

TIANQI LITHIUM SUSTAINABILITY REPORT 2020



SUSTAINABILITY REPORT 2020

TIANQI LITHIUM

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TIANQI LITHIUM

About This Report

Reporting Period

This Report covers the Company's performance from 1 January 2020 to 31 December 2020 (hereinafter referred to as the "reporting period"), however some information may relate to previous years.

Reporting Scope

This Report covers Tianqi Lithium Corporation and its affiliates, including its production plants. Tianqi Lithium Corporation and its affiliates are herein collectively referred to as "Tianqi Lithium", the "Company" or "we". The plants include Shehong Plant in Sichuan, Zhangjiagang Plant in Jiangsu, Tongliang Plant in Chongqing, Kwinana Plant in Western Australia, Anju Plant in Sichuan and Talison Lithium Plant in Australia.

Basis of Preparation

This Report is prepared with reference to the Environmental, Social and Governance Reporting Guide and its revision summary set out in Appendix 27 of the Main Board Listing Rules of the Hong Kong Exchanges and Clearing Limited (HKEX), the Shenzhen Stock Exchange Social Responsibility Instructions to Listed Companies and GRI Standards published by Global Reporting Initiative(GRI).

Selection of Indicators

This Report mainly considers the quantitative, materiality, balance, and consistency of each specific indicator related to the performance disclosure of the main issues. We will adjust and optimize the disclosure for the benefit of the reader.

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. Unless otherwise stated, all references to monetary values herein are in USD.

Release

This Report is published in the electronic format online.

You may access and download the electronic version of this Report at the official website of Tianqi Lithium Corporation(www.tianqilithium.com).

Contact Us

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Company Profile 05

About Us 07
Highlights in 2020 10

Governance 12

Responsible Governance 14
Achieving Excellence Through Masterful Craftsmanship 22

Environment 28

Environmental Management 30
Emissions Compliance 30
Energy Conservation and Consumption Reduction 33
Ecological Protection 34

Society 38

Team Building 40
Win-Win Cooperation 48
Giving Back to the Community 53

Appendix Data Overview 62

About Us



天齐锂业全球研发中心效果图

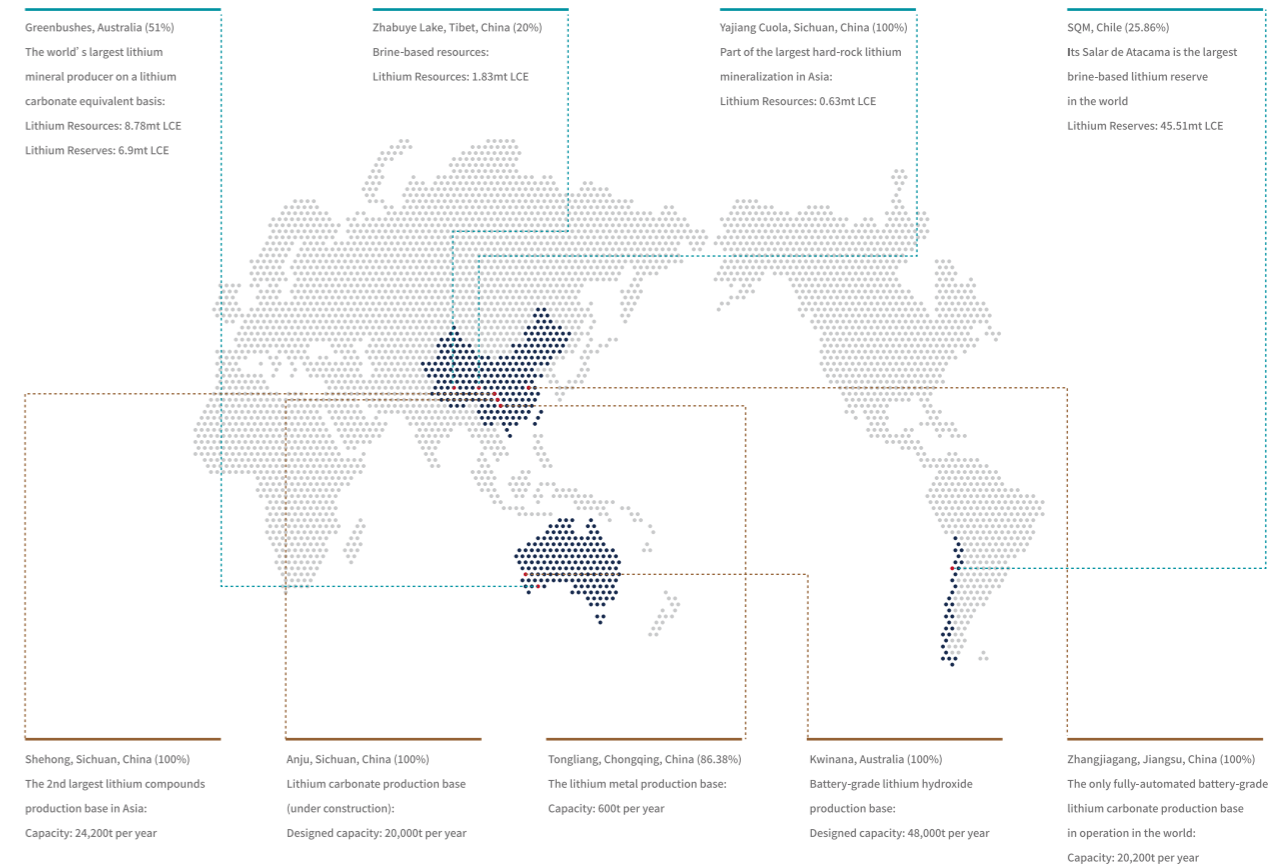
Company Profile

Tianqi Lithium Corporation was founded in 1992 and listed on the Shenzhen Stock Exchange in 2010 (stock code: SZ.002466). Over the past three decades, the Company has pursued its mission to "Change the world with lithium", through technological innovation and continuous improvement in product quality. With abundant resource reserves, stable productivity, a strong research and development (R&D) capability and leading technology, the Company has steadily developed into a top tier supplier of essential new energy lithium battery materials, integrating upstream lithium resource reserves and development with midstream lithium product processing.

Tianqi Lithium Values



Operations and Resources



Business Segment

The Company's business encompasses key stages of the lithium industry supply chain, including the development of hard rock lithium mineral deposits, the processing and sale of lithium concentrates and the production and sale of lithium chemical products including: lithium carbonate, lithium hydroxide, lithium chloride and lithium metal.

With a forward-looking vision, we have strategically deployed high-quality resources to build technologically advanced, commercial scale lithium compound plants in China and Australia. Relying on the advantages of a vertically integrated global industrial supply chain, we implement our long-term development strategy of "consolidating the upstream, strengthening the midstream, and penetrating the downstream" and work with international partners to support the long-term sustainable development of lithium-ion battery technologies for application in the electric vehicle and energy storage industries.



Highlights in 2020

Key performance



Quality Innovation

Honored as "**National Technology Standard Innovation Base (Non-ferrous Metals) Co-construction Unit**".
 Applied for **36** patents, gained approval for **14** invention patents, **19** utility model patents and 3 appearance patents.
 Number of approved patents now total **153**.
 Achieved customer survey satisfaction higher than **95%**.



Ecological Protection

Zero environmental penalties for excessive pollutants or illegal discharge. **Zero** environmental emergencies.
 The main emissions decreased by **51.33 %**, the comprehensive energy consumption reduced over **21.41%** compared to 2019.
 Total greenhouse gas emissions (Scope 1 & Scope 2) decreased by **20.84%** compared to 2019.
 Comprehensive energy consumption per unit product **67.32** GJ/ton of Lithium Carbonate Equivalent (LCE).
 Water consumption per unit product **52.70** tons/ton of LCE.
 Increased use of recycled/reused water **17.51** million tons, up **15.18%** compared to 2019 and accounting for **89.47%** of total water consumption.



Employee Development

Total investment in employee training: USD **75,228**.
 Total employee training frequency: **13,402** attendances. **1,505** trainees in total.
 Total training hours: **30,553** hours. Training hours per capita: **20.30** hours.



Joint Contribution

Led or participated in the development of more than **20** national or industry standards.
 Won the "**Outstanding Contribution Award**" for the 40th anniversary of the establishment of the Chemical Industry and Engineering Society of China issued by the Professional Committee for Inorganic Acids, Bases and Salts of the Chemical Industry and Engineering Society of China.



Community Engagement

Funded the Moving Forward Program for **three** consecutive years (2018 – 2020) to build **two** demonstration schools and **nine** mental health coach training institutes to train **39** mental health coaches, and benefit **2,315** students.

