

Tianqi Lithium

2024 Responsible Mineral Supply Chain Due Diligence Management Report

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Report Introduction

Report Scope

The information and data in this report primarily cover the responsible mineral supply chain due diligence practices carried out by Tianqi Lithium Corporation (hereinafter referred to as “Tianqi Lithium” or the “Company”) from January 1, 2024 to December 31, 2024. Based on the continuity and comparability of the report, some data and information extend beyond the year 2024.

Release Method

The report is published annually and can be accessed on the Company’s official website.

Preparation Principle

Tianqi Lithium fully recognizes the potential risks of causing significant adverse impacts when engaging in the extraction, trading, processing, and export of mineral resources in conflict-affected and high-risk areas. The Company acknowledges its responsibility to respect human rights and to prevent negative impacts on the environment and society. This report has been prepared with reference to the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas (3rd Edition) (referred to as OECD Guidance), Guidelines for Social Responsibility in Outbound Mining Investments, Chinese Due Diligence Guidelines for Mineral Supply Chain (2nd Edition) (referred to as Chinese Guidelines), and the requirements of the Responsible Minerals Initiative (RMI).



Company Overview

Company Profile

Tianqi Lithium is a new energy materials corporation with lithium at its core, listed on both the Shenzhen Stock Exchange (002466.SZ) and the Hong Kong Stock Exchange (9696.HK). With more than 30 years of deep engagement in the lithium industry, Tianqi Lithium has grown into one of the world's leading lithium-focused new energy materials corporations. It has gradually built six core competitive advantages: access to high-quality upstream lithium resources, strong production capacity in lithium mining and lithium chemical products, cost control and vertically integrated operations, advanced technological capabilities, a premium customer base, and an outstanding leadership and management team. The Company is committed to creating value through openness and collaboration across areas such as corporate philosophy, management, technological R&D, product quality, corporate financing, corporate culture, ESG, and sustainable development. The Company strives to optimize global resource allocation, uphold international standards, and operate in accordance with international rules, with the goal of becoming a global leader in the energy transition.

Business Segments

Tianqi Lithium has formed a diversified business layout covering key stages of the lithium industry chain, including the development of hard rock lithium resources, the processing and sale of lithium concentrates, and the production and sale of lithium chemical products. Our main business products are divided into two categories: (i) lithium concentrate products, and (ii) lithium compounds and derivative products. Lithium concentrate products include chemical-grade and technical-grade lithium concentrates, while lithium compounds and derivative products include lithium carbonate, lithium hydroxide, lithium chloride, and lithium metal. Our products are widely used in various end markets, primarily including 3C products, electric vehicles, electric bicycles, power tools, base station energy storage power supplies, and other industries. They also serve as basic raw materials for the nuclear industry, specialty glass, and other products.

