehensive utilization of mineral resources, and effectively protect the environment around mines through cleaner production, energy conservation and consumption reduction, and other technologies.

We strictly control materials that may cause soil contamination, carry out anti-leakage treatment and monitoring on the stacking and storage sites, and store a comprehensive range of anti-leakage materials.

Promote community harmony and ecological protection

We closely monitor the impact of mining on the environment of the surrounding communities, strengthen ties and interactions with local residents, and jointly promote biodiversity and ecological conservation through voluntary activities.



Resource Utilization

Improving the efficiency of resource utilization is an important way to achieve green development of enterprises. In strict compliance with the Energy Conservation Law of the People's Republic of China, the Water Law of the People's Republic of China, and other applicable laws and regulations, we standardize the rational use of resources and energy, and constantly drive forward innovation and practice in energy conservation and consumption reduction, water resources management, packaging material management, etc.

Shot in Shehong Plant

Energy Conservation and Consumption Reduction

Tianqi Lithium has been focusing on energy conservation and consumption reduction during operation. Rigorously following the Energy Conservation Law of the People's Republic of China, the Company has formulated the Management Measures for Energy Conservation and Emission Reduction. Through the continuous implementation of "6S" Lean field management⁷, and by advocating energy conservation and standardized electricity consumption, optimizing energy conservation design, allocating resources properly, and monitoring energy consumption, we strive to save energy and reduce consumption in all aspects of our office life and production process to maximize energy efficiency.

⁷ 6S field management is a management method aimed at improving the overall work quality of companies, including six key elements: SORT, SET IN ORDER, SHINE, STANDARDIZE, SUSTAIN, and SAFETY.



Shot in Shehong Plant



Shot in Shehong Plant

Green office

Energy-saving equipment: We use products certified by the State for energy conservation and energy-saving electrical appliances, gradually update high-energy-consuming air conditioners to energy-efficient ones. Four 3P air conditioners were updated and two air conditioners with level 1 energy efficiency were added in 2021.

Optimizing air conditioning use: The temperature shall be set at no lower than 26°C in summer and no higher than 20°C in winter.

Green commuting: We give priority to new energy vehicles and encourage employees to walk, cycle, or use public or shared transportation.

video conferencing: We make full use of information-based channels such as videoconferencing and teleconferencing to cut down on the travel arrangements of branches and subsidiary companies to the headquarters for meetings, thus saving energy.

Awareness raising: We have raised electricity saving awareness, requiring everyone to turn off the lights before leaving.

Green manufacturing

Energy transition: We accelerate the use of clean energy to replace traditional fuels with low energy efficiency. During the Reporting Period, raw coal and clean coal were completely eliminated at the Shehong plant in Sichuan, saving 15,370 tons of coal equivalent in 2021 based on the energy consumption per ton of product. Meanwhile, the Shehong plant signed agreements to realize the full use of green electricity in 2021, with all electricity supplied by hydropower.

Equipment renewal: We take the initiative to apply energy-efficient equipment. During the Reporting Period, the Tongliang plant in Chongqing replaced the electrolytic silicon rectifiers, increasing the power factor from about 0.71 to about 0.88 (without reactive power compensation), greatly improving the effective utilization of electricity and thereby achieving energy conservation and consumption reduction.

Resource Management

Water Resources Management

We have actively implemented water resource conservation measures in all aspects of production and operation to continuously improve the efficiency of water resource use. We have established a rigorous water management system at each plant, striving to reduce waste water and improve the water reuse rate through the application of water-saving equipment and water reuse technology.



In 2021, the proportion of recycled and reused water consumption reached 90%, up 1.16% year on year.

91%

In addition to enhancing water conservation, we are committed to identifying, managing, and monitoring water resource risks facing our business operations. Our production water sources vary according to the location of the project, mainly including the municipal pipe network, surface water, recycled rainwater, etc. We evaluate water supply risk at the project site in the environmental impact assessment stage, and effectively reduce water resource risks by establishing the corresponding emergency mechanism and equipping the site with supplementary water tanks.

Cooling water comprehensive optimization project

During the Reporting Period, we invested 589.01 thousand dollars to implement the cooling water comprehensive optimization project for the Shehong plant in Sichuan, modifying the cooling water system of the production workshop. After the completion of the project, the daily discharge from the total outlet has been reduced from about 1,000 m³ to about 500 m³, and the daily lithium loss reduction translates to approximately 96.2 kilograms of lithium carbonate equivalent. The annual recovery is expected to be 31.75 tons, improving water use efficiency and further increasing the lithium recovery rate.

Packaging Materials Management

The main packaging materials used by the Company include plastic trays, cardboard, PE film bags, etc. We follow sustainable development principles, practice the concept of green packaging, and reduce the use and waste of packaging materials. During the Reporting Period, we promoted the recycling of packaging materials. The Shehong plant in Sichuan, for example, recovered a total of 8,823 pieces of packaging materials, equivalent to 286.76 thousand dollars. The recycled plastic trays, cardboard, and plastic bags were reused for 2 to 4 times, saving nearly 310.01 thousand dollars of packaging material costs in addition to a significant volume of packaging materials diverted away from landfill.



- 9 INDUSTRY, INNOVATION
AND INFRASTRUCTURE


- 12 RESPONSIBLE
CONSUMPTION
AND PRODUCTION


- 17 PARTNERSHIPS
FOR THE GOALS



Operations

Focusing on the pursuit of efficiency and excellence, Tianqi Lithium is committed to becoming an international leader of the new energy materials industry with lithium as the core. We value customer needs and commit ourselves to developing energy-saving and environment-friendly and high quality new energy materials. Through R&D, innovation, and industry communication and exchanges, we work with partners to build a highly-qualified ecosystem for the lithium industry.



Shot in Kwinana Plant

Quality Management

Holding fast to craftsmanship, ingenuity, and quality, we strive to consolidate the quality management foundation and perfect the customer service mechanism, making full use of the best resources and technology to produce the best products to satisfy customers with world-leading quality.

Shot in Chongqing Plant

Product Assurance

Quality Management System

Tianqi Lithium continues to improve its quality management system to ensure that all product parameters are considered internationally advanced. We have established the headquarters quality management team, responsible for planning periodic reviews, comprehensive confirmation of the management system, products and manufacturing process, and the overall planning and control of the quality management of branches and subsidiary companies. As of the end of 2021, the Shehong plant in Sichuan, the Zhangjiagang plant in Jiangsu, and the Tongliang plant in Chongqing had obtained the IATF 16949 certification for its automotive quality management system. All our domestic and overseas resources and production plants except Zhangjiagang base in Jiangsu province and the Kwinana Plant in Western Australia had been certified to meet ISO 9001 quality management standards.

Through such systems as the Essential Quality Management System, Standards for Process Safety Management, and Standards for Process Control Management, we standardize and manage quality standards and key indicators. In addition, we issued the Quality Cost Management Standards during the Reporting Period to unify the quality cost statistical methods of all bases by defining such concepts as quality cost and cost of poor quality, thereby sustaining improvement of the Company's economic efficiency of quality.

Quality Assurance

We aim to build Tianqi Lithium as an iconic brand in the industry by implementing quality assurance measures and pursuing quality management goals in the auditing, improvement, and R&D of quality.

Quality Audit

Conduct regular internal quality audits for all production plants and strengthen supervision and management on a regular basis

Carry out annual reviews of the quality management system

Quality Improvement

Analyze and review the key process and quality indicators of each production plant annually, and set and standardize future quality goals, raising the bar for the quality management capability of each base

Quality R&D

Conduct research on the production of lithium chloride through crystallization to improve the yield and product quality by shortening the production process

There were **ZERO** product quality complaints and recalls in Tianqi Lithium during the Reporting Period.

Quality Culture

We attach importance to the development of our quality culture. By hiring external lecturers and inviting internal experts to provide training, we constantly strengthen the quality awareness of employees and fully implement the idea of quality first into production and operation.



Shot in Shehong Plant



Shot in Chongqing Plant

Service Excellence

Customer Communication

Oriented around customer needs, Tianqi Lithium strives to create open channels of communication, and listens attentively and responds to the need of each customer. We have established the Customer Complaint Control Procedures, Customer Satisfaction Control Procedures, and other systems to standardize the management of the customer communication process. Customers who have any doubts about our products and services can report their complaints through phone calls, emails, our WeChat official account, and other channels.

Receive feedback



Receive and record customer feedback through multiple channels and confirm customer requirements

Handle feedback



Investigate and analyze the problems, and deal with them according to customer requirements

Return the results to customers within three working days

Follow up & rectify



Identify corrective actions and preventive measures, and ask the relevant department to rectify

Examine, test, and analyze the confirmed returned products upon receipt; organize relevant persons to jointly review and make final decisions on the handling of the returned products

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

Customer Privacy Protection

We are also concerned about the protection of customer privacy. We have created a Confidentiality Management System in accordance with ISO 27001 information security management system, which clearly stipulates information security control procedures for mobile device management, operations software controlled use, information storage management, information transmission management, confidentiality management, etc. In addition, we have included customer files in the scope of protection of the Company's trade secrets, encrypting and controlling access to all sensitive information to safeguard customers' privacy. No privacy breach or information leakage incidents were recorded by the Company during the Reporting Period.

Responsible Marketing

In strict compliance with the Advertising Law of the People's Republic of China and other laws and regulations pertaining to publicity and marketing, Tianqi Lithium ensures that all promotional materials and information released to the outside world is true and accurate, so as to protect the rights and interests of customers. At the same time, we provide marketing compliance training for all salespersons and stipulate that all publicity content and forms should be reviewed for compliance and appropriateness, prohibiting any exaggerated or false content to adversely impact upon the image of a responsible brand.