Awards and Recognition

Award	Issuer
National Technology Innovation Demonstration Enterprise	Ministry of Industry and Information Technology (MIIT)
The Most Compassionate Donation Enterprise of the Second Sichuan Charity Award	Sichuan Provincial People's Government
Innovation Contribution Award	Professional Committee for Inorganic Acids, Bases and Salts of the Chemical Industry and Engineering Society of China
Outstanding Contribution Award	Professional Committee for Inorganic Acids, Bases and Salts of the Chemical Industry and Engineering Society of China
Advanced Individual in Poverty Alleviation	Listed Company Association of Sichuan
Certificate for Implementation of Enterprise Credit Management Standards in Jiangsu Province	Suzhou Municipal Social Credit System Construction Leading Group Office
Chengdu Municipal Top 100 Enterprises (Chengdu Tianqi)	Chengdu Enterprise Confederation, Chengdu Entrepreneur Association, Chengdu Enterprise Culture Association
Chengdu Municipal Top 100 Enterprises in Service Industry (Chengdu Tianqi)	Chengdu Enterprise Confederation, Chengdu Entrepreneur Association, Chengdu Enterprise Culture Association
National Technology Innovation Demonstration Enterprise	Chengdu Enterprise Confederation, Chengdu Entrepreneur Association, Chengdu Enterprise Culture Association
National Technology Innovation Demonstration Enterprise	Chengdu Enterprise Volunteering Service Alliance

A photograph of a large industrial facility, possibly a refinery or chemical plant, at dusk. The sky is a deep blue with some clouds. The facility is illuminated by several bright lights, creating a glow. In the foreground, there are several large, dark pipes supported by a metal structure. In the background, there are tall towers and complex piping systems. A purple semi-transparent overlay covers the left and center of the image, containing white text.

Governance

*Fulfilling
Responsibilities for
Shared Prosperity*

Responsible Governance

Operation Management

In accordance with the requirements of relevant laws and regulations and regulatory documents of the China Securities Regulatory Commission (CSRC) including the Company Law of the People's Republic of China, Securities Law of the People's Republic of China, Governance Guidelines for Listed Companies, Shenzhen Stock Exchange Stock Listing Rules, Shenzhen Stock Exchange Guidelines for Standard Operation of Listed Companies, and so on, the Company has formulated and implemented a series of internal governance systems such as the Articles of Association, established a corporate governance structure composed of the shareholders' meeting, the board of directors, the board of supervisors and the management, thereby forming a system and mechanism of clearly defined powers and responsibilities and effective checks and balances authorising decision-makers, supervisors, and executives to perform their respective duties and make specific decisions.

Among them, the Company's board of directors has four special committees:

Strategy and Investment Committee

Audit and Risk Committee

Nomination and Governance Committee

Remuneration and Evaluation Committee - responsible for the overall governance, supervision and regular review of the Company to ensure that its decision-making is rigorous and efficient.

Risk Management and Internal Control

The Company strictly complies with the requirements of the Audit Law of the People's Republic of China, Basic Norms of Enterprise Internal Control, Guidelines for Enterprise Internal Control and Evaluation, and so on. We have established a robust risk management system to assess and audit the Company's internal risks, incorporating ESG-related risks such as safety and environmental risks, to ensure the effectiveness and comprehensiveness of risk management.

During the reporting period, the Company faced multiple challenges including: the detrimental impact of the COVID-19 pandemic on production and operations; in-depth adjustments in the industry cycle; profound changes in the industry competition; corporate financial pressure, etc.

We take the initiative to directly face the internal and external risks of the company, continues to improve the three lines of risk management, and conducts internal control evaluation defects rectification and follow-up inspections to ensure that all internal control defects are rectified in place, effectively guaranteeing the company's compliance operations and high-quality development.



Business Ethics

The Company is committed to creating an open, transparent, and safe business environment promoting fair and healthy market competition. We strictly abide by the Company Law of the People's Republic of China, Anti-Unfair Competition Law of the People's Republic of China, Interim Provisions on Prohibition of Commercial Bribery, and other laws and regulations in places where we operate.

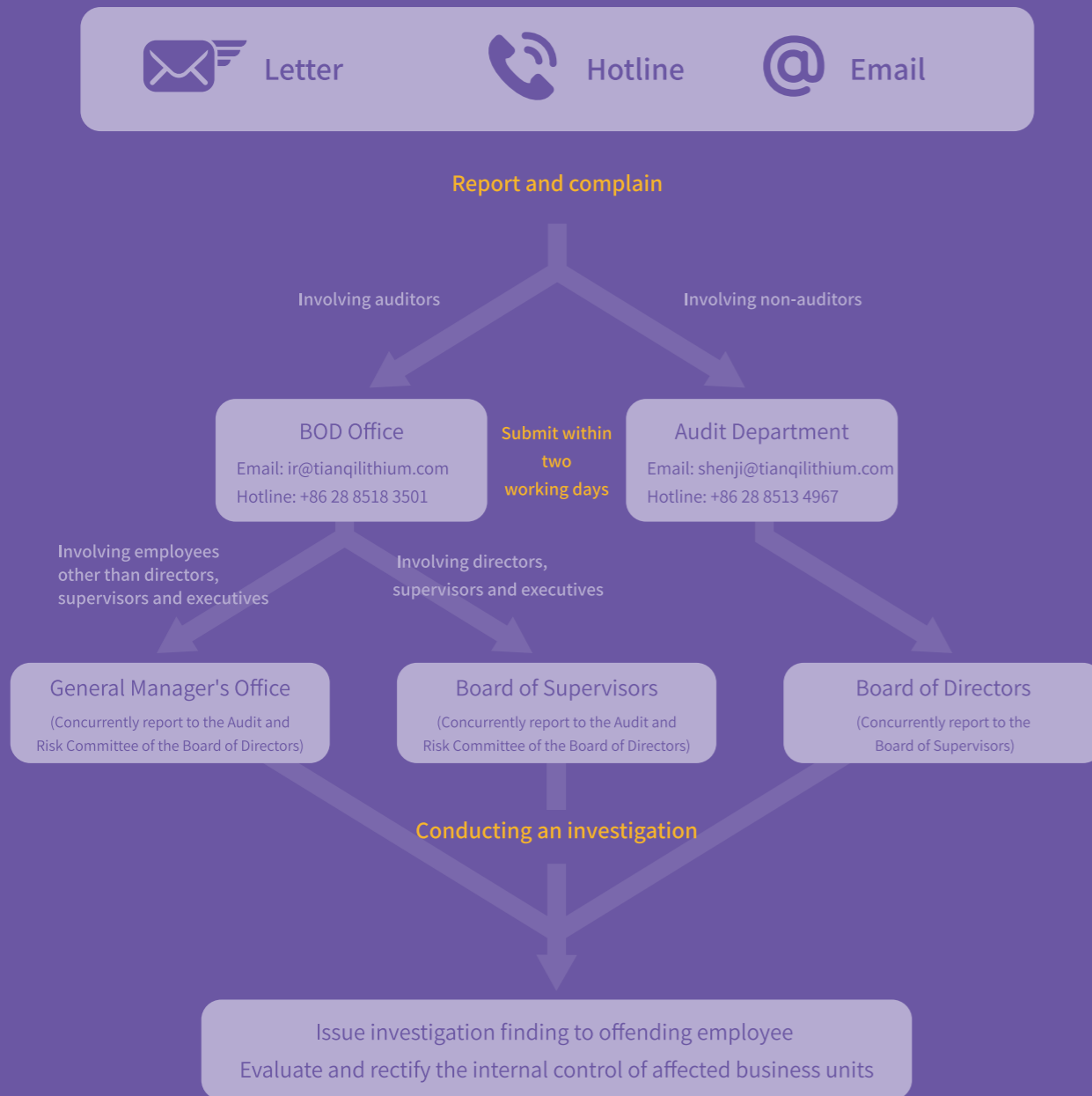
We initiated an Anti-Money Laundering and Anti-Terrorist Financing Compliance System during the reporting period and provided relevant training to employees to improve their understanding of best practice requirements.

Training on information disclosure and insider trading

We attach great importance to the establishment and improvement of employees' ethical standards by incorporating business ethics into induction training. During the reporting period, we conducted information disclosure and insider trading training for 100% of new employees which included: information disclosure essentials of listed companies, the definition of insider trading, and related legal responsibilities.

We firmly oppose bribery and corruption by establishing and continuously improving the anti-fraud and reporting system. During the reporting period, we integrated and revised internal management regulations related to anti-fraud and reporting, publicized and implemented the Anti-fraud and Whistleblowing System, which clarified and defined disciplinary violations, fraud, accountability mechanisms and standardized reporting channels and handling procedures. In addition, strict measures were taken to protect whistleblowers.

Whistleblowing Channels and Handling Process of Tianqi Lithium



We believe that employees' sense of integrity is an important prerequisite for corporate integrity management. Therefore, we actively carry out anti-corruption publicity work, organize key project personnel to sign a Commitment to Integrity, and require employees to fulfill their anti-corruption and anti-commercial bribery obligations, so as to create a transparent, open and honest working environment.