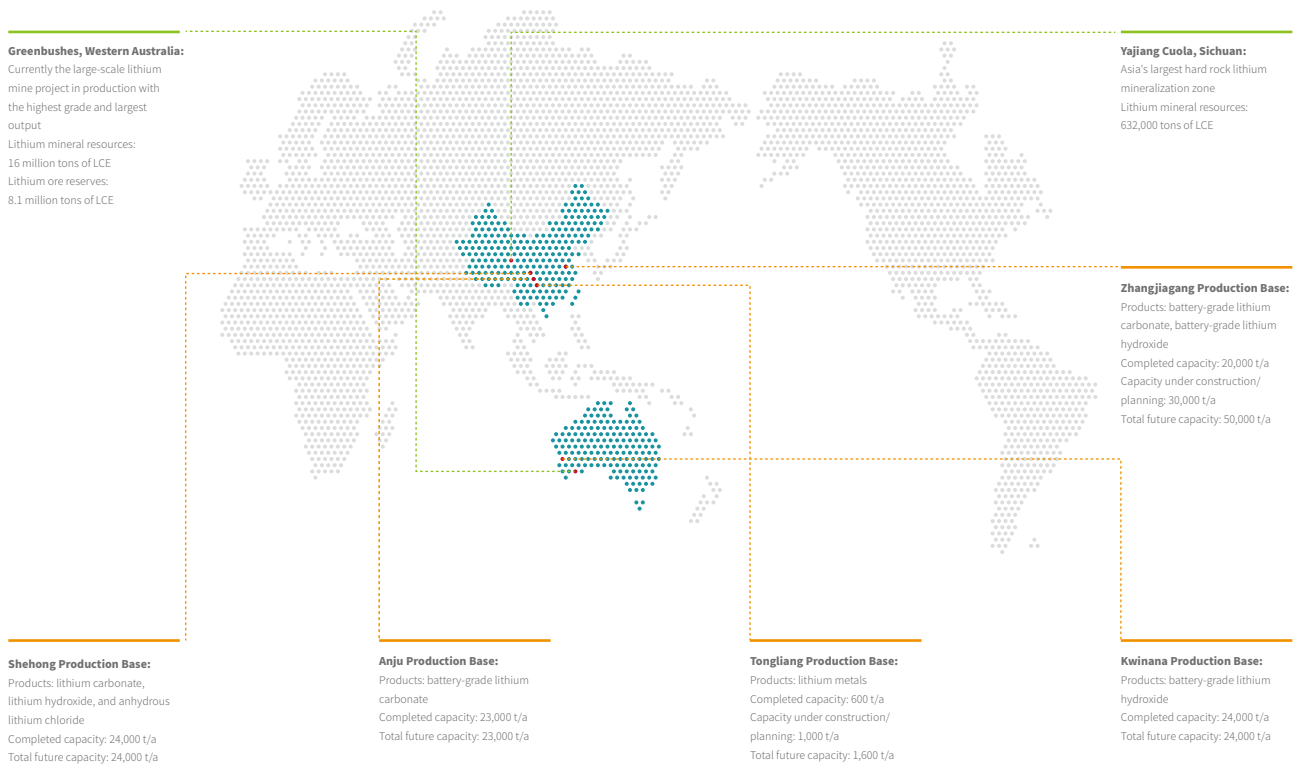
At the same time, Tianqi Lithium continues to focus on investment opportunities that can enhance the Corporation's value. By collecting and analyzing global market information, thoroughly studying and assessing industry development trends, Tianqi Lithium actively seeks upstream and downstream investment opportunities in the industry chain, thereby promoting the Company's sustainable and stable growth, advancing the healthy development of the new energy materials industry, and contributing to the energy transformation.

Supply Chain Overview

Tianqi Lithium's supply of lithium mineral raw materials primarily comes from its own mining sources, ensuring long-term stability and high-quality supply of lithium resources. The Company owns the Greenbushes Lithium Mine in Australia and the Cuola Lithium Mine in Yajiang, Sichuan, China. The Greenbushes Lithium Mine continues to provide a stable supply, while the Cuola Lithium Mine is still in the pre-production stage. Together, these two mines form the core support for the Company's global resource layout.

In the production process, Tianqi Lithium has established leading technological and large-scale production bases in both China and Australia. The Company continuously promotes process optimization, improving the production efficiency, process stability, and operational flexibility of lithium products. Leveraging its vertically integrated layout across key links of the industry chain and global operational advantages, Tianqi Lithium has built strong cooperative relationships with global customers and continues to drive the sustainable development of the new energy industry.

Lithium resource/ production bases



Supply Chain Due Diligence Management System

Due Diligence Process

Based on the five-step framework of responsible mineral supply chain due diligence, Tianqi Lithium's responsible mineral supply chain due diligence process includes the following steps:



Responsible Mineral Supply Chain Management Policy

Tianqi Lithium is committed to prioritizing the procurement of mineral resources from reliable sources that meet the responsible mineral sourcing requirements, ensuring that our supply chain does not involve high-risk factors such as funding for armed groups or human rights violations. Tianqi Lithium deeply integrates the core guiding principles of the Chinese Guidelines and the OECD Guidelines to build a systematic responsible mineral supply chain management system. This system is supported by standardized documents and processes, with the core contents as follows:

The Responsible Mineral Procurement Policy systematically establishes the core principles and commitments of the Company's responsible procurement, clearly prohibiting any mineral transactions involving high-risk areas.

The Responsible Mineral Supply Chain Management Manual provides the foundational framework for the Company's practice of social responsibility within the mineral supply chain, clearly defining implementation guidelines and management boundaries.

The Responsible Mineral Supply Chain Due Diligence and Risk Identification Control Procedures offer professional guidance for full-chain due diligence. By refining investigation processes, standardizing risk identification criteria, and implementing precise control measures, it ensures the compliance and transparency of mineral procurement activities.