Technology Empowerment

As it strives to become a technology-oriented firm, Tianqi Lithium continues to build platforms for innovation and share its achievements in scientific research and innovation with industry partners by virtue of its leading technologies and wealth of resources, constantly enabling the integration and innovation of the new energy industry supply chain and accelerating the green transition of the energy industry.

Shot in Shehong Plant

Technology-Oriented Development

R&D Management

We have created such management systems as the R&D Project Management Standards and the Measures for Science and Technology Management to standardize research design, investment, and incentives for researchers and developers. The Company's R&D projects are divided into research stage projects and development stage projects employing differing management procedures. BPC, OA and SAP systems have been introduced into the budgeting, approval, and implementation of R&D projects, which further standardizes and routinizes R&D management.

During the Reporting Period, we established a professional R&D center to increase our scope of innovation, built experiment platforms, and offered incentives to encourage innovation. In the meantime, we closely tracked national policies and industry trends, intensified efforts for the R&D of new products and technologies, and created new growth opportunities for the Company in the future.

Building R&D Platforms

We built a high-value comprehensive recovery and utilization laboratory for lithium slag, facilitated the comprehensive recovery and utilization of lithium ore, lithium slag, and other resources, and provided technical support for extending the lifecycle of mineral resources.

Providing R&D Resources

We have transformed from a lithium processing and manufacturing business to combine lithium resource reserves, development, and trade as well as the processing of lithium-based products, extending the industry chain upstream and downstream and the value chain to the higher end, and providing a stable supply of resources to meet high-quality R&D needs.

R&D Achievements

Fruits of Innovation

Relying on a sound scientific research management mechanism, Tianqi Lithium continues to elevate its R&D capability to drive the implementation of efficient R&D results. During the Reporting Period, with resources and technology as our driving forces, we continued to focus on the core raw materials used in next-generation high specific energy solid-state lithium-ion batteries and successfully generated samples of ultra-thin lithium metal strips and lithium sulfide products in the laboratory stage. Among them, samples of ultra-thin lithium metal strip products have been provided to a number of potential downstream customers at home and abroad for testing. The development of the above two new products indicates that Tianqi Lithium's R&D capability has gradually evolved to cover the core new materials and technologies in the midstream and downstream of the lithium-ion battery industry value chain from traditional resource development and basic lithium salt manufacturing.

Ultra thin lithium metal strip aluminum plastic film packaging technology

Systematic research was carried out to prolong the storage time of ultra-thin lithium metal strips in the conventional environment, including the optimization and selection of key packaging materials and packaging process optimization. Based on the basic packaging specification of conventional lithium metal ingots, the packaging process was refined and a relatively complete packaging protection scheme developed for ultra-thin lithium strips.

Lithium sulfide product technology

We completed lab-scale test of the preparation of lithium sulfide, a key material for next-generation sulfur solid electrolytes, and developed an industry-leading preparation technology for lithium sulfide products, with product purity reaching above 99%. Lithium sulfide products have laid the foundation for the Company to respond to the development of next-generation sulfur solid-state battery technology, diversifying and adding value to the current product offering.

Lithium salt product process technology

To respond to the rapidly changing process technology in the downstream, each base collected and compiled process technology packages for the Company's main products (lithium carbonate, lithium hydroxide) during the Reporting Period. Through the establishment of a more accurate, detailed, and logical process technology database of main lithium salt products, we further explored the optimization and improvement of existing process technology.

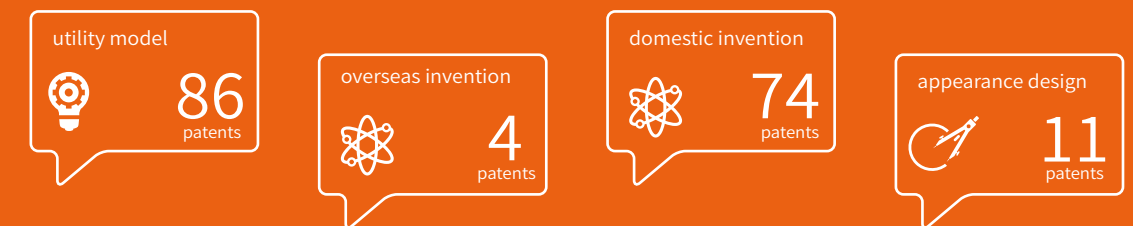


Shot in Chongqing Plant



Shot in Chongqing Plant

Our R&D work has led to a number of technical achievements boasting significant production and application prospects and economic benefits. During the Reporting Period, the Company continued to increase R&D investment, with a total R&D investment of 2,918.14 thousand dollars. The number of new patent applications and patents granted hit a new high, generating fruitful intellectual property results:



Protection of Intellectual Property Rights

We attach great importance to the creation, application, management, and protection of intellectual property rights, consciously abide by the Patent Law of the People's Republic of China, the Anti-Unfair Competition Law of the People's Republic of China, the Specifications for the Administration of Intellectual Property Rights of Enterprises, and other laws and regulations to safeguard the Company's intellectual property rights. During the Reporting Period, we improved upon the intellectual property management system and promoted the application of innovation through system establishment, institutional support, and process standardization.

System establishment

Implement information-based management by building an intellectual property management system to increase management efficiency

R&D personnel sign non-disclosure and non-competition agreements to help protect our intellectual property rights and promote industry fairness

Institutional support

Standardize intellectual property management by formulating a number of systems, such as the Control Procedures for External Intellectual Property Documents and Records, the Control Procedures for Legal and Other Requirements, and the Control Procedures for Basic Intellectual Property Management, based on the Specifications for the Administration of Intellectual Property Rights of Enterprises

Process standardization

Complete the Patent Application Process, stipulating the standard operating procedures for patent application

Clearly define the responsibilities for technology research and development, patent application and protection, and management of patented technology, and standardize the application of patented technology, so as to protect the Company's intangible assets

Boasting sound intellectual property management capabilities and leading intellectual property achievements, the Company is highly recognized in terms of R&D management, work system, application of achievements, and intellectual property protection. During the Reporting Period, Chongqing Tianqi Lithium Co., Ltd. was selected as one of the Enterprises with Advantages in Intellectual Property in the city, acknowledging our contribution to the thriving new energy industry.

Industry Cooperation

Assuming the responsibility to boost industry development, we work together to contribute to a booming new energy industry through the improvement of industry standards, knowledge sharing, industry conferences, and so on. During the Reporting Period, we were engaged in in-depth cooperation and exchanges with research institutions and other upstream and downstream partners in the industry supply chain, committed to creating an industry ecosystem of knowledge integration for mutual benefit.

Tianqi Lithium and Qinghai Institute of Salt Lakes of Chinese Academy of Sciences launched academic exchanges on lithium

During the Reporting Period, Tianqi Lithium carried out academic exchanges and discussions with Qinghai Institute of Salt Lakes of Chinese Academy of Sciences on the comprehensive utilization of lithium resources, and launched a cooperative project titled “Research on Rb and Cs Comprehensive Utilization and Recovery Technology in the Lithium Salt Preparation Process” in early 2022. The project intends to recycle rubidium and cesium entrained in the preparation of lithium salt and prepare rubidium carbonate and cesium carbonate products, thereby reducing loss of resources by facilitating the multi-purpose use of lithium resources.

Tianqi Lithium participated in the Lithium Industry Supply Chain Summit Forum

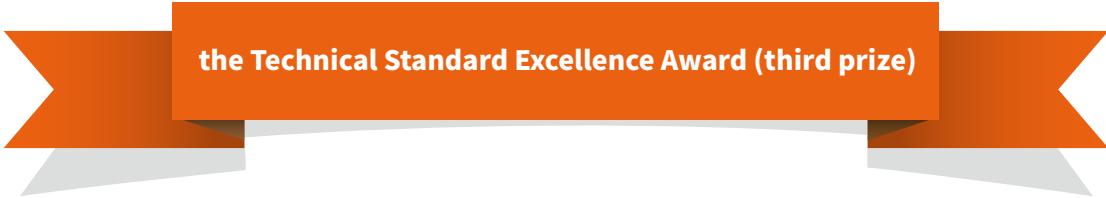
During the Reporting Period, the 10th Anniversary Conference of China (Chengdu) Lithium Chapter and Lithium Industry Chain Summit Forum was held in Chengdu in 2021 with the theme of “Changing Our Life and the World with Lithium”. Hosted by China Nonferrous Metals Industry Association Lithium Branch and co-organized by Tianqi Lithium and other companies, the conference was attended by representatives from Chinese Academy of Engineering, government departments at all levels, industry associations, councils, members, upstream and downstream industry supply chain companies, securities funds, and news media. Mr. Jiang Weiping, Founder and Chairman of Tianqi Lithium, was invited to attend a high-level roundtable interview. At the meeting, Mr. Jiang shared the Company’s development experience in the industry and technology trends, and expressed his belief in working with industry partners to achieve China’s “dual carbon” goals.



Drawing on our wealth of industry experience and technologies, we have played an active role in the formulation of production standards and specifications for all kinds of lithium products in China, and continue to facilitate the standardization and specialization of industry production. During the Reporting Period, Tianqi Lithium participated in the preparation or revision of the following industry and national standards:

No.	Name of standard	Level of standard	Classification of standard
1	Lithium Metal Unit Product Energy Consumption Quota	Industry standard	————
2	Crude Lithium Carbonate	Industry standard	Product standard
3	Lithium phosphate (YS/T-637)	Industry standard	Product standard
4	Battery-Grade Anhydrous Lithium Hydroxide	Industry standard	Product standard
5	Crude Lithium Chloride	Industry standard	Product standard
6	Methods for Chemical Analysis of Crude Lithium Carbonate: Part 1-6	Industry standard	Analytical standard
7	Methods for Chemical Analysis of Lithium Silicon Alloys: Part 1-2	Industry standard	Analytical standard
8	Battery-Grade Lithium Carbonate (YS/T 582)	Industry standard	Product standard
9	Methods for Chemical Analysis of Lithium Carbonate, Lithium Hydroxide Monohydrate, and Lithium Chloride: Part 2, 9 & 12 (GB/T 11064)	National standard	Analytical standard
10	ISO/TC 333 Lithium Vocabulary	National standard	————

In 2021, the YS Lithium Product Energy Consumption Quota participated by companies including Tianqi Lithium won the Technical Standard Excellence Award (third prize) of the National Nonferrous Metal Standardization Technical Committee.