During the reporting period, Tianqi's Jiangsu Plant received a "Certificate for Implementation of Enterprise Credit Management Standards in Jiangsu Province" by virtue of its robust credit supervision mechanism and increasingly higher supervision level.

Sustainable Management

With the company's desire to internationalize, Tianqi Lithium has integrated its social responsibility strategy into the overall company development strategy, seizing the opportunities for the long-term development of a social responsibility strategy to display its social responsibility influence globally.



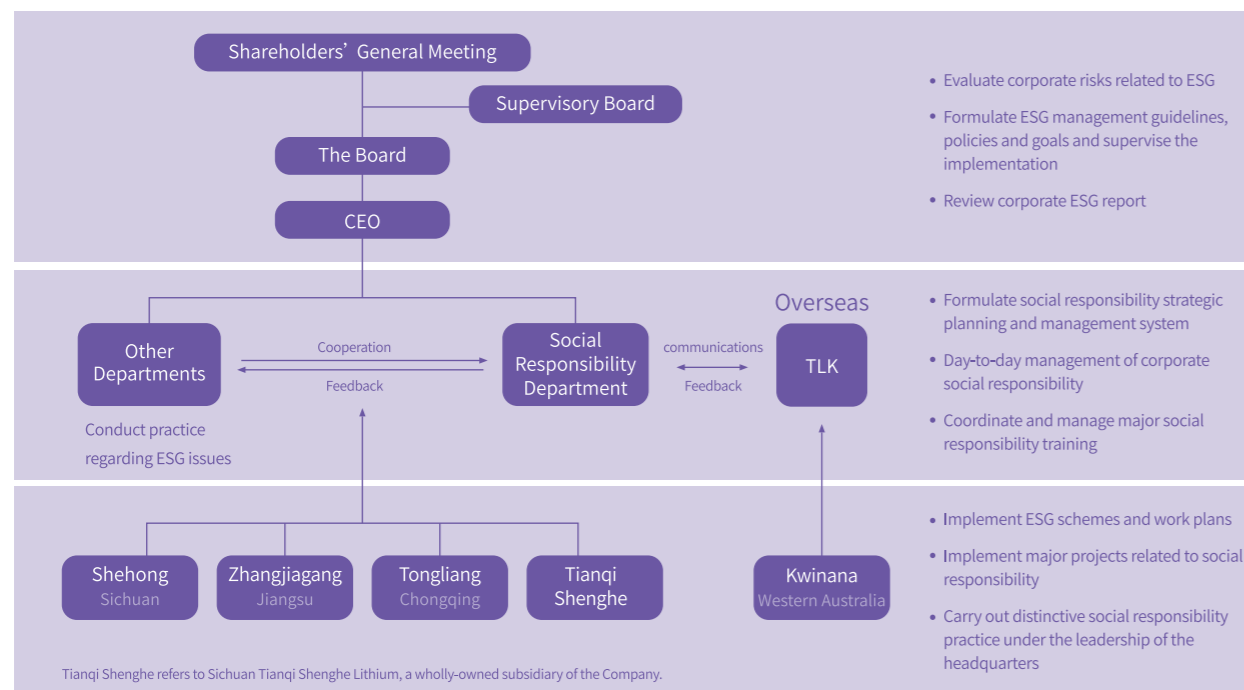
ESG Governance Structure

In order to ensure the effective advancement and implementation of ESG-related matters, we have established and continuously improved a tri-level ESG governance structure with clearly defined powers and responsibilities to provide important management guarantees for our long-term, stable and sustainable development.

The Corporate Social Responsibility (CSR) Department based at Chengdu headquarters has established key ESG communication contacts with domestic plants and Health, Safety and Environment (HSE) departments for ESG information sharing and qualitative / quantitative data collection. HSE key indicators are factored into the performance appraisals for relevant managers with individuals assigned certain responsibilities to promote the linkage between ESG management and business performance.

At the same time, the CSR Department and the Tianqi Lithium (Kwinana) have established a collaborative working group to facilitate ESG information sharing including regular monthly communications, the coordinated formulation of sustainable development plans, alignment with European battery electric vehicle market ESG requirements and ESG rating interpretation and analysis.

Tianqi Lithium ESG Governance Structure



Launching ESG-learning program to promote a common understanding of ESG

During the reporting period, Tianqi Lithium rolled out an ESG-learning program including workshops and presentations at four plants in Shehong, Tongliang, Zhangjiagang, and Kwinana based on the characteristics and common goals of each plant. This program helped employees from each plant to understand ESG data requirements and data collection systems, established a regular communication mechanism, and utilized professional third-party facilitators for ESG management and information disclosure, in order to standardize corporate ESG management.

A total of eight training sessions were conducted in this ESG-learning program, covering 80 people from domestic plants and more than 100 people from the Australian plant.



Stakeholder Engagement

The Company believes that two-way, transparent and regular communications can help us to effectively understand and respond to the expectations and demands of all stakeholders. Based on the Stakeholder's Rights and Interests Model, we have established a communication mechanism with six key stakeholder groups with close ties to the Company to efficiently respond to stakeholder requests.

Stakeholder group	Expectations	Responses
Customers	Product quality R&D and innovation Improvement of customer services system Clean technology opportunities	Product quality testing Increased investment in R&D and innovation Established customer service system Clean technology R&D
Employees	Protection of employee rights and interests Occupational health and safety Career development and training Chemical safety	Employee communication measures including an employee satisfaction survey Broader employee development channels Sound occupational health and safety management system Management procedures and emergency response plans in place
Shareholders	Corporate strategy and development Corporate governance Economic performance Protection of shareholder rights	Regular and ad-hoc information disclosure Complaint, whistleblowing and supervision mechanisms Release of annual and semi-annual reports Shareholders meeting
Government / regulators	Energy conservation and consumption reduction Water resources protection Strengthen Emissions management Ecological protection Waste disposal Chemical safety	Energy conservation and emission reduction measures Water recycling and related technologies Implemented emission management measures Implemented ecological protection measures Implemented waste disposal management Developed management processes and response plans
Partners	Responsible procurement Promote industry development	Fair and transparent procurement management system Supplier training and assistance, industry activities and communication
Community	Community contribution and public welfare Community engagement	Start charity projects to participate in community construction Regular and ad-hoc visits and exchanges

During the reporting period, the Company strengthened interactive communication with investors, local governments, regulatory agencies, banks and other stakeholders to discuss feasible measures to alleviate corporate financial pressure and actively expanded various financing channels to improve profitability and cash flow.

Further to the acquisition of the Chilean chemical and mining company SQM, we invited the Chilean Ambassador to China to visit Shehong plant during the reporting period, introducing and exhibiting the Company's excellent performance in corporate philosophy, management team, technology research and development, product quality, corporate financing, corporate culture, and social responsibility, thereby laying a solid foundation for friendly cooperation in future.

Investor Communications

We disclose information on a regular and timely basis in accordance with applicable information disclosure regulations issued by the China Securities Regulatory Commission (CSRC) and the Shenzhen Stock Exchange (SZSE). We maintain efficient communication with investors to protect the relevant rights and interests of investors.

During the reporting period, the Company



Held **5** shareholder meetings, received **17** individual investors and **101** institutional investors;



Issued **4** announcements of investor relations exchange records, responded to **538** questions from **201** investors on Hudongyi APP, with a response rate among the **top 1%** and corporate popularity among the **top 3%** of the listed companies on the SZSE;

Set up a hotline and e-mail address for stock and bond investors;



Received, and responded to, about **6-8** calls per day from investors, and replied to more than **60** interview emails from investors and media throughout the year;

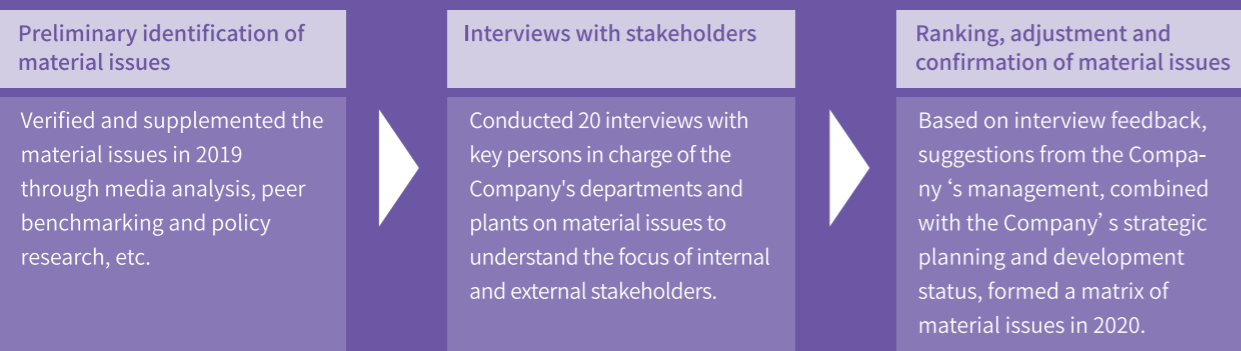
Participated in on-site and teleconference surveys about **10** times throughout the year;



Once material issues such as the introduction of strategic investors are announced, the office of the board of directors immediately organized investor exchanges and teleconferences, and timely submitted a record of investor relations activities to the exchange.