Form-level documents such as the Conflict or High-Risk Area Procurement Tracking List, Supplier Responsible Mineral Self-Assessment Questionnaire, and Responsible Mineral Risk Identification and Assessment Report form a complete data support system. These documents provide quantitative tools for supply chain risk assessment and strengthen the compliance and traceability of the management process through standardized information recording mechanisms, achieving a full-process closed-loop management from policy formulation to execution.

Supply Chain Due Diligence Management Structure

Tianqi Lithium has established a clear and accountable responsible mineral supply chain management structure, setting up a Responsible Mineral Supply Chain Working Group to coordinate the implementation, and compliance management and control of supply chain due diligence policies. The working group is represented by the Executive Vice President in charge of Procurement Execution, establishing a top-level led management mechanism. It collaborates with relevant departments, including the Procurement Department, ESG & Sustainability Department, Warehousing & Logistics Department, Operation Management Department, Finance Department, Technical Department, and Human Resources Department, to establish an interactive collaboration system. This ensures the accuracy of due diligence policy implementation, processes compliance, and timely corrective measures.

Supply Chain Risk Identification and Assessment

Supplier Access Management

The Procurement Department implements supplier access control based on the Responsible Mineral Supply Chain Management Manual.

We will conduct admission communications with suppliers through policy advocacy and commitment, fully convey the Responsible Procurement Policy of Tianqi Lithium and the due diligence requirements for the mineral supply chain, and clearly inform them of the policy procedures they need to follow. Meanwhile, suppliers are also required to strictly comply with the Code of Conduct for Responsible Mineral Suppliers and sign an Acknowledgment Letter to confirm their commitment.

Conduct supplier risk assessment based on the communication, collect qualification and background information through the Supplier KYS Questionnaire, and conduct preliminary investigations in accordance with the Responsible Mineral Supply Chain Due Diligence and Risk Identification Control Procedures to avoid cooperation with high-risk suppliers.

After the contract compliance investigation is passed, the contract signing process will be initiated. The Code of Conduct for Responsible Mineral Suppliers will be signed and stamped simultaneously as an annex to the contract, so as to solidify the supplier's commitment to the legality and compliance of raw materials in the form of a contract.

Warning Signal Identification

In the 2024 supply chain due diligence work, Tianqi Lithium strictly adheres to the questionnaire review mechanism. Potential warning signals are comprehensively examined across the mineral raw material origins, transit locations, and suppliers, accurately defining the boundaries for mineral supply chain risk identification. The warning signals focused on this year are mainly categorized as follows:

Warning Signal Type	Warning Content Description	2024 Survey Situation
Raw Material Source and Transport Route Warning Signals	1. Minerals originate from “Conflict-Affected and High-Risk Areas” (CAHRAs); 2. The mineral transportation routes pass through “Conflict-Affected and High-Risk Areas”; 3. The known reserves, estimated reserves, or expected production levels of minerals in their country of origin are limited, and the actual output is inconsistent with the above-mentioned situation; 4. The so-called original country of the minerals is actually a transit country for minerals originating from “Conflict-Affected and High-Risk Areas”; 5. Minerals come from multiple recycling channels and are processed in “Conflict-Affected or High-Risk Areas”.	After investigation, no warning signals were found regarding the raw material source locations or transportation routes of the Company. All mineral source countries are clear, the reserves are consistent with the output, and the transportation routes are clear and do not pass through high-risk areas.
Supplier Warning Signals	1. The supplier or other upstream companies conduct business activities in regions where the above warning signals are present, or are shareholders of suppliers in these regions, or have an interest relationship with them; 2. Whether the supplier or other upstream companies have procured minerals from risk-warning mineral source locations and transit locations in the past twelve months.	After conducting in-depth background checks and transaction tracing on all suppliers and upstream companies, no such warning signals were identified. The suppliers’ business regions, equity structures, and past procurement records are all free of abnormalities.
Warning Signals in Specific Situations	1. Collect information to assess whether activities related to the minerals may contribute to conflict or other rights violations; 2. The country of origin and transit country of the minerals cannot be determined.	Through the integration and analysis of various information sources, no signs were found indicating that the Company’s mineral supply chain contributes to conflicts or rights violations. The country of origin and transit country information for all minerals is clear and traceable.

CAHRAs Determination

To efficiently identify mineral supply chain risks in 2024, Tianqi Lithium fully implemented the CAHRAs Risk Identification Procedure. Before establishing cooperation with all suppliers and customers, the Company strictly follows the OECD Guidelines to assess whether the supply chain involves conflict-affected and high-risk areas (CAHRAs). This year, the Company used the following five authoritative resources to assess CAHRAs:

Regulatory: Closely referencing the EU CAHRAs List and the Dodd-Frank Act, the Company conducted detailed comparisons and screenings of the regulatory requirements involved in the mineral supply chain, ensuring compliance with international regulatory standards.