Supply Guarantee



Shot in Zhangjiagang Plant

Tianqi Lithium is committed to integrating the concept of sustainable development into supply chain management, constantly enhancing the social responsibility management of suppliers, strengthening mutual trust, working closely with supplier partners for collaborative development, and creating a green, open, transparent, and win-win new energy industry supply chain.

Supply Chain Management

We have established and follow a series of supplier management systems and procedural standards, including the Supplier Management Specifications, the Supplier Admission Process, the Supplier Annual Appraisal Process and the Downgrading or elimination process for non-performing suppliers, to provide clear guidelines for the whole process of supplier management. We categorize suppliers into strategic suppliers, regular suppliers, and platform-based suppliers according to the type of goods or services they provide. During the Reporting Period, we revised and improved the Supplier Management Standards by adding such content as the management of blacklisted suppliers and the on-site audit process for suppliers to systematically manage supplier screening, admission, audit, and assessment.

Supplier Screening

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

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

Supplier Admission

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

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

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

Supplier Audit

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

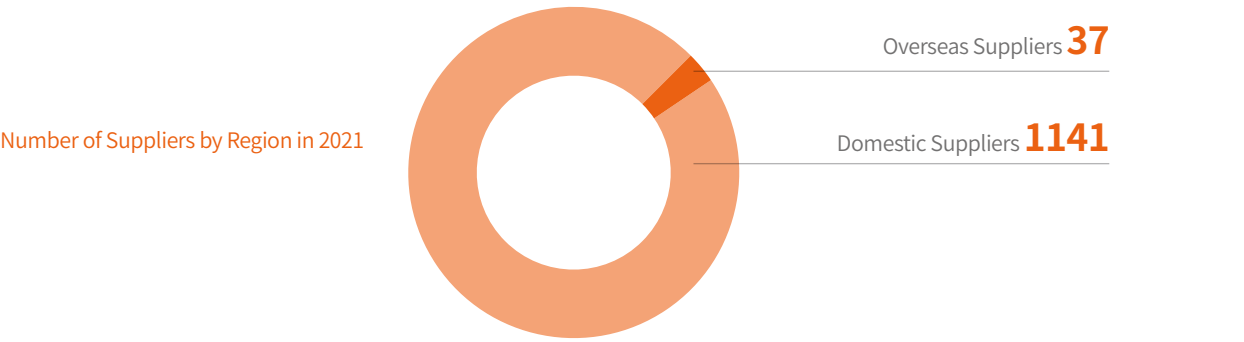
Supplier on-site audits have been extended to the upstream suppliers of suppliers, with six on-site audits completed during the Reporting Period.

Supplier Assessment

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

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

During the Reporting Period, Tianqi Lithium had 1,178 suppliers, among which 82% of strategic suppliers have obtained the quality system certification.



Intelligent Procurement

We continuously improve procurement efficiency and achieve intelligent standardization by reshaping the supplier management system. During the Reporting Period, the digital supplier platform was introduced to provide a complete range of products in large numbers, effectively reducing the number of connections with suppliers and management costs, and enhancing the advantages of large-scale procurement.



Responsible Supply Chain

Creating a sustainable supply chain is one of the important tasks for us in fulfilling our social responsibilities and achieving long-term benefits. We constantly strengthen the ESG risk management of supply chains and conduct social responsibility audits for key suppliers, which cover competence considerations such as product quality and customer management as well as flexible indicators such as environment, safety, and labor rights, urging suppliers to jointly build a more responsible, growing, and sustainable supply chain system.

Occupational health	Environmental protection	Labor rights	Business ethics
Obtain ISO 14001 & OHSAS 18001 certification	Pollutants discharged under certain standard	Make social insurance payments including work-related injury insurance for employees	Sign an agreement that include clauses of integrity with suppliers to prevent any corruption and bribery
Arrange annual health check-up for all employees	No serious environmental accidents and fines	Prohibit child labor and forced labor	Immediately terminate cooperation once any unethical conduct is found
Provide education and training in production safety for employees	Identify, safely manage and control hazardous waste		

Furthermore, we adhere to green and low-carbon development, stay committed to the value that growth and greenness should go hand in hand, promote and lead the green development of supply chains, and assist the Company’s production plants in realizing the vision of a low-carbon supply chain in storage, logistics, and other value chain linkages. During the Reporting Period, we chose to load and unload dust-laden cargoes at the ports equipped with negative pressure machines, and directly transferred the cargoes from seagoing vessels to indoor warehouses, thus reducing fugitive dust emissions in logistics and product storage.

Responsible Mineral Resources Management

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

We follow the Chinese Due Diligence Guidelines for Responsible Mineral Supply Chains and the third edition of the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas. We have issued and continue to improve the Management Manual for Responsible Mineral Supply Chains, Responsible Mineral Risk Identification and Control Procedures, and the Code of Conduct for Responsible Mineral Suppliers, implementing strict responsible management and traceability of lithium materials. Driven by downstream customers, Tianqi Lithium established a responsible mineral resource supply chain management system internally in 2020, which was well recognized by customers and third-party auditing agencies through continuous improvement and optimization in 2021.

Step 1: Create a strong corporate management system

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

Step 2: Identify and assess supply chain risks

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

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

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

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

Conduct enhanced due diligence on raw material and mineral suppliers identified as "possibly at risk"

Step 3: Develop and implement strategies to address identified risks

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

Tianqi Lithium will make claims for direct and indirect losses and transfer it to the relevant government authorities for handling if it causes major economic losses or negative social impacts to the company

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

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

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

Step 5: Supply chain due diligence annual report

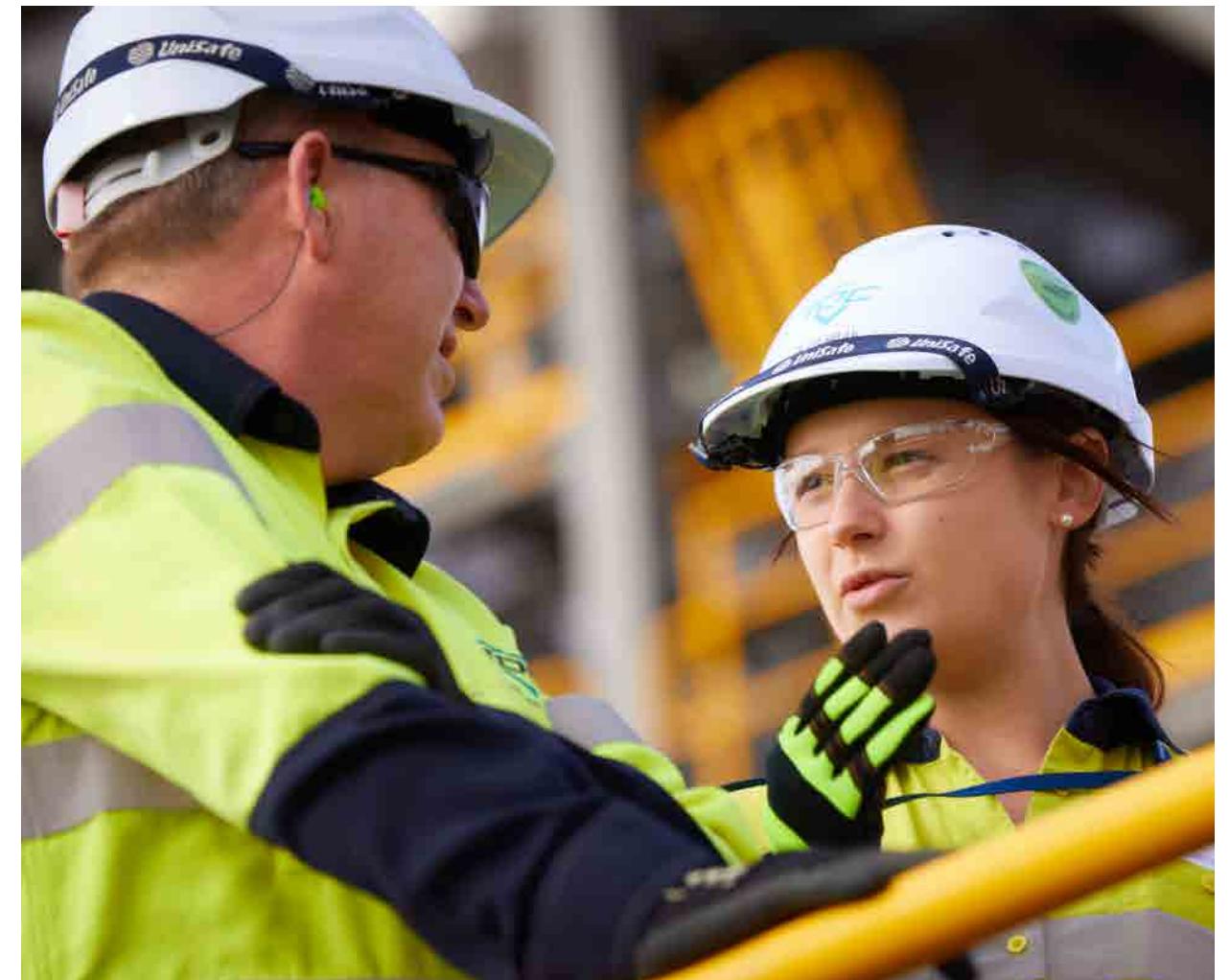
Form the assessment opinion and generate TQC01-11R0044 Responsible Mineral Risk Identification and Assessment Report after a comprehensive assessment by the Tianqi Lithium Responsible Mineral Supply Chain Working Group based on the relevant information provided by the mineral suppliers and the information collected by the Tianqi Lithium Responsible Mineral Supply Chain Working Group

Cooperation with Suppliers

Tianqi Lithium expects to establish and maintain a good cooperative relationship with excellent suppliers and further expand the scope of cooperation with outstanding companies. By carrying out supplier seminars, symposia, professional training, and other activities from time to time to publicize the Company's purchasing policy, sustainability framework, supplier management philosophy, operational conditions, and the latest industry development, we hope to grow together with suppliers and create a favorable business environment facilitating win-win cooperation.