ESG Material Issues

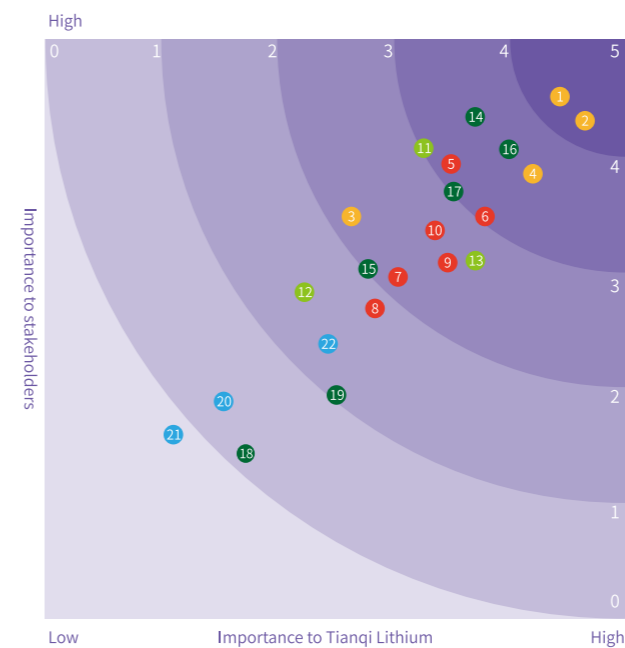
During the reporting period, in order to better respond to industry trends and stakeholder demands, in line with the Company's strategic development direction, we followed the process of stakeholder interviews, preliminary identification, ranking, adjustment and confirmation of material issues, based upon the 2019 matrix to form the 2020 material issues matrix.



Compared with 2019, the following adjustments were made to the importance of material issues in 2020:

- The issue of "pandemic control" was newly added.
- The importance of the materials of "economic performance", "company strategy and development", and "protection of employee' rights and interests" were increased.

Tianqi Lithium Material Issues Matrix 2020



- Corporate governance and economic issues
- Environmental issues
- Employment and labor issues
- Operational issues
- Community issues

Materiality Issues	No.
Corporate governance and economic issues	1 Corporate governance
	2 Economic performance
	3 Protection of shareholders' rights and interests
	4 Strategies and development
Environmental issues	5 Clean technology opportunities
	6 Emission management
	7 Ecological Protection
	8 Waste disposal
	9 Energy conservation and consumption reduction
	10 Water resources protection
Employment and labor issues	11 Occupational health and safety
	12 Career development and training
	13 Protection of employee rights and interests
Operational issues	14 Product quality
	15 Chemical safety
	16 R&D and innovation
	17 Customer services
	18 Industry Development
	19 Responsible procurement
Social issues	20 Community contribution and public welfare
	21 Community engagement
	22 Pandemic control

Note: Issues in bold are highly material with significant influence on both Tianqi Lithium and stakeholders

Achieving Excellence Through Masterful Craftsmanship

Tianqi Lithium continues to win the long-lasting trust of customers with high-quality products and services to meet diverse customer requirements through ground-breaking R&D, innovation and delivering the spirit of craftsmanship to create leading industry benchmarks.

Quality Management

Tianqi Lithium continuously improves its quality management mechanism by promoting the improvement of quality management awareness and through building the capacity for all employees to keep updated with the developing needs of the lithium industry. As of December 31, 2020, Shehong Plant in Sichuan, Zhangjiagang Plant in Jiangsu, and Tongliang Plant in Chongqing have all passed the IATF 16949 Automotive Quality Management System Certification. With the exclusion of Zhangjiagang Plant in Jiangsu and Kwinana Plant in Australia, all other domestic and overseas resources and production plants have passed the ISO 9001 Quality Management System Certification.

During the reporting period, we formulated the Essential Quality Management System, the Process Safety Management Specifications, and the Process Control Management Specifications based on the management system. These stipulate quality standards and key quality indicators, as well as various management requirements for operational process safety and technology to continuously improve the quality of the Company's products, thereby increasing the reputation and influence of the industry.



Quality Assurance

During the reporting period, we strengthened the construction of "intelligent production", further standardized product quality inspection and labeling, and actively cooperated with customers to carry out quality monitoring and reviews.

Improving intelligence level

By integrating manual labor, technology and information equipment, we built smart workshops to enhance product quality stability and product problem traceability. During the reporting period, the "Intelligent Production Workshop for Battery Grade Lithium Carbonate" of Zhangjiagang Plant in Jiangsu won the honor of "2020 Suzhou Municipal Demonstration Intelligent Workshop"

Standardizing quality management

We formulated the Statistical Specifications on Product Qualification Rates to define different statistical methods for qualification rate and unify the standard of product quality statistics of each plant, thereby reflecting the quality of products from different levels.

Acceptance of quality audit

Plants regularly accept on-site quality audits from customers. During the reporting period, Zhangjiagang Plant in Jiangsu received on-site audits from six customers, all of which were passed for us to remain a qualified supplier.



Zero defective product recall occurred during the reporting period

Quality Improvement

Tianqi Lithium adheres to the quality policy of "striving for perfection". Through optimizing the management model and adopting the project management throughout the life cycle, we strengthened the quality supervision and management across the process of the project, carried out quality improvement projects to raise quality awareness, and ensured steady quality improvement.

Plan and implement quality improvement projects

We systematically planned the quality improvement for lithium chloride, including tracking key quality indicators throughout the production process and optimizing the process and control parameters of key processes to fully meet the quality requirements of downstream customers for lithium chloride products.

In order to further improve the comprehensive performance of lithium hydroxide products in the downstream use process, we carefully investigated and established relatively mature technical solutions, smoothly solved technical problems, and improved product quality and customer satisfaction.

Undertake activities to promote quality awareness

Training activities such as "Identification and Response to Quality Risks and Opportunities" were carried out to continuously improve the quality awareness of all employees, cultivate risk management thinking, and lay the foundation for the development of the quality system.

Front-line employees from three plants held quality exchange activities in order to build a sound quality.

R&D and Innovation

Tianqi Lithium is aware that innovation is a key driving force. With the vision of becoming a "world leader in the lithium-based new energy materials industry", we take a long-term view, continuously developing world leading processes and technologies to improve intellectual property systems and jointly promote the sustained and rapid development of the industry.

R&D Capacity Building

Research and development capabilities are the cornerstone of Tianqi Lithium's development and a solid guarantee for maintaining steady business growth. We already have a high-quality R&D team, technologies for large-scale production of high-quality lithium chemical products, and a rich experience in R&D and innovation. During the reporting period, we further strengthened system construction, refined processes and technologies, expanded industry-academic cooperation, and further enhanced the Company's innovation and R&D capabilities. During the reporting period, our total investment in research and development reached USD 2,769,000.

<p>Strengthened policy system construction</p> <p>We implemented such management policies as the Management Regulations for R&D Projects, Management Measures for Technology, Tianqi Lithium R&D Center Compensation Management Measures, and Tianqi Lithium R&D Center Performance Management Measures, etc.</p> <p>In total, an additional 26 R&D standard operating procedures (SOP) were developed to standardize the R&D process.</p>
<p>Advanced process and technology</p> <p>We completed the construction of the pilot test platform for the next-generation ultra-thin lithium belt project for high specific energy lithium batteries, and successfully realized continuous sample preparation of lithium belts of different thicknesses and widths.</p> <p>In addition, we developed green utilization projects for solid waste in the lithium industry.</p>
<p>Expanded industry-academic cooperation</p> <p>We applied for and undertook a number of national and provincial scientific research projects, an increase of 100% year-on-year.</p> <p>We carried out project cooperation with domestic colleges and universities such as Tianjin University to expand the Company's new product structure and accelerate new product development and new technology reserve for the future.</p>