Human Rights: By leveraging the UNDP Human Development Index, the Company examined the social development status of the supply chain node regions from a human rights perspective to avoid associating with regions that pose human rights risks.

Conflict: Leveraging the Heidelberg Conflict Barometer, the Company precisely identified conflict-risk areas around mineral source locations and transportation routes.

Sanction: Based on the United Nations Sanctions List, the Company conducted comprehensive verifications on the countries, enterprises, and individuals involved in the transactions, and firmly avoid business dealings with sanctioned entities.

Governance: Referring to the Fragile States Index, the Company assessed the governance levels and stability of countries and regions related to the supply chain, and proactively prevent supply chain risks caused by poor regional governance.

In each major transaction in 2024, the Company strictly required partners to provide detailed origin information, ensuring a clear understanding of the transaction sources, transportation routes, and the names and locations of direct suppliers. Subsequently, the collected information underwent multiple rounds of cross-verification against CAHRAs, Sanctions List, local laws, and internal procurement requirements. This year, no warning signals were triggered throughout the entire responsible mineral supply chain review process. The Company's mineral supply chain demonstrated robust performance in risk identification and assessment, with no transactions involving high-risk areas.

Supplier Assessment and Evaluation

Tianqi Lithium has established a rigorous and comprehensive supplier assessment and evaluation mechanism to fully ensure that suppliers consistently meet the Company's strict requirements and industry standards in key areas such as quality management, supply chain management, labor and human rights, environmental management, and business ethics management. The Company has formed a professional team that conducts regular inspections and evaluations at suppliers' production and operation sites. After the evaluation is completed, the detailed results are immediately fed back to the suppliers. Both parties engage in timely communication to analyze the root causes of any issues and develop feasible improvement measures. If any anomalies are identified during the assessment, the Company immediately initiates a rectification process. If necessary, in-depth discussions are held with the supplier, requiring them to submit targeted and actionable improvement plans and closely monitor the progress of rectification. Suppliers who fail to complete rectification within the stipulated timeframe and meet the established standards, the Company will consider terminating the partnership to maintain the overall quality and stability of the supply chain.

Supply Chain Traceability Management

Tianqi Lithium has established a comprehensive raw material traceability management process across the entire supply chain to ensure controllable risks.

(1) Accounting Records and Batch Management

Inbound Accounting Records: A separate record is established for each batch of raw materials, recording basic information such as transportation source, quantity, and other details.

Outbound Batch Number: A unique batch number is assigned to each product leaving the warehouse, and an outbound accounting record is generated simultaneously to clear track the product flow.

(2) Risk Control in the Transportation Process

Address Verification: Screen high-risk areas based on the incoming material and shipping address, and track the entire logistics through the waybill number;

Origin Traceability: Verify the product's certificate of origin, and immediately initiate procedures for rejection, refusal to ship, or raw material isolation if anomalies are detected.

(3) In-Plant Acceptance

In-Plant Acceptance: After raw materials arrive at the plant, inspectors simultaneously conduct quality testing and information verification. They confirm that the quality meets standards, complete record filing, and form a complete traceable evidence chain.

Cooperation and Support

Tianqi Lithium actively builds long-term and stable cooperative relationships with suppliers. Leveraging its own resource and experience advantages to provide a wide range of support, such as technical guidance and management training to help suppliers improve their internal management capabilities. Through this series of measures, Tianqi Lithium continuously drives the continuous optimization and upgrading of the supply chain in terms of quality, efficiency, compliance, and sustainable development.

In 2024, Tianqi Lithium achieved significant results in responsible mineral supply chain management through rigorous processes and efficient execution. No high-risk supply chain issues were identified, laying a solid foundation for the Company's stable operation and sustainable development.

Risk Mitigation Strategies

Risk Assessment Reporting: The results of risk identification and assessment are promptly reported to the management representative of the Responsible Mineral Supply Chain Working Group and the Company's senior management, with detailed explanations of the risk types, impact scope, and potential consequences.

Formulating Response Plans: Based on the risk assessment level, targeted risk management plans are developed. For minor risks, suppliers are required to rectify within a specified period; for more severe risks, consider suspending cooperation; for major risks, re-evaluate the supplier's qualification and to determine whether the cooperation should be terminated.