On-site instruction for suppliers

During the Reporting Period, the Company conducted on-site audits of the suppliers of sodium carbonate, a category with the largest purchase volume besides spodumene. By implementing Tianqi Lithium's supplier standards and requirements, we communicated with the suppliers on the deficiencies found, and trained and guided them to make improvements, which helped deepen the cooperation and communication between the two sides while ensuring product quality.



3 GOOD HEALTH
AND WELL-BEING4 QUALITY
EDUCATION5 GENDER
EQUALITY8 DECENT WORK AND
ECONOMIC GROWTH

Employees

Tianqi Lithium regards employees as the driving force behind the vigorous development of the Company, and has always put people first. We strive to build an excellent team by attracting talent with opportunities for development, bringing people together through our business endeavors, training employees through work, demonstrating genuine care for them, and safeguarding the rights and interests of employees. Meanwhile, based on the business development of the Company, we have established a standardized management system for the employment, training and growth, and health and safety of employees, promoting common development for employees and the Company.

Employment Overview



Protection of Employee Rights and Interests

In strict compliance with the Labor Law of the People's Republic of China, the Law of the People's Republic of China on Promotion of Employment, the Law of the People's Republic of China on the Protection of Minors, the Provisions on the Prohibition of Using Child Labor, and other laws and regulations of the countries and regions where our operations are located, we have formulated sound human resources policy and system to standardize recruitment and employment and effectively protect the rights and interests of employees. We strictly prohibit the use of forced labor and child labor and harassment in the workplace, and have incorporated the prohibition of child labor and gender discrimination into the Code of Ethics and Professional Conduct. Committed to equal treatment to all employees, we strive to create a diverse work environment, resolutely resist discrimination based on gender, ethnicity, religious beliefs, social status, and so on, and negotiate and improve employee rights and interests through employees' congresses and other channels with a focus on the protection of the rights and interests of female employees, collective contracts, and other measures to protect employee rights and interests. During the Reporting Period, no use of child labor or forced labor, discrimination, or harassment was found in Tianqi Lithium.

Diversity in Recruitment

Tianqi Lithium employs a mixed approach to attract talent, utilizing campus recruitment drives, experienced hire recruitment companies, and other channels to bring in the right people and skills to strengthen team dynamics and diversify the workforce. During the Reporting Period, we optimized the recruitment process and system, and established standards for using recruitment channels. Meanwhile, we drew up talent recruitment plans for each production plant and functional department, launched the "Dream Up Your Future with Lithium" campus recruitment program, and built a long-term internship base with Universities in Sichuan Province, supporting the Company in forging an excellent team.

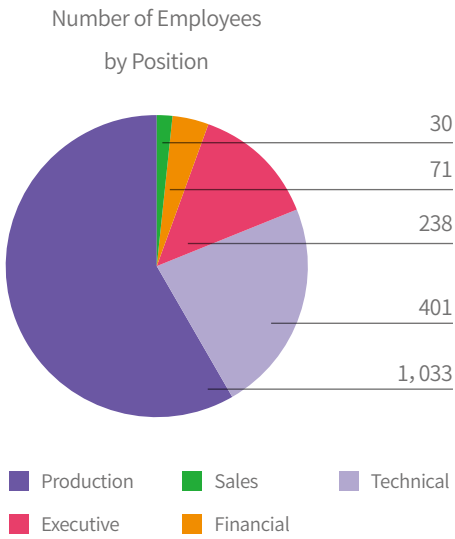
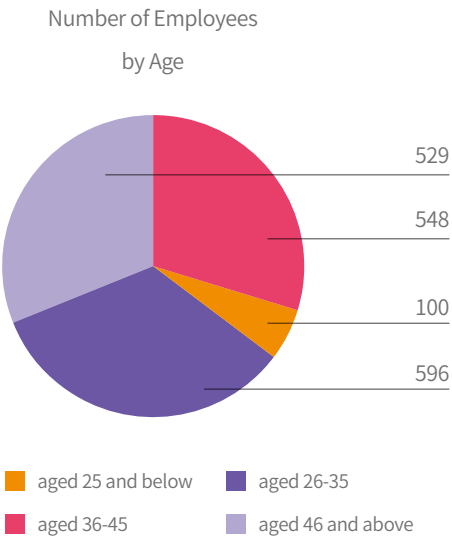
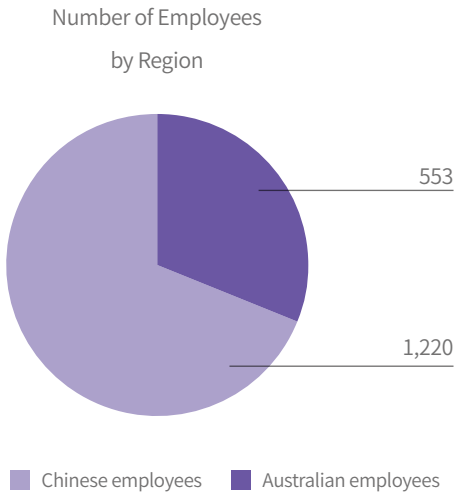
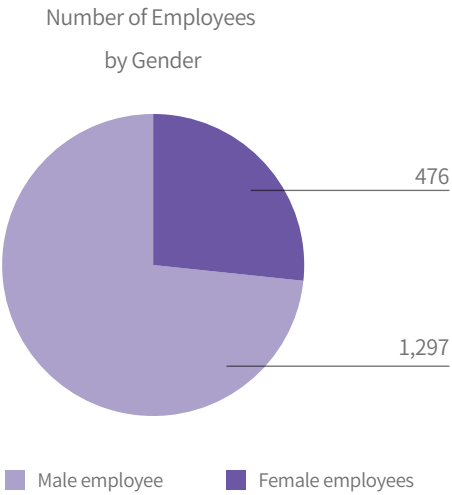
“Dream Up Your Future with Lithium” campus recruitment program

In August 2021, Tianqi Lithium launched the “Dream Up Your Future with Lithium” campus recruitment program, focusing on the recruitment of recent science and engineering graduates equipped with the skills required for key positions to support the Company’s talent pool. The program was initiated by the Human Resources Department based at Chengdu headquarters, and each production plant was responsible for the recruitment, training, admission and overall evaluation of campus recruits.

Building a long-term internship program - a collaboration with Sichuan University

Tianqi Lithium collaborated with Sichuan University to develop a mutually beneficial internship program over a proposed three year period, aiming to create an internship and cooperation opportunity for students combining education, research, and production experience. The university arranges 30-50 third-year students majoring in chemical engineering for a 2-week production internship in our Company. While ensuring production safety, student safety, and intellectual property rights protection, we provide support and educate the students with on-the-job training experience, laying the foundation for the Company’s future talent pool and enhancing the Tianqi Lithium brand image as an employer of choice.

As of the end of the Reporting Period, the Company had a total of 1,773 employees. Based on different factors, the employees can be classified as follows:



Shot in Shehong Plant

Employee Development

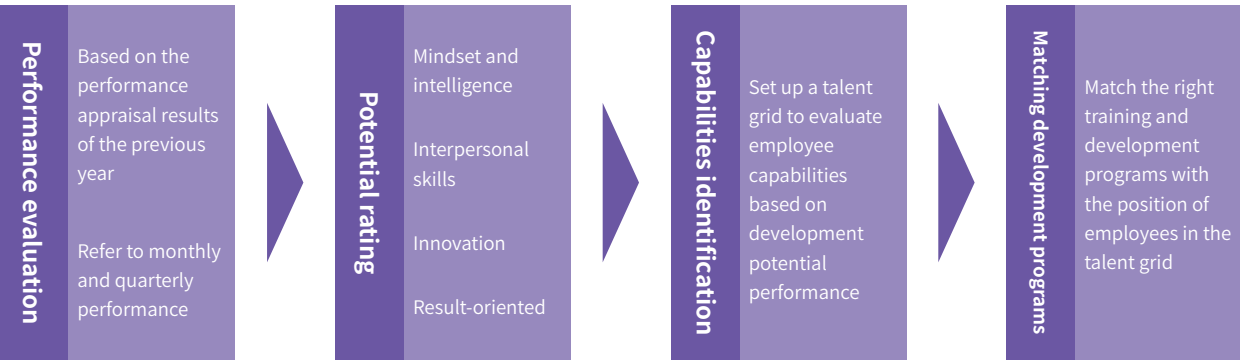
With the goal of “training excellent Tianqi employees”, we continue to improve our talent development system with a focus on fostering employee capabilities to boost their career advancement, thereby laying a foundation for the global talent development and growth of Tianqi Lithium.