Tianqi Lithium was awarded the

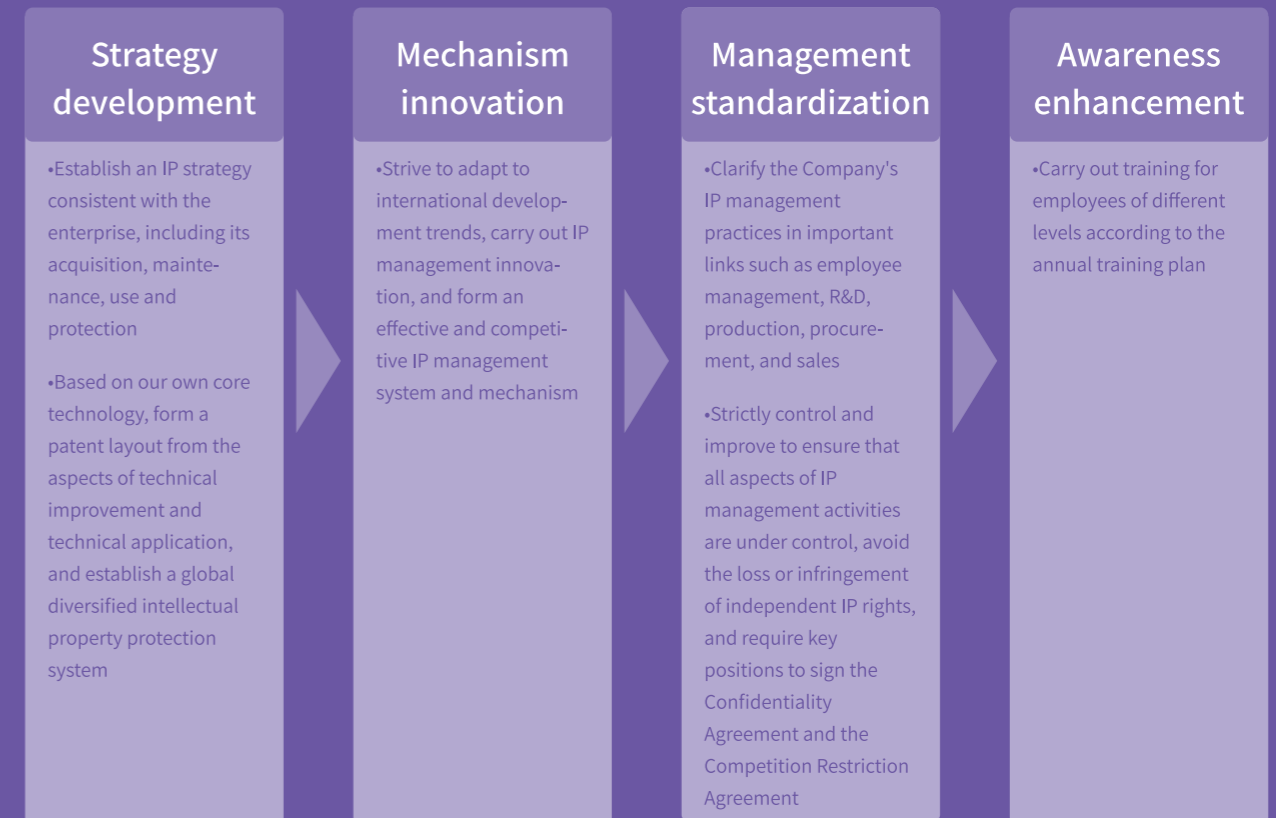


issued by the National Standardization Administration.

Protecting Intellectual Property Rights

Tianqi Lithium actively carries out the certification of intellectual property (IP) management systems in compliance with the Patent Law of the People's Republic of China, the Anti-Unfair Competition Law of the People's Republic of China, the Enterprise Intellectual Property Management Regulations, the Guidelines for Intellectual Property Management of Industrial Enterprises and other laws and regulations. We already have the GB/T29490 Intellectual Property Management System Certification. During the reporting period, Tongliang Plant in Chongqing passed the GB/T29490-2013 Intellectual Property Standard Implementation Certification and was awarded the title of "Chongqing Municipal Intellectual Property Advantage Cultivation Enterprise". In addition, the Company combined various laws, regulations and management systems to improve its internal IP management. During the reporting period, the Company optimized the Intangible Assets (Patent) Management Regulations to further strengthen the management of intangible assets.

We strived to improve the Company's IP management capabilities. Relying on the Company's development plan, we established IP strategies, innovated in management mechanisms, standardized process management, and enhanced the awareness of IP protection, in order to set an industry benchmark for IP protection.



During the reporting period, we gained approval for 14 invention patents, 19 utility model patents, and three appearance patents. As the end of December 31, 2020, we have gained approval for 68 invention patents (including four foreign patents), 74 utility model patents, and 11 appearance patents. While strengthening the protection of our own IP rights, we pay attention to protect them in the supply chain through policy updates and respect our suppliers' IP rights.

Customer Service

Tianqi Lithium is customer-centric and upholds the service tenet of “customer first”. We engage strongly with customers and grow together, striving to provide customized products and service excellence to create value together with customers.



Meeting the Needs of Customers

Tianqi Lithium proactively pays attention to industry development trends, responds to customer needs in a timely manner and aims to provide customers with diversified and high-quality services.

During the reporting period, Tianqi Lithium reviewed production and delivery processes in liaison with the raw materials procurement team to stabilize product supply and quality. During the production process, we gradually improved the production process and parameter standards, improved monitoring capabilities, and satisfied customers' detailed and personalized needs. In terms of logistics and transportation, we continued to optimize routes and actively streamline our logistics and transportation activities. During the COVID-19 period, we ensured the timely delivery of goods and minimized negative impact on customers.

For our unremitting efforts, we were awarded multiple supplier excellence awards during the reporting period and won recognition from customers.

Valuing Customer Opinions

During the reporting period, Tianqi Lithium released the Customer Complaint Handling Process and Customer Satisfaction Control Procedure, which guaranteed the efficient handling of customer complaints and promote product and process improvement. We have also opened multiple customer complaint channels including email, telephone hotline, and WeChat to provide customers with effective feedback as soon as possible.



We carry out customer satisfaction surveys each year to ascertain customer satisfaction levels for our products and services. This information assists us to target improvement measures and build customer recognition. During the reporting period, our overall customer satisfaction was higher than 95%, with the customer satisfaction with Tongliang Plant in Chongqing and Shehong Plant in Sichuan both 95%, and the customer satisfaction with Zhangjiagang Plant in Jiangsu at 97%.

Protecting Customer Privacy

Tianqi Lithium respects the rights of customers and pays attention to the protection of customer privacy. With reference to the ISO 27001 Information Security Management System, we strictly follow the Confidentiality Management System to strengthen information security management in terms of mobile device management, operating software use control, information storage management, information transmission management, and confidentiality management. In addition, customer files are included in the Company's highly confidential category, and information access privileges are strictly maintained to ensure data integrity. Tianqi Lithium signs agreements on information protection in accordance with customer requirements to fully protect customer rights and interests.



Environment

*Protecting the
Environment for
a Better Future*

With the continuous development of the economy, environmental issues have increasingly become the focus of social attention. As a supplier of new energy core materials, Tianqi Lithium focuses on coexisting with the environment in the process of lithium mining and processing, integrating corporate development with environmental protection.

In the context of an economic downturn and industry fluctuations, Tianqi Lithium has always adhered to the concept of sustainable development. Based on laws and regulations including the Environmental Protection Law of the People's Republic of China and relying on the certified ISO14001 management system, we have established a complete environmental management system to ensure emissions compliance. We promote energy conservation and consumption reduction, pay consistent attention to land management and ecological restoration, and continuously improve the level of environmental management, in order to lay a solid foundation for a better environment.

Environmental Management

Tianqi Lithium has integrated the ISO 14001 standard into the Company's management system, and strictly implements relevant policies and regulations including the environmental impact assessment system, pollution discharge permit management system, etc. On that basis, we have established our own environmental management systems to identify environmental factors and regularly review and evaluate environmental management results. At the same time, we actively apply advanced energy-saving and emission-reduction technologies, promote technical transformations, improve energy efficiency, and reduce pollutant emissions to continuously improve the level of environmental performance.

We have established a complete environmental management organizational structure with the Group headquarters as the core, set up HSE management departments at each plant, and established an environmental management system that meets national and regional standards and conforms to the production and operation links. On that basis, we carry out regular audits to verify the effectiveness of management for continuous performance improvement.

Emissions Compliance

We strictly abide by the regulations of the Law of the People's Republic of China on Air Pollution Prevention and Control, the Law of the People's Republic of China on Water Pollution Prevention and Control and the Law of the People's Republic of China on Solid Waste Pollution Prevention and Control. By establishing systems such as the Exhaust Gas Discharge Management Measures, Wastewater Discharge Management Measures, Solid Waste Disposal Management Measures, and Hazardous Waste Disposal Management Measures, we standardize pollutant discharge from the perspective of management systems to monitor performance.

1

We identify environmental factors and analyze production, research and development, logistics and other aspects to fully determine the possible impact on the environment.

2

We actively introduce advanced technologies, give priority to the use of environmentally friendly materials, and reduce the generation of pollutants at the source from the perspective of process and raw materials.

3

According to the characteristics of pollutants, we invest in the construction of environmental protection facilities, and use advanced environmental protection technology to treat the pollutants and to reduce emission concentration.

4

For the operation of environmental protection facilities, we formulate maintenance plans for exhaust gas, wastewater and other pollutant treatment facilities, and regularly implement maintenance to ensure that environmental protection facilities operate effectively and that pollutants are effectively treated before being discharged into the environment.