Tracking Rectification Results: During the supplier's rectification period, closely monitor the progress of rectification and the implementation of measures, and regularly require the supplier to submit rectification reports to ensure that risks are effectively controlled and eliminated.

After risk identification and assessment, if the Company has reasonable grounds to determine that a mineral supplier poses significant responsible mineral risks, the Company will immediately terminate cooperation with the supplier and include it in the Supplier Blacklist. For relevant responsible entities that cause major economic losses or negative social impacts to the Company, Tianqi Lithium will claim full direct and indirect losses from them and transfer them to the relevant government authorities for handling in accordance with the law.

Internal and External Audits and Supervision Improvement

Audit Contents and Standards

The responsible mineral supplier due diligence audit, based on conventional supplier audit elements, is strictly aligned with the full-dimensional requirements of the Chinese Guidelines and OECD Guidelines. The audit focuses on the following areas:

Labor Rights and Benefits: Whether there are violations such as child labor or forced labor;

Conflict Minerals: Whether the mineral sources involve conflict or high-risk areas and whether they indirectly support armed groups;

Compliance Operations: Whether there are business ethical issues such as money laundering, bribery, or corruption;

Working Environment: Whether production safety standards are met;

Information Authenticity: Consistency between the information submitted by suppliers and their actual operating conditions.

During the audit, risk identification is conducted simultaneously, and control measures are implemented based on the evaluation results.

Periodic Audit Mechanism

Conventional Audits: The responsible mineral supply chain is audited at least **once** a year to ensure dynamic monitoring of compliance across the entire chain;

Emergency Measures: When major incidents such as war or human rights violations occur in the supplier's area, mining area, or logistics route, the Company's responsible mineral supply chain working group will promptly take emergency measures from the moment the information is received, ensuring timely risk response and assessment.

Mineral Material Traceability and Control

Supplier Obligations:

- 1.Establish a full-chain traceability system for mineral resources, covering key nodes such as extraction, transportation, trade, delivery, and export, and retaining records;
- 2.Truthfully fill in the Procurement Tracking List for Conflict-Affected or High-Risk Areas and regularly report abnormal situations in accordance with the Company' s requirements.

Company Control Measures:

- 1.Internal material management strictly follows quality management system standards, and cooperation with suppliers in high-risk supply chains are immediately suspended or terminated;
- 2.Separate control will be implemented for incoming materials suspected of being high-risk to fully prevent the risk of material mixing;
- 3.Clearly include incoming materials that violate environmental and sustainable development principles into the high-risk management category and implement a special disposal process.

Audit Conclusion

The 2024 due diligence results showed that all suppliers meet the responsible mineral supply chain requirements. No situations requiring the activation of risk mitigation measures were identified. The supply chain cooperation remained stable, and there were no cases of cooperation termination or transaction suspension throughout the year.

Communication and Reporting

Training

The Responsible Mineral Supply Chain Working Group of Tianqi Lithium regularly organizes professional training for relevant employees, including responsible mineral procurement managers, implementers, logistics executives, and due diligence performers. The training covers content such as the Chinese Guidelines, OECD Guidelines, the Company's responsible mineral supply chain management policies, and relevant regulations. The Company ensures that training session is conducted at least once a year and relevant training records are retained for subsequent review and tracking.

During the reporting period, the Company organized **5** professional training sessions, including interpretations of business and human rights, responsible mineral procurement, EU sustainability-related regulations, and international standards such as RBA. The training coverage rate for the Responsible Mineral Supply Chain Working Group members reached **100%**, which significantly enhanced the team's professional capabilities and knowledge level in sustainable supply chain management and ensured that the Company's supply chain management aligns with international standards and best practices.

Internal and External Communication

The Company's Procurement Department is responsible for organizing an annual management review to comprehensively review the operation of the responsible mineral supply chain system in the current year and drive continuous improvement. Based on actual circumstances, the Responsible Mineral Supply Chain Working Group will conduct an integrated evaluation and prepare a report, which includes Tianqi Lithium's supply chain due diligence policies and practices, as well as related information on mineral supply chain due diligence. The report will be disclosed in both Chinese and English on the official website.

In addition to maintaining good communication with upstream suppliers, Tianqi Lithium also actively cooperates with downstream customers to conduct supply chain due diligence management investigations and promptly provides the required materials as customer's needed. During the rectification process based on the results of production site assessments, the Company continues to communicate with external customers at all times, actively listens to rectification suggestions to promote the development of a green and sustainable supply chain.