Shot in Kwinana Plant

Talent Empowerment

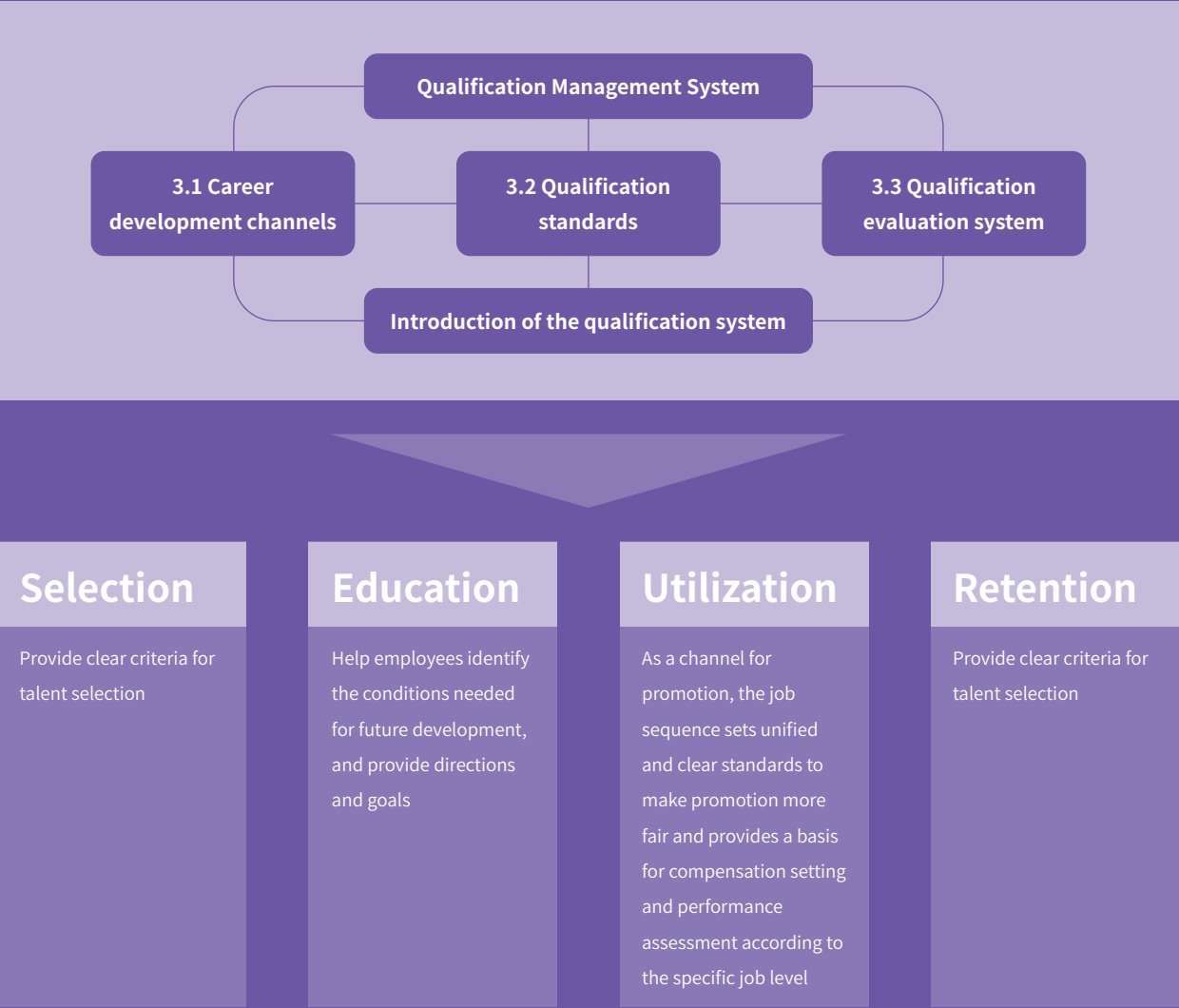
To help achieve the Company’s employee training goal and retain a strong team of talents, we try to identify the capabilities and potential of existing employees and formulate targeted training programs tailored to the needs of individual employees, providing solid support for our talent strategy. During the Reporting Period, we conducted a review of key talent to identify the key capabilities of employees based on their performance appraisal results and development potential through an approach that combines four major human resources tools, and aligned training and development programs to empower them.



Tianqi Lithium’s Talent Identification Matching Training Program

Career Advancement and Development

Upholding fairness and diversity, we attach great importance to the career planning of employees and continue to provide them with abundant development opportunities and foster channels for promotion. Through rotation, we expand career options for employees, broaden their horizons, and help them accumulate a greater experience within the lithium business. While training interdisciplinary talents, we enhance internal communication, understanding, coordination, and cooperation within the Company to support individualized employee development. During the Reporting Period, we optimized the career evaluation and promotion system for key talent, with the headquarters collaborating with all production plants to carry out field research and set up a technical qualification system. Career development channels were categorized into management channels and professional channels based on employee capabilities and global rank, forming a preliminary unified technical qualification standard and evaluation system.



Employee Training

To better engage employees and enhance their professional skills, we continue to improve the employee training system with a variety of online and offline activities. During the Reporting Period, we developed an annual training plan to provide multiple training programs for managers, process technicians, and operations staff at each production plant. According to the plan, we completed training for various qualifications and licenses and helped employees obtain job-related certificates in 2021. In addition, we provided a series of training for new managers to help them achieve personal-growth.



As of December 31, 2021, Tianqi Lithium had invested a total of 92.92 thousand dollars in employee training for the year, generating 63,160.35 total training hours with 15,253 overall training attendances. The average number of training hours per employee was 46.65, covering 58.60% of the total workforce.

Employee Care

Employee care is highly valued in Tianqi Lithium. By building a sound employee care mechanism, we provide employees with a competitive compensation package including generous benefits, a comfortable work environment, open channels of communication, heart-warming care projects, practical forms of help, and a variety of employee activities, giving every employee a warm sense of belonging.

Compensation and Benefits

According to the Labor Contract Law of the People's Republic of China and other laws and regulations, and based on the principles of specialization, differentiation, and unification, we establish and continuously improve the compensation management system. Giving consideration to both external competitiveness and internal fairness, we offer employees a comprehensive compensation package consisting of fixed salary, short-term incentive, and employee benefits. Looking ahead, we will continue to advance long-term incentive programs to further enhance a sense of belonging and cohesion and build a team of loyal, dedicated and devoted employees.



Basic benefits

Social insurance

Housing fund

Legal holidays

Paid annual leave



Supplemental benefits

Free meals

Commercial insurance

Annual health check-ups

Birthday gifts

Employee Communication

Tianqi Lithium makes sure that the voice of every employee is heard, and is committed to establishing and improving the employee communication mechanism, so as to respond to suggestions and demands in an open and effective manner. We provide upward communication channels for employees through such platforms as employee congresses, providing employees visibility of a democratic management team and help boost the healthy development of the Company. In 2021, we launched the “Valuable Suggestions” initiative on an ongoing basis, opening a variety of communication channels including telephone, WeChat, and email, and encouraging employees to put forward reasonable suggestions for improvement and positive thoughts on the Company’s operation and development by setting up a corresponding point-based reward mechanism.

Employee Satisfaction Survey

During the Reporting Period, Tianqi Lithium conducted a satisfaction survey on the employees on probation covering the onboarding experience, work arrangement, work environment, and other elements. We obtained feedback from new employees themselves and their immediate superiors through interviews with the Human Resources Department, and collected their comments and suggestions through a satisfaction questionnaire. The overall satisfaction was 95%.

Employee Activities

We care about the physical and mental health of our employees, and encourage them to strike a proper balance between work and leisure so as to live their professional and personal lives to the fullest. During the Reporting Period, we organized a number of team building activities to strengthen the bonds between employees and foster a sense of belonging.

“Together, We’ ll Create a better Future with Lithium” team building event

In June 2021, Tianqi Lithium organized the “Together, We’ ll Create a better Future with Lithium” team building event for all the employees at the Shehong production plant. Through various team activities such as “break the ice”, “fight for No. 1”, “build a tower together”, and “united as one”, they fostered greater mutual understanding and a stronger bond within the team.



Riverside team-building power walks

In November 2021, Tianqi Jiangsu Labor Union and Yongxing Village, a local community, jointly organized a riverside power walk with the theme of “Live Long and Go Far” along the Zhangjiagang bay. About 150 employees from the Zhangjiagang production plant participated in the walk which provided an opportunity for team bonding and served as a reminder to fulfill their mission to “change the world with lithium”.



Tracing the source, looking for the source of "lithium" – Ya Jiang Cuola mining area investigation

In September 2021, the management team of Tianqi Lithium conducted an investigation of the Ya Jiang Cuola spodumene mining in Garzê Tibetan Autonomous Prefecture, Sichuan province. Ya Jiang Cuola spodumene mine is a solid and necessary resource for corporate medium & long term strategy where the location lies at the west section of the largest Jiajika spodumene mining area of Asia. The management team has brought gifts to colleagues who stay at the mine area in long-term and expressed kindly regards, sincerely appreciation for their perseverance.



Health and Safety

Tianqi Lithium has consistently given priority to strengthening production safety and ensuring the health of all employees. We have established a sound EHS (environmental, health and safety) management structure and policy, integrating compliance, governance, measures, procedures, and resources to comprehensively enhance the Company’ s safety management capability and create a healthy and safe work environment for employees.

Shot in Shehong Plant

Production Safety

We strictly abide by the Production Safety Law of the People’ s Republic of China, Measures for the Administration of Contingency Plans for Work Safety Accidents, and other applicable laws and regulations, constantly improve the occupational health and safety management system, organize self-inspection in production safety, and strengthen our EHS management. All production plants of Tianqi Lithium in China have obtained the ISO 45001 occupational health and safety management system certification.

Internally, we have set up a series of safety management systems, such as the EHS Introduction and Training Procedures, the Safety Management Procedures for Primary Level Teams and Groups of Functional Departments, the EHS Inspection and Audit Procedures, the Chemical Management Standards, and the Safety Risk Assessment and Commitment Announcement Management Standards. We strive to improve our production safety management capability by raising safety awareness among employees, identifying, investigating and rectifying potential safety hazards, and building a culture of safety, etc., implementing the safety requirements of Tianqi Lithium through excellent execution, close attention to detail, and rigorous assessment. Safety management systems including the Health and Safety Management Plan and Work Hazard Analysis have been put into place at the production plant in Kwinana, West Australia. No work-related death or major safety accident occurred in Tianqi Lithium in the last three years up to the end of the Reporting Period. During the Reporting Period, Tianqi Lithium lost a total of 451.5 working days due to work-related injuries.