5

We conduct regular and continuous monitoring of various pollutants. In 2020, our key pollutants, including water pollutants and air pollutants, fell within the scope of national standards.

6

We have formulated an Emergency Plan for Environmental Incidents to standardize the emergency management of environmental incidents. Moreover, we regularly organize emergency drills to improve our environmental emergency response.

In 2020, all pollutants of Tianqi Lithium met the discharge standards with no environmental penalties due to excessive pollutants or illegal discharge. No environmental emergencies occurred at the Company's operations during the reporting period.



Exhaust Gas Management

From the perspective of reducing the concentration of pollutants and reducing the amount of pollutant emissions, we select high-quality materials, clean energy, and advanced technology, and constantly upgrade exhaust gas monitoring and treatment facilities. We control wastewater discharge through online monitoring and test regularly to ensure compliance.

Shehong plant implemented "coal to gas" conversion project

The Shehong plant actively promoted the "coal to gas" conversion initiative, using natural gas instead of coal as a fuel source in the rotary kiln, acidification kiln, lithium chloride dryer, anhydrous sodium sulphate dryer and gas boiler in the boiler workshop, which achieved 60% CO₂ reduction in 2020.

In 2020, more than 80% of the fuel used by Shehong plant was natural gas. As a result, the total emissions of air pollutants at the plant significantly decreased compared to 2019, including a reduction of 42.52 tons of sulfur dioxide and 29.64 tons of nitrogen oxides, which decreased 62.95% and 44.90% separately.

Wastewater Management

We take the initiative to carry out wastewater management, introducing wastewater treatment facilities, building reclaimed water reuse systems, and reducing wastewater discharge through reuse of wastewater.

Zhangjiagang plant implements intelligent wastewater return pipeline

In 2020, Zhangjiagang plant installed two online monitoring facilities for wastewater management, which continuously monitor total phosphorus, total nitrogen, and ammonia nitrogen, among other pollutant indicators in wastewater. Moreover, in accordance with government requirements, the wastewater discharge and return pipelines were modified. The discharge via a surface pipe and drain system was adopted to ensure the ability to visually monitor the discharge pipe to effectively avoid leakage caused by underground pipe damage.

Waste Management

We implemented sorted collection and unified treatment of waste. For recyclable wastes, we recycle and reuse them. For hazardous wastes, we comprehensively control the collection and temporary storage links, and hire qualified third parties to transport and dispose of them in an appropriate manner, reducing the potential threat of hazardous wastes to the environment.

Zhangjiagang Plant implements waste sorting management

In 2020, in order to further optimize waste management and strengthen the awareness of waste sorting and collection, Zhangjiagang Plant compiled and issued TQC05-07D0071 Domestic Waste Management Procedures, and posted waste sorting labels on the production sites and administrative buildings. In order to help employees fully grasp the sorting requirements, various departments of the plant conducted training and on-site assessments.

Talison Lithium and Kwinana Plant implement waste management programs

The Talison Opportunities Program (TOP) was rolled out in 2020 to identify opportunities to improve the operational efficiency, including energy efficiency and waste management efficiency. This program includes seeking regular feedback from the workforce on improvement opportunities.

Talison also implements a monthly Environment & Safety Incentive Scheme (ESIS) where topics are presented with a questionnaire to ensure employees are made aware of ongoing environmental aspects of importance. In 2020, 250 kilograms (kg) of photocopier paper saved by digitizing the monthly ESIS topics and the site contractor onboarding & assessment process.

In addition to improving awareness, a strong waste management and recycling system was established at Kwinana Plant in Australia in 2020. Multiple recycling options were provided for employees including participating in Containers for Change.

Energy Conservation and Emissions Reduction

In order to further reduce costs and increase resource efficiency and energy utilization, we have established a target assessment mechanism and implemented monitoring across the entire process. We promote various improvement measures, regularly review and evaluate our progress with gap analysis, and carry out top-down energy-saving management.

Energy Conservation and Emission Reduction

To implement the requirements of the Energy Conservation Law of the People's Republic of China, we have formulated the Management Measures for Energy Conservation and Emission Reduction as the basis of Tianqi Lithium's energy management. In terms of management mode, we promote "6S" management to standardize energy management in all business areas including production, office, R&D and so on. Starting from specific measure, we strengthen energy-saving awareness among employees. In addition, we continuously promote lean management and actively carry out improvement projects from the aspects of process technology and production process to promote energy conservation and emissions reduction.

Zhangjiagang Plant introduces electric forklifts to save energy and reduce emissions

In 2020, Zhangjiagang Plant initiated the use of 4 electric forklifts to replace the 3 existing gas forklifts. This effectively reduced forklift exhaust emissions and achieved both energy savings and emissions reduction. Also, the working environment was improved as there was no fume nor noise produced by the electric forklifts, leading to increase worker satisfaction.

Tongliang Plant recycles lithium bearing waste

In 2020, Tongliang Plant transformed a waste containing lithium into a high-quality lithium resource utilizing process innovation to sell this intermediate product to the Shehong Plant for recycling. Not only did this reduce the amount of waste from Tongliang Plant, it also maximized the beneficial use of lithium resources and enhanced the Company's economic and environmental benefits. In 2020, a total of USD 724,911 of additional economic value was generated.



Resource Utilization

Water is the most precious and most widely used natural resource in society today. Tianqi Lithium strictly abides by the Water Law of the People's Republic of China and the Implementation Measures for the Water Withdrawal Permit System, and strictly controls water use in accordance with the requirements of the "Water Withdrawal Permit". To facilitate efficient water use, we constantly improve production technology and employ resource-saving processes to replace traditional resource-consuming processes. Additionally, we vigorously promote water resource recycling through the reuse of reclaimed water and reduction of tap water consumption. We are committed to minimizing the use of surface water resources throughout our production processes.



In 2020, recycled and reused water accounted for 89.47% of total water consumption (19,572,987m³), increased 15.18% compared to 2019.

89.47%

Talison Lithium strengthens resource management program

As water resources become increasingly important, continuous optimization of water use continues to be a key focus for the further development of the Talison Lithium operation. A Water Management Plan was developed to improve the use and recycling of water resources to effectively improve the utilization rate of water resources.

Water balance	Re-verify the water balance model of the entire plant to lay the foundation for water saving and water treatment optimization	Treatment system	Debug the sewage treatment section of the plant to improve the treatment capacity
Pipeline	Build a catch basin in the east of the plant to return the discharged water to the waterway of the mining area	Treatment equipment	Renew the treatment equipment for specific pollutants and to increase the efficiency of the treatment equipment

Ecological Protection

Tianqi Lithium maintains the ecological system of mining areas to guarantee species diversity, reduces potential environmental impacts, and advances ecological restoration together with the government, communities, and residents.

Land Management

Tianqi Lithium strictly abides by the Law of the People's Republic of China on Soil Pollution Prevention and Control and adheres to the principle of focusing on prevention and giving priority to protection in soil pollution prevention and control to actively fulfill its obligation to protect the soil.

During mining operations, we strictly manage any materials which may cause soil pollution and carry out appropriate treatment for safe storage and stacking onsite. We utilize anti-leak materials onsite and have established emergency response measures in place to prevent / minimize any leakage that may impact on the soil.

Zhangjiagang Plant undertakes hidden danger investigation work for soil and groundwater

In 2020, Zhangjiagang Plant undertook its annual hazard investigation for soil and groundwater. Areas investigated included the storage tanks areas, production facilities, sewage disposal, temporary storage for solid waste and hazardous waste, acid-base liquid unloading, etc. A total of more than 50 possible hidden dangers were assessed with three hidden dangers found. Plant staff upgraded the equipment and facility management specifications for each area and completed the necessary rectification to proactively prevent the possibility of chemical leakage into the soil and groundwater system.



Ecology and Climate

In order to minimize the impact on the natural ecology, Tianqi Lithium has formulated detailed management policies and systems to guide the ecological environment protection during the resource extraction stage.

Before mining	We implement the Environmental Impact Assessment Law of the People's Republic of China and a strict environmental access system. 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, and formulate ecological protection and pollution prevention measures based on the assessment results.
During mining	For operational mining areas in operation, we conduct regular analysis and assessment of the impact on the ecosystem. Based on the result, we simultaneously carry out mining area restoration during mining operations to reduce the impact of mining operations on the soil, atmosphere, environmental water bodies and species.
After closing the mine	Upon mine closure,, we formulate a complete exit plan and implement ecological restoration after exit to ensure a healthy local ecological environment in the rehabilitated mining area.

Talison Lithium Conservation of Significant Terrestrial Fauna Management Plan (CSTFMP)

In order to protect local fauna and to maintain biodiversity and ecological integrity, Talison Lithium has established a Conservation of Significant Terrestrial Fauna Management Plan (CSTFMP). The plan provides effective protection for local fauna by enabling the trapping and safe relocation of fauna prior to the commencement of the land clearing process.

For more information of CSTFMP, please refer to:
<https://www.talisonlithium.com/environment>
 Conservation of Significant Terrestrial Fauna Management Plan



Understanding the importance of climate change impacts upon global weather patterns, Tianqi Lithium proactively analyzes the possible implications of climate change on lithium production and operation. In response to heavy rainfall, strong winds, freezing and snowing, and smog weather, Tianqi Lithium plants are equipped with sufficient facilities and equipment to actively carry out emergency drills and undertake the required activities to protect sites from extremes of weather.



Tongliang Plant responds to extreme weather caused by heavy rains and floods	
In August 2020, heavy rainfall continued in the southwest region of China which emphasized the need for flood prevention and disaster management. In response to the frequent occurrence of heavy rains and floods, Tongliang Plant adopted a series of countermeasures.	
Forward-looking design	During the planning of the new area, Tongliang Plant in conjunction with a design institute, carried out a forward-looking design of the rain drainage system, completed the design and construction, and engineered the capability to deal with flood disasters in the design.
Periodic inspection	Tongliang Plant inspected the rain drainage and rain sewage separation systems in the plant area every month to ensure that the drainage system was intact and unblocked, and regularly inspected the production and storage sites to ensure that there were no roof leaks during rain.
Materials preparation	Tongliang Plant responded to the warnings of the local emergency center before the arrival of heavy rains and floods by preparing sandbags and other flood control materials in advance.
Emergency capability	Tongliang Plant regularly organized storm emergency drills to strengthen the skills of emergency personnel.

The image shows an industrial facility with large red pipes and workers in safety gear. The workers are wearing high-visibility yellow and blue uniforms and white hard hats. They are walking on a concrete walkway. The background features a complex network of steel structures and pipes. The sky is blue with some clouds. The overall scene is bright and clear.

Society

*Contributing
to the Community
for Shared Ideals*

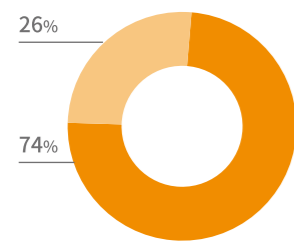
Team Building

Tianqi Lithium regards employees as the driving force of the Company's sustainable development. In 2020, the Company faced huge operating pressure, but still actively protected the rights and interests of employees by providing employee support during the COVID-19 pandemic. Also, based on the current situation of the company, we continuously optimized the development of talent within the team and harnessed team strength to lay a solid foundation for the long-term development of our company.

Employment Profile

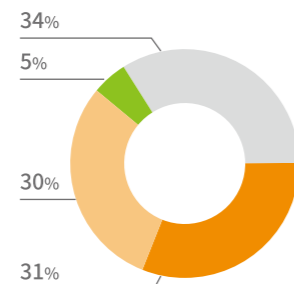
We strictly abide by the Labor Law of the People's Republic of China, the Employment Promotion Law of the People's Republic of China and other laws and regulations of the countries and localities where our operations are located to ensure the standardization of employee recruitment, promotion, and compensation and benefits. In addition, we are committed to creating a diversified working environment, resolutely eliminating discrimination against nationality, gender, age, race, religion, etc., treating all employees equally. We strictly abide by the Minors Protection Law of the People's Republic of China and the Regulations on Prohibition of Child Labor to eliminate the use of child labor. As of the end of 2020, the Company had 1,644 employees, of which the breakdown is as follows:

Number of employees by gender



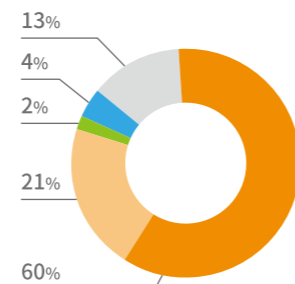
● Female ● Male

Number of employees by age



● Aged 26-35 ● Aged of 25 and below
● Aged 36-45 ● Aged 46 and above

Number of employees by function



● Production ● Technical ● Sales
● Financial ● Management and others

Protecting Employee Rights and Interests

We actively protect the legitimate rights and interests of employees by strictly abiding by the Labor Contract Law of the People's Republic of China, the Minimum Wage Regulations of the People's Republic of China and other regulations on employee compensation and welfare guarantee to ensure that all in-service employees enjoy statutory regular benefits and supplementary benefits, providing them with a competitive salary system.



Regular benefits

Social insurance

Housing fund

Statutory holidays

Paid annual leave



Supplementary benefits

Free working meal

Commercial insurance

Free medical examination

Birthday gifts

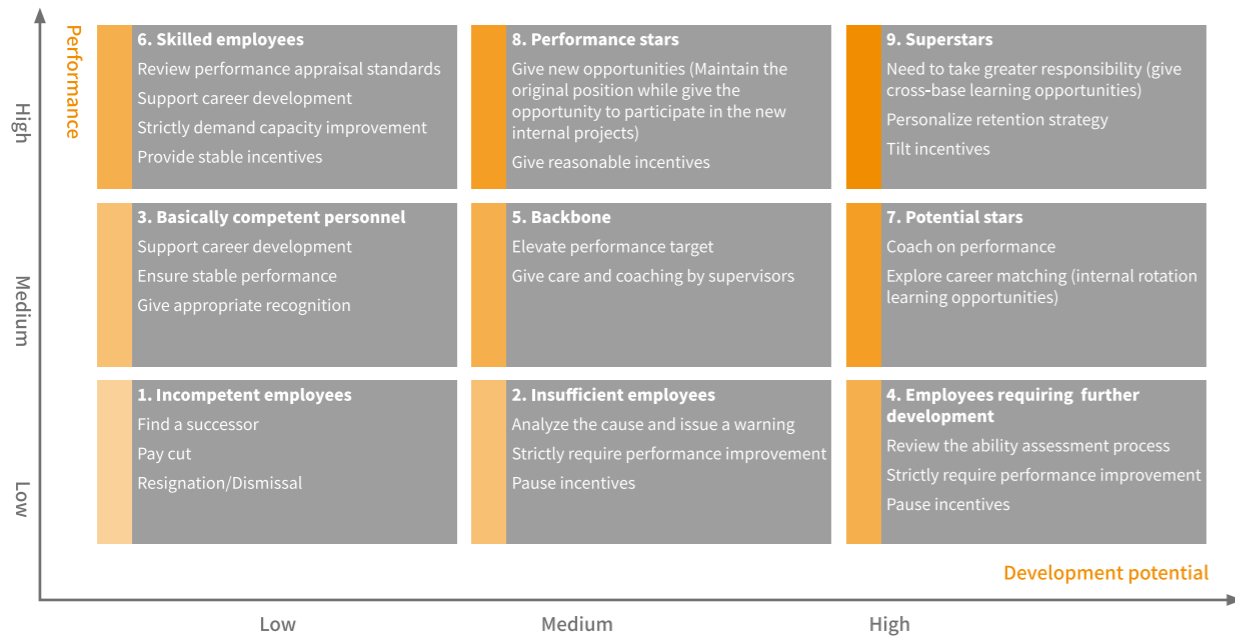
Fostering Employee Career Development

We actively pay attention to the career development of employees. Aiming at "cultivating excellent Tianqi employees", we have established a complete training system and an effective promotion system. During the reporting period, we launched a talent identification and employee rotation plan to encourage employees to work in rotation between plants to obtain greater operational exposure and to broaden employee experience. Through this plan, we effectively improved the efficiency of our talent pool and laid the foundation for Tianqi Lithium's global talent development and growth.

Staff training: talent identification and rotation plan

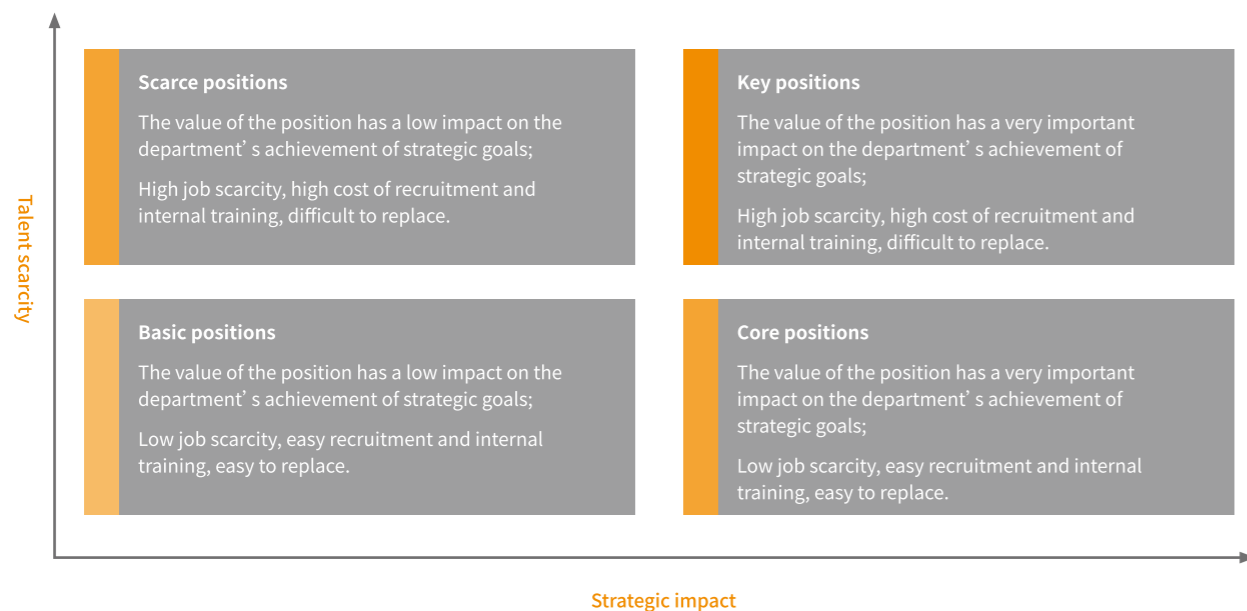
Talent identification: Based on development potential and performance, we have set up a talent grid to evaluate the capabilities of employees. Based on that, we harness key talent, develop appropriate, workable, and efficient job rotation plans, and build a scientific and knowledgeable talent pool to accelerate training and stimulate job vitality.

Rotation plan: Through rotation, we expand career options for our employees, broaden their horizons and accumulate their experience. While cultivating interdisciplinary talents, we enhance internal communication, understanding, coordination, and cooperation within the Company to support employee development.



Staff retention: job classification management

The human resources department and the management assessed employee talents across the business mapping these against strategic impact. By understanding employee job demands, we actively identify key positions and employees, implement personalized employee retention programs, and provide targeted support to ensure that talent is incentivized and retained.



In order to fully engage and develop our employees, we conducted both online and offline training activities. During the COVID-19, in order to respond to the pandemic prevention policy and ensure continued provision of appropriate employee learning and development resources, we studied government training policies and made online training platform resources available during the pandemic, expanded training channels, and arranged corresponding training courses for employees to learn. During the reporting period:



Key employee training activity in 2020

Create a learning atmosphere	We established "Tianqi Reading Lab" to create a learning atmosphere through diversified modes of offline library, e-book library and cloud notes for reading. Regular reading sharing sessions were held to encourage employees to share and discuss knowledge and relieve work pressure.
Prepare internal training courses	We launched the "Tianqi Lecture Hall" and phased in a series of internal training courses. Online and offline modes were combined to make it easy for employees to review and share in time.
Improve system reserve	The internal training mechanism was improved to provide support for the Company to organize various development projects. Outstanding trainers were hired to form an internal think tank.

Employee Care

Tianqi Lithium pays attention to the physical and mental health of every employee. We provide a safe and welcoming working environment for employees with a focus on work-life balance. We attentively perceive the needs of our employees and support them to pursue a better life in a healthier and sustainable way.

Employee Communication

We welcome open communication with all employees and are committed to ensure that all employees are able to communicate freely to build and improve the communication system. During the reporting period, we launched a "rationalized suggestion" activity, encouraging employees to make suggestions for improvements in the Company's production and operation via phone calls, WeChat and emails. This new communication channel enabled the sound development of business improvements within the Company with employees rewarded for their comments according to the impact of their suggestions to the business.

In addition, we actively provide employees with channels for upward communication and encourage them to fully participate in company management. During the reporting period, we held several workers congresses on a plant by plant basis, in which we discussed and approved actions for subjects including remuneration management standards, new employee supervisors, collective contracts for the protection of female employee rights, etc.

Employee Assistance

We care about each and every employee and strive to ensure a decent life for all employees. We also provide financial and counselling assistance to employees facing difficulties. In addition to the mental health & wellbeing survey, we provided influenza vaccinations and Hepatitis vaccinations for "at risk personnel", and introduced flexible working arrangements, working from home arrangements and pandemic leave in response to COVID-19.



Employee Activities

During the reporting period, we offered an active out-of-hours staff engagement program including sports games and a book corner. In order to prevent COVID-19 contact transmission, we strictly followed the relevant requirements by carrying out activities to serve employees online and organizing COVID-19 safe offline activities as required based on the situation of each plant.

Orientation Games in the New Year

On January 15, 2020, in order to promote and share the culture of Tianqi Lithium with our employees, the Shehong Plant in Sichuan organized its trade union to launch the "Orientation Games in New Year" event. The games enjoyed by staff included tug of war, eight-person race on nine legs, land-based dragon boat racing, finger-guessing and drumming, lantern riddles and more. This event created a happy, peaceful, and uplifting holiday atmosphere and united a lively cultural atmosphere among staff.



Chongqing Tianqi's "Home of Workers" Book Corner

In order to create better reading conditions for employees and further enrich their spiritual world, Chongqing Tianqi Trade Union established the "Home of Workers" book corner to collect books of interest from employees on a regular basis. There are currently more than 560 books in the corner. The successful establishment of the "Home of Workers" has not only enriched the spare time of employees, but also formed a harmonious labor relationship within the Company. In October 2020, Chongqing Tianqi Trade Union was awarded the "National Model of Home of Workers".



Health and Safety

Safety and health are paramount at Tianqi Lithium with great importance placed upon the physical and mental health of employees. By constantly improving the occupational health and safety management system, Tianqi Lithium is committed to providing employees with a safer and more comfortable working environment. All production plants of Tianqi Lithium in China have passed OHSAS18001 or ISO45001 occupational health and safety management system certification.



Production Safety

Tianqi Lithium has consistently attached importance to production safety. We strictly abide by the Safety Production Law of the People's Republic of China, the Management Measures for Production Safety Accident Emergency Plans and other laws and regulations, and always put the lives of employees first. Since 2019, we aligned ourselves to the international HSE standards by introducing lost time injury frequency rate(LTIFR) in our plants, the concept of safety and safety awareness at each plant significantly improved this year. Our LTIFR, which was 0.72 in Shehong Plant in Sichuan, 1.82 in Zhangjiagang Plant in Jiangsu and 2.23 in Tongliang Plant in Chongqing, lower than the average LTIFR of US industrial enterprises (8.0). At the same time, we reviewed and updated the Company's safety accident-related systems, added the accident standards and grades corresponding to production interruptions in the accident standards, optimized the accident standards and grades corresponding to goodwill, environmental protection and quality, and carried out corresponding training after these systems and procedures were updated.

In order to continuously integrate safety, environment, and health into every aspect of the Company's operations, in November 2020, we launched the HSE Advocacy Week, in which the Company's headquarters and the five plants in China and Australia were linked through themed activities with rich content and diverse forms to enhance the awareness and skills of all employees on HSE and further strengthen the Company's safety culture.

Health Protection

In order to protect the occupational health of employees, we strictly implement the Law of the People's Republic of China on the Prevention and Control of Occupational Diseases, the Administrative Measures on Occupational Health Examination, the Regulations on Work Injury Insurance and other laws and regulations on occupational health in the country and regions where we operate. We entrust third-party agencies to test occupational hazards on a regular basis, provide relevant personal protective equipment (PPE) for employees, and regularly organize occupational health examinations.

Hazard control	<ul style="list-style-type: none"> Set up noise protection devices to reduce noise hazards Install separation walls to avoid accidental splashing of materials and leakage of pipelines Entrust qualified agencies to conduct occupational hazard detection on the production and office work sites
Optimization of personal protective equipment	<ul style="list-style-type: none"> Regularly distribute personal protective equipment, emergency medicines and heatstroke prevention and cooling medicines to employees, and organize regular training on personal protective equipment usage for employees Purchase new steel-capped Wellington boots to meet the requirements of on-site use
Physical and mental health support	<ul style="list-style-type: none"> Set up health cabins and equip employees with blood pressure monitors, blood glucose meters, weight scales and other facilities Regularly offer health education, including chronic disease prevention and control, mental health, occupational health protection, etc.

In the face of the outbreak of COVID-19 in 2020, Tianqi Lithium raised the safety focus for all employees while ensuring continued stable production. The Company headquarters and each of the plants responded in a timely manner by launching a full range of protection and additional control measures, strictly implementing emergency mechanisms such as preventive information pamphlets, employee temperature monitoring and emergency control plan so that everyone could resume work in a safe manner.

Anti-pandemic publicity	Communicated the pandemic situation via WeChat, email and other information channels, highlighted the principles of the pandemic, and shared pandemic protection measures.
Material reserves	Coordinated the procurement of anti-pandemic personal protective equipment in a timely manner to ensure adequate supply and safeguard the health of employees.
Information coordination	Registered the relevant information for all employees of the Company during the Spring Festival, including location, date, physical condition for both employees and immediate family members, etc., to coordinate information in a timely manner to ensure overall employee safety.
Cleanliness and hygiene	Ensured that the office was cleaned and well ventilated, and regularly disinfected.



Win-Win Cooperation