Appeal Mechanism

The Company has established an appeal mechanism and published the phone number, email, and address, on the official website at <https://www.tianqilithium.com/> under the Responsible Supply Chain Appeal Management Procedure section, which used to receive relevant inquiries and appeals. It allows employees and external stakeholders to convey concerns about the supply chain or any newly identified risks. The Company ensures privacy protection for employees throughout the entire grievance process, maintains confidentiality of whistleblowers' information, and prohibits any form of retaliation.

Appeal Channels:

Phone: +86 028 8515 1231

Email: Procurement@tianqilithium.com

Address: Tianqi Lithium Headquarters, 166 Hongliang West 1st Street, Tianfu New Area, Chengdu City, Sichuan Province, China

If suppliers are found to engage in any of the following behaviors, stakeholders may report them to Tianqi Lithium through the above channels:

(1) Compliance Issues: Refer to acts in the Company's supply chain operations that violate international, national, and industry due diligence management standards (such as the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas (3rd Edition), the China Guidance on Due Diligence in Mineral Supply Chains (2nd Edition), and the RBA Code of Conduct) or the Company's public policies and internal management systems.

(2) High-Risk Regional Business Risks: Suppliers fail to implement risk control measures for procurement in conflict or high-risk areas, conceal business information related to high-risk areas, engage in improper practices such as violating local laws and regulations or infringing on human rights, or lose control over the management of outsourced processes.

(3) Severe Violations: Refer to acts that damage the Company's reputation and business, including commercial bribery, forced labor, illegal discharge of pollutants, damage to community relations, and major safety hazards.

(4) Breach of Contract: Refers to suppliers' violations of the compliance agreements signed with the Company, including false commitments, refusal to cooperate with investigations and rectifications, and repeated violations.

In 2024, the Company did not receive any appeals from employees or external stakeholders.

Transparent Procurement

The Company takes building a transparent supply chain system as its core goal, and promotes the fairness and compliance in the procurement process through the triple guarantees of system design, contractual constraints, and supervision mechanisms. The Company requires suppliers to sign a Transparent Procurement Agreement, clearly defining the rights and responsibilities of both parties in the cooperation process, and has established strict supervision and reporting mechanisms to ensure that procurement activities always maintain a high level of transparency and integrity.

In 2024, the signing rate of the Transparent Procurement Agreement reached **100%**, achieving full coverage of all suppliers. Throughout the year, no cases of commercial bribery or unfair competition were identified through the supervision mechanism, which effectively maintained the transparency and integrity of the supply chain.

Supply Chain Improvement Plan

Based on the principle of integrity, Tianqi Lithium implements dynamic management for suppliers that require continuous improvement. The specific measures are as follows:

(1) Goal Management

Clear and quantifiable improvement goals are set for the first six months. The Procurement Department, in collaboration with other relevant departments, will conduct follow-up evaluations, revise plans and strengthen measures based on the evaluation results to ensure a continuous reduction in risks.

(2) Performance Verification

The results of rectification for the improvement plan shall be verified through independent audits and on-site inspections. If suppliers fail to meet the standards, their cooperation shall be suspended and they shall be required to rectify within a specified time. If suppliers still fails to pass the re-evaluation, the cooperation shall be terminated.

(3) Risk Management

Collect change information from mineral suppliers to update risk profiles, re-assess risk levels in conjunction with annual due diligence, and dynamically adjust cooperation strategies.

(4) Capacity Building Support

Organize regular thematic training on supply chain compliance management, ESG, and other topics. Provide one-on-one guidance for high-risk suppliers, and involve third-party institutions to assist in improving their management capabilities when necessary.



Summary and Outlook

Tianqi Lithium has established a systematic supply chain due diligence management system, which covers the full process control of responsible mineral supply chain risks, including multi-level risk audits, international standard response strategies, and dynamic supplier due diligence.

In the future, the Company will continue to optimize the management mechanisms, and focus on the following key initiatives:

Institutional Deepening: Fully integrating responsible procurement and due diligence into the management system, standardize the entire chain from policy to execution, and improve operational efficiency.

Traceability Enhancement: Establish an end-to-end supply chain traceability system, clarify that suppliers are required to provide key information such as the origin coordinates of raw materials, transportation routes, and mineral categories, so as to ensure transparent management from the mining sources to end products, and promote supply chain compliance and sustainable development.