During the Reporting Period, to ensure the smooth implementation of the health and safety management regulations, the Company included EHS management as one of the key annual performance assessment indicators of senior executives and EHS accident grade assessment into the performance assessment of the general manager of each production plant, so as to comprehensively supervise and manage our EHS efforts. Meanwhile, each production plant of Tianqi Lithium has also set corresponding annual EHS targets to achieve continuous supervision of safety and health management.

Tongliang, Chongqing	Break down the EHS target into monthly targets, and track the system target monthly
Shehong, Sichuan	Achieve a EHS accident rate
Zhangjiagang, Jiangsu	Achieve a 100% implementation rate of EHS inspection plans and a timely rectification rate of potential EHS hazards of 90% or above

Based on the annual EHS target, we will implement production safety protocols throughout all aspects of production and implement a series of safety management measures to ensure production safety through hazardous chemicals management, daily safety management, identification of potential safety hazards, and emergency prevention and control.

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

Management of Hazardous Chemicals

We attach great importance to the management of hazardous chemicals, and in accordance with the Notice of the Ministry of Emergency Management on the Comprehensive Implementation of the Announcement System of Safety Risk Assessment and Commitment of Hazardous Chemical Enterprises and the Implementation Guidelines for the Identification and Management of Hidden Dangers of Accidents in Hazardous Chemical Enterprises, we have formulated the Management Announcement Standards for Safety Risk Assessment and Commitment. We implement a two-level (headquarters and production plants) management structure, in which each production plant is responsible for the management of hazardous chemicals in their own manufacturing process while the headquarters oversees the management of each production plant, so as to implement chemical safety management and ensure production safety. In addition, we put on record the material safety data sheet and chemical reaction matrix table of all the chemicals at the production plant, and urge each production plant to update these in a timely manner when introducing new chemicals, further ensuring the comprehensive control of hazardous chemicals.

Risk assessment of hazardous chemicals

Conduct safety assessment on the hazardous chemicals tank area to avoid leakage and over-limit operation

Upgrade management for fire operation of the hazardous chemicals tank area, and identify risks before each special operation

Warehousing management of hazardous chemicals

Require that the manager of the hazardous chemicals warehouse familiarize themselves with the names and physical and chemical properties of the chemicals, as well as fire prevention and control, explosion prevention, and anti-exposure measures, and be equipped with necessary protective equipment and appliances

Forbid the setting of offices and restrooms in the warehouse of hazardous chemicals and strictly control the entry and exit of persons

Safety Training and Activities

We attach importance to educating employees on health and safety knowledge and skills, and regularly organize safety training, drills, and EHS advocacy activities to enhance employee emergency response and accident prevention capabilities, increase their safety knowledge, ensure employee and production safety, and consistently communicate the idea of “making safety a habit” to the public. Meanwhile, we set up a special EHS bonus to incentivize employees in their daily EHS performance and motivate them to engage in safe production practices.

Storm and roof leaks emergency drills

To improve its emergency handling capability in sudden storms and roof leaks, Tianqi Lithium's Tongliang plant in Chongqing formulated the Emergency Response Plan for Sudden Storms and Roof leaks and organized emergency drills in workshops to test whether the plan was practical and whether the emergency response teams could coordinate and collaborate with one another, thus ensuring the safety of people and property in the event of an emergency.

EHS Advocacy Week

The third EHS Advocacy Week took place at Tianqi Lithium's Headquarters in Chengdu in December 2021, with an emergency escape drill, a fire safety lecture, EAP employee mental health group counseling, and other activities centering on the theme of “Safer, More Environmentally Friendly, and More Responsible”.

EHS Open Day

In May 2021, Tianqi Lithium initiated the third session of The Second China Sustainable Development Top Talent Training Program and Open Day of Key Laboratories of Lithium Resources and Lithium Materials in Sichuan, which was hosted by the Center for Philanthropy and Social Enterprise of the University of Electronic Science and Technology of China (UESTC) and Chengdu Charity Federation. The event took students on a EHS-themed field visit to the Tongliang plant in Chongqing.



Occupational Health

In strict accordance with the Law of the People's Republic of China on the Prevention and Control of Occupational Diseases, the Measures for the Administration of Occupational Health Examination, Regulation on Work-Related Injury Insurance, and other national and local laws and regulations concerning occupational health, we have established and optimized personal occupational health records and organized regular occupational health examinations for workers who may be exposed to occupational hazard factors. At the Shehong and Zhangjiagang production plants, we set the target of achieving a 100% occupational health examination rate to ensure the occupational health of employees. During the Reporting Period, our investment in occupational health totaled 1,560.37 thousand dollars, and the incidence of occupational diseases was 0%.

Occupational Health Protection Initiatives

We have carried out a series of occupational health protection measures covering hazard control, optimization of personal protective equipment, physical and mental health support, and epidemic prevention and control to identify potential occupational health hazards and ensure the occupational health and wellbeing of employees.

Hazard control

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

Optimization of personal protective equipment

Distribute heatstroke prevention and emergency medical supplies
Implement unified requirements for the wearing and use of protective equipment on the construction site; conduct training on the wearing of protective equipment; purchase anti-smash, anti-puncture steel cap boots

Physical and mental health support

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

Epidemic prevention and control

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

Occupational Health Training

To enhance employee safety and health awareness, we have carried out a series of occupational health training, advocating safety and occupational health through a variety of forms and contents to foster a common understanding of our culture of safety.

EHS training for all employees

In 2021, the Company carried out EHS training for all employees, occupational health training, safety management qualification training and testing for safety managers and key persons in charge, and management qualification training and testing for occupational health management personnel and key persons in charge to strengthen the occupational health and safety awareness of all employees and improve the occupational health and safety management capability of managers.



Shot in Shehong Plant

1 NO POVERTY



11 SUSTAINABLE CITIES AND COMMUNITIES



Community

Tianqi Lithium has embraced social responsibility since its establishment, and is determined to drive the development of the world's key new energy industries with lithium. As the new energy industry steps into a new era, we adhere to the principle that "economic benefits should never override the environment or people's wellbeing and safety, and continue to live up to the high expectations placed on us by society. In our pursuit of sustainable development, we strive to foster a close bond between the company and communities, encourage community participation and shared benefits, promote social growth, and economic prosperity. During the Reporting Period, our community investment totaled 966.43 thousand dollars.

Social responsibility award won by Tianqi Lithium

Awarding body

China CSR Top 300	Southern Weekly CSR Ranking
Advanced Targeted Poverty Alleviation in Sichuan Province	Sichuan Provincial Department of Human Resources and Social Security
Top 10 Outstanding Examples of Private Enterprises CSR in Sichuan Province 2021	Sichuan Federation of Industrial Economics
Innovation Case of the Year — “Changing the World with Lithium” Tianqi Volunteer Service Program	Southern Weekly 2021 Dream Builder Public Welfare Conference
The 18th Session of the 21st Century Corporate Citizenship 2021—Outstanding Volunteer Service Enterprise	21 st Century Business Herald
CSR CHINA Volunteer Special Award	CSR China Education Award
CSR CHINA TOP 100 Responsible Corporate Brand of the Year	CSR China Education Award

Volunteer Services

Tianqi Lithium has built a global public welfare platform and a professional volunteer service team, taking the initiative to shoulder corporate social responsibility and build a public service connection channel extending deep into communities. Through a policy, organizational, and financial support system, the Company continues to perform its responsibility to “change the world with lithium” in the communities where it operates. Meanwhile, we encourage our employees to engage deeply in volunteer service programs, advocate volunteerism with full participation, build a volunteer service culture where “good deeds can be done by everyone everywhere”, and facilitate the sustainable development of communities.

Volunteer Service Activities

By constantly strengthening and expanding our volunteer team, and setting up a special fund to support volunteer service, Tianqi Lithium is committed to improving the quality and expand the scope of volunteer service. Relying on a sound volunteer service platform, we continue to increase our investment in social welfare and organize quality volunteer activities centered around education, environment, and community to help build a beautiful and harmonious society. During the Reporting Period, we invested a total of 30.27 thousand dollars in volunteer service, with 107 people contributing 131.50 hours in volunteer service activities.

Education

“Lithium Learning”, a branded educational volunteer service program developed by Tianqi Lithium based on the science, technology, engineering, and mathematics (STEM) framework, introduced to teenagers the form of existence of lithium, its development and utilization, and recycling and environmental protection, so as to build a bridge between rural children and science. Through continuous optimization and improvement of the curriculum system, we have successfully brought “Lithium Learning” into seven rural primary schools, benefiting more than 540 students. This year, we have completed the systematic IP design for “Lithium Learning”, making further improvement to the visualized presentation of courses to make it vivid and intriguing.



Lithium Learning

Lithium Learning 3.0 has been officially adopted in schools, where volunteer lecturers use the IP “Xiao Qi” to vividly illustrate the science of lithium. In December 2021, 23 volunteers from the Chongqing branch brought “naughty lithium” to Xiaolin Primary School. Through comparative physical and chemical experiments and lively and interesting presentations to nearly 70 students, they sparked a strong interest in science. We also donated a number of books and picture books to them.



Community

We have carried out a rich variety of community volunteer activities, with our volunteer teams reaching, caring for, and integrating into communities. During the Reporting Period, volunteers from the Chengdu headquarters and production plants provided volunteer services for local nursing homes and special schools from time to time, and invited community members to visit Tianqi Lithium’s production plants to understand the Company’s operation and environmental protection performance, promoting harmony between the Company and communities.

Volunteer services for children with special needs

In December 2021, more than ten volunteers from the Shehong branch visited Shehong Special School and communicated and interacted with over 50 students. Together, they played games with building blocks. After class, the volunteers presented hats and vacuum flasks to the teachers and students there, hoping that Tianqi’s love could continue to warm them throughout the winter months.



Environment

Jointly initiated by Tianqi Lithium’s domestic branch and subsidiary bases, the “Biodiversity Preservation” volunteer program aims to advocate environmental protection by respecting nature and caring for living things. We focus on biodiversity within one kilometer of the branch and subsidiary bases, monitor the changes of surrounding plants and animals, and work with NGO partners to carry out voluntary family activities centered around invasive species, local rare animals and plants, and garbage sorting, so as to foster an awareness of environmental protection and community action among employees and in communities and encourage everyone to reshape the future through actions.

Tianqi water mapping activity

In December 2021, Tianqi Lithium organized a volunteer service trip to Yunqiao Wetland in Chengdu with 20 families of volunteers with “Caring for Living Beings and Respecting Nature” as the theme. Volunteers guided the families to monitor and restore the natural ecosystem of wetlands and record and identify rare animals and plants, advocating that all sectors of society participate in scientific research and natural experiences, cultivating a sense of responsibility as major inhabitants of the planet, and encouraging everyone to continue to protect the environment and work together to safeguard our beautiful homeland.



Contributions to Communities



Rural Vitalization*

Revitalizing industrial development in rural areas is key to the rural vitalization strategy, and an area of social responsibility that Tianqi Lithium has been focusing on. As a large-scale industrial enterprise rooted in Chengdu, we respond actively to the China's rural revitalization plan, widely spread the innovative idea of spending to help farmers, and contribute to mutual support and progress between urban and rural areas.

Xiuyun Village Rural Vitalization Project

In 2021, Tianqi Lithium developed a strategic partnership for rural revitalization with Xiuyun Village of Cangxi County, Guangyuan, Sichuan Province. We converted the former office space of Xiuyun Ecological Agricultural Cooperative into a youth entrepreneurship center, promoted purchasing instead of donating, and helped them develop e-commerce businesses through live video streaming and build homestays to accommodate tourists. We helped the village build a brand by promoting the sale of local produce through live video streaming and developing local tourism through homestays. Through the integration of primary, secondary, and tertiary industries in rural areas, we build close connections between rural producers and urban consumers, thereby effectively connecting cities and villages to benefit more farmers and the poorer members of our community through the consumption of produce and promotion of rural economic development.

Xishanping Village Rural Vitalization Project

In 2021, Tianqi Lithium entered in a strategic rural vitalization partnership with Xishanping Village of Shehong, Suining. We set up the Shehong base of Tianqi volunteer service to care for left-behind children and support families in need. Tianqi Lithium's senior management team continued to pay attention to and comfort the poor families in Xishanping Village, and sent winter supplies to left-behind children and families in need.



* In 2018, the Chinese government proposed a rural vitalization strategy for year 2018 to 2022 with the intention of promoting rural areas in terms of agricultural production, rural finance, regional market integration and the urban-rural relationship to render the countryside a beautiful place to live and work.

Community Welfare

Since it was founded, Tianqi Lithium has been vigorously promoting the spirit of public service and increasing contributions for public welfare, accumulating every bit of action into a powerful force for good. We keep in mind and put into practice the idea of giving back to the society and fulfilling our corporate social responsibility. During the Reporting Period, we carried out environmental protection and public welfare activities with internal and external partners to give back to society with a keen sense of responsibility.

Low carbon Earth Day walk

April 22, 2021 is the 52nd Earth Day, themed "Repair Our Planet". In response to the Earth Day, to encourage a low carbon lifestyle, spread knowledge about environmental protection, and achieve sustainable development goals, the "Sustainable Cities and Communities" walk, sponsored by the Sichuan Red Cross Foundation, Chengdu Charity Federation, and the Center for Philanthropy and Social Enterprise of UESTC, and organized by Tianqi Lithium, headed off from Jinhua Wanda Plaza in Chengdu on the Earth Day morning. Nearly 300 environmental protection volunteers and committed people from hundreds of companies and public institutions formed a three-person team and walked 28 kilometers along the city's 2nd Ring Road, advocating for a green, low-carbon lifestyle and raising money for public welfare projects.



Fulfillment of Overseas Responsibilities

While continuously expanding its international business presence and enhancing its international capabilities, Tianqi Lithium is committed to fulfill its overseas responsibilities, actively integrate into the local communities in which it operates, to support their sustainable development.

Wildlife conservation learning activities

WA Wildlife engaged the employees at Tianqi Lithium's production plant in Kwinana, Western Australia, by sharing their knowledge and educating the team about the protection and rescue of injured wildlife. After the event, the Kwinana production plant launched a Containers For Change bottle recycling campaign, calling on all employees to collect recyclable plastic bottles and cans with all of the monies received from recycling donated to WA Wildlife.



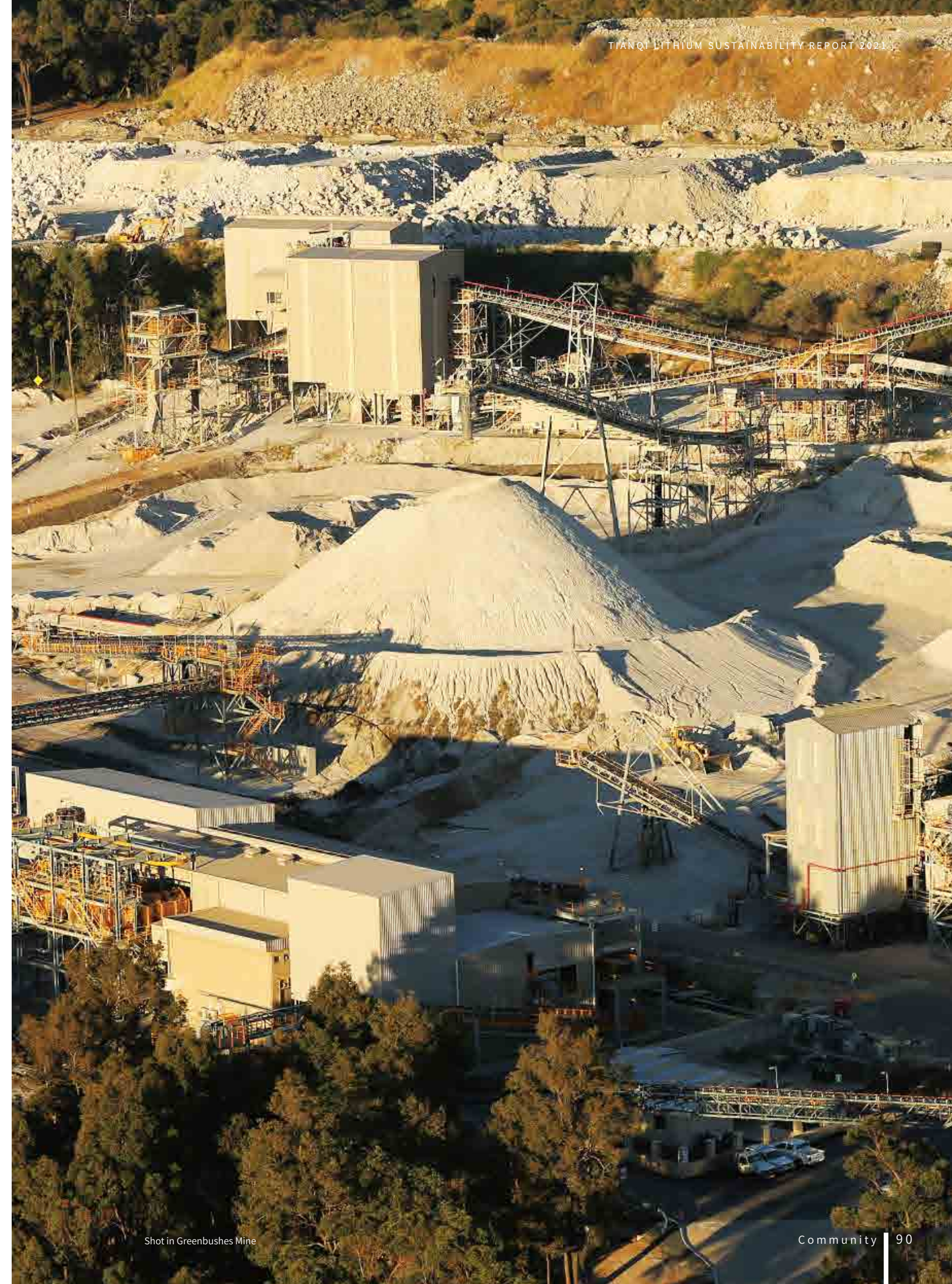
International Women's Day and iWomen Project

On the occasion of International Women's Day 2021, Tianqi Lithium West Australia Kwinana plant positively organized iWomen-themed public welfare activities with Kwinana Industries Council (KIC). Kwinana employees have shared their manufacturing and operation experience of lithium industry by entering into campus, promoted young women's knowledge of industrial sciences and career development. The objective is not only to encourage more women to join industrial field, but also help them enter regional colleges for further study. The event has brought female students together to visit factories of Kwinana and dialogued with women who come from various job functions of industry to discuss the potential advantages of the workplace.



Western Australian Symphony Orchestra Crescendo Development Program

2021 marked the fifth year Tianqi Lithium has partnered with the West Australia Symphony Orchestra (WASO). The Crescendo programme is designed to kindle an interest in classical music among primary school students by running weekly music classes for all students at two primary schools in the Kwinana area to help promote cultural development in the local community.





Light up
the living
with
Smiles



Appendix

Overview of ESG Metrics

Subject area	Aspect	KPI	Unit	2021
Economic	Production	Lithium concentrate production	Ton	953,971
		Lithium chemicals production	Ton	43,696.41
	revenue	Revenue in 2021	Thousand USD	1,187,835.53
		Domestic revenue	Thousand USD	1,029,786.69
		Foreign revenue	Thousand USD	158,048.86
	Asset	Total assets	Thousand USD	6,845,745.28
	Gross Margin	Domestic Gross profit margin	%	63.27
		Lithium concentrate gross margin	%	62.10
		Lithium chemical gross margin	%	61.89
	Net cash flow	Net cash flows from operating activities	Thousand USD	324,645.26
Environmental ⁸	Energy consumption	Natural gas	m ³	45,337,583.00 ⁹
		Purchased Electricity	10,000 kWh	17,157.01
		Purchased steam	Ton	136,800.00
		Diesel	Ton	94.85
		Gasoline	Ton	10.91
		Liquefied petroleum gas	Ton	0.09
		Oxygen gas	m ³	2.10
		Carbon dioxide gas	m ³	3,314.73
		Ethyne	m ³	3.18
		Comprehensive energy consumption ¹⁰	Ton of standard coal equivalent	93,830.61
		Intensity of comprehensive energy consumption	Ton of standard coal equivalent/ton LCE	2.09
	Resource consumption	Surface water	Ton	1,202,649.00

⁸ The environmental data covers the three production plants in Shehong, Sichuan, Zhangjiagang, Jiangsu, and Tongliang, Chongqing. Due to product category, production process and other factors, some environmental data only covers part of the production plants.

⁹ In 2021, all boilers used natural gas instead of coal as an energy source, resulting in an increase in the use of natural gas.

¹⁰ The comprehensive energy consumption was calculated in accordance with the GB/T 2589-2020 General Principles for Calculation of Comprehensive Consumption issued by the Standardization Administration of the People's Republic of China. In this Report, the comprehensive energy consumption refers to the total energy consumption of the main production system, auxiliary production system, and subsidiary production system during the reporting period within the boundary of the production system. It includes: (1) natural gas, purchased electricity, diesel, gasoline, liquefied petroleum gas, and acetylene of Shehong, Sichuan; (2) natural gas, purchased electricity, purchased steam, diesel, gasoline, liquefied petroleum gas, and carbon dioxide of Zhangjiagang, Jiangsu; (3) natural gas, purchased electricity, diesel, gasoline, oxygen, carbon dioxide, and acetylene of Tongliang, Chongqing.

Subject area	Aspect	KPI	Unit	2021
Environmental	Resource consumption	Tap water	Ton	278,455.00
		Third-party water ¹¹	Ton	251,721.00
		Total water withdrawal (fresh water)	Ton	1,732,825.00
		Recycled/reused water	Ton	16,514,660.00 ¹²
		Total water used	Ton	18,247,485.00
		Water recycling and reuse as a percentage of total water consumption	%	91
		Intensity of total water withdrawal	Ton/ton LCE	38.62
		Packaging material-plastics	Ton	1,222.55 ¹³
		Packaging material-paper	Ton	43.93 ¹⁴
		Packaging material-metal	Ton	216.17 ¹⁵
		Total packaging material consumption	Ton	1,482.66
		Indensity of total packaging material consumption	Ton/ton LCE	0.03
	Emissions	Nitrogen oxides emissions	Ton	61.79
		Sulfuric acid mist	Ton	0.39
		Sulfur dioxide emissions	Ton	9.74
		PM (particulate matter) emissions	Ton	9.60
		Chlorine	Ton	0.20
		Main emissions	Ton	81.72
	GHG emissions	Direct (scope 1) GHG emissions	Ton CO ₂ equivalent	114,949.71 ¹⁶
		Energy indirect (scope 2) GHG emissions	Ton CO ₂ equivalent	140,206.33 ¹⁷
		Total (scope1 and scope 2) GHG emissions	Ton CO ₂ equivalent	255,156.04
		Intensity of total GHG emissions	Ton CO ₂ equivalent/ton LCE	5.69

¹¹ Third-party water refers to reclaimed water purchased from industrial parks.

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

¹³ Packaging materials - plastics include plastic trays, ton bags, cover films, bottom films, stretch films, PE aluminum-plastic films, aluminum-plastic composite bags and other polyethylene packaging materials of various specifications.

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

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

¹⁶ Direct emissions include natural gas, diesel, gasoline, liquefied petroleum gas, liquid oxygen, and carbon dioxide.

¹⁷ The scope of indirect emissions includes purchased electricity and purchased steam.

Subject area	Aspect	KPI	Unit	2021
Environmental	Effluents and wastes	Effluents	Ton	328,927.67
		COD (chemical oxygen demand)	Ton	5.32
		SS (suspended solids)	Ton	4.11
		Ammonia nitrogen	Ton	0.16
		Total phosphorus	Ton	0.01
		Total nitrogen	Ton	1.22
		Household waste (food waste, office waste, etc.)	Ton	523.00
		Non-recyclable non-hazardous waste	Ton	767.28
		Lithium slag	Ton	452,944.34
		Coal ash and slag	Ton	167.30
		Iron scraps	Ton	13,900.52
		Calcium slag	Ton	286.80
		Other recyclable waste	Ton	468,589.24 ¹⁸
		Intensity of non-hazardous waste	Ton /ton LCE	10.44
		Used mineral oil (motor oil, lubricating oil, etc.)	Ton	20.18
		Waste acid and alkali, waste alcohol and laboratory waste liquid	Ton	13.60
		Waste contaminated with chemical reagents	Ton	2.98
		Total hazardous waste	Ton	36.75
		Intensity of Total hazardous waste	Ton /ton LCE	0.001
Social	R&D investment	Total R&D investment	Thousand USD	2,918.14
	Occupational health investment	Total occupational health investment	Thousand USD	1,560.37
	Safe production investment	Total safe production investment	Thousand USD	4,716.61

¹⁸ Some harmless solid wastes were temporarily stored in the warehouse in 2020 and disposed in 2021, so data has been reported in 2021.

Subject area	Aspect	KPI	Unit	2021
Social	Suppliers ¹⁹	Number of domestic suppliers	/	1,141
		Number of overseas suppliers	/	37
		Class A supplier	/	2
		Class B supplier	/	406
		Class C supplier	/	149
		Unqualified supplier	/	7
		Number of strategic suppliers with system certifications	%	82
		Frequency of due diligence to strategic supplier	Times/year	2
		Number of suppliers eliminated	/	265
	Products	Percentage of product recalled for safety and health reasons	%	0
		Customer satisfaction rate	%	>95
		Number of complaints about products and services	/	10
	Employees ²⁰	Total employees	Person	1,773
		Full-time employees	Person	1,773
		Part-time employees	Person	0
		Male employees	Person	1,297
		Female employees	Person	476
		Chinese employees	Person	1,220
		Australian employees	Person	553
		Employees aged 25 and below	Person	100
		Employees aged 26-35	Person	596
		Employees aged 36-45	Person	548

¹⁹ In 2021, a total of 564 suppliers that have cooperation with the Company were be assessed and graded.

²⁰ Data related to employee training cover Tianqi Lithium’ s domestic headquarters, subsidiaries, production plants and Tianqi Lithium Kwinana Pty Ltd (TLK, Tianqi Australia).

Subject area	Aspect	KPI	Unit	2021
Social	Employees	Employees aged 46 and above	Person	529
		Production personnel	Person	1,033
		Technical personnel	Person	401
		Sales personnel	Person	30
		Financial personnel	Person	71
		Management and others	Person	238
		Training investment	Thousand USD	92.92
		Total number of trainees	Person	807
		Total person-time of trainees	Person time	15,253
		Total training hours	Hour	63,160.35
		Average training hours per capita	Hour	46.65
		Percentage of employees trained	%	58.60
		Percentage of male employees trained	%	89.96
		Percentage of female employees trained	%	10.04
		Percentage of general employees trained	%	97.06
		Percentage of middle managers trained	%	2.26
		Percentage of senior managers trained	%	0.68
		Employee turnover rate in China	%	13.53
		Employee turnover in Australia	%	20.03
		Employee turnover rate within 1 year (passed the probationary period)	%	8.87
		Employee turnover rate for 1-3 years	%	29.43
		Employee turnover rate for 3-5 years	%	17.75

Subject area	Aspect	KPI	Unit	2021
Social	Employees	Employee turnover rate aove 5 years	%	26.20
		Number of work-related fatalities ²¹	Person	0
		Percentage of work-related fatalities ²²	%	0
		Workdays lost due to work-related injuries	Day	451.5
		Occupational disease incidence rates	%	0
		Number of major safety incidents	Item	0
	Intellectual property	Authorized overseas invention patents (cumulative)	Item	4
		Authorized domestic invention patents (cumulative)	Item	74
		Design patents (cumulative)	Item	11
		Authorized utility model patents (cumulative)	Item	86
	Community	Total number of volunteer activities	Person time	107
		Volunteer service time	Hour	131.50
		Volunteer service investment	Thousand USD	30.27
		Investment in environmental protection programs	Thousand USD	4.26
		Investment in education programs	Thousand USD	6.20
		Investment in community well-being programs	Thousand USD	966.43

²¹ There were zero work-related deaths in 2019 and 2020.

²² The ratio of work-related deaths in 2019 and 2020 was 0%.

Feedback form

Dear Reader,

Thank you for downloading the 2021 Sustainability Report of Tianqi Lithium. This is the fifth report of our sustainability series. We would like to know your opinions about the report for future improvement, and your comments or suggestions are 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 reflects 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?

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

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- 1.Which parts of the report are most interest to you?
- 2.What other information would you as a reader like to see included in the future report?
- 3.What are your overall comments and thoughts on Tianqi Lithium’ s CSR practices?

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we are very grateful to receive your feedback, comments and suggestions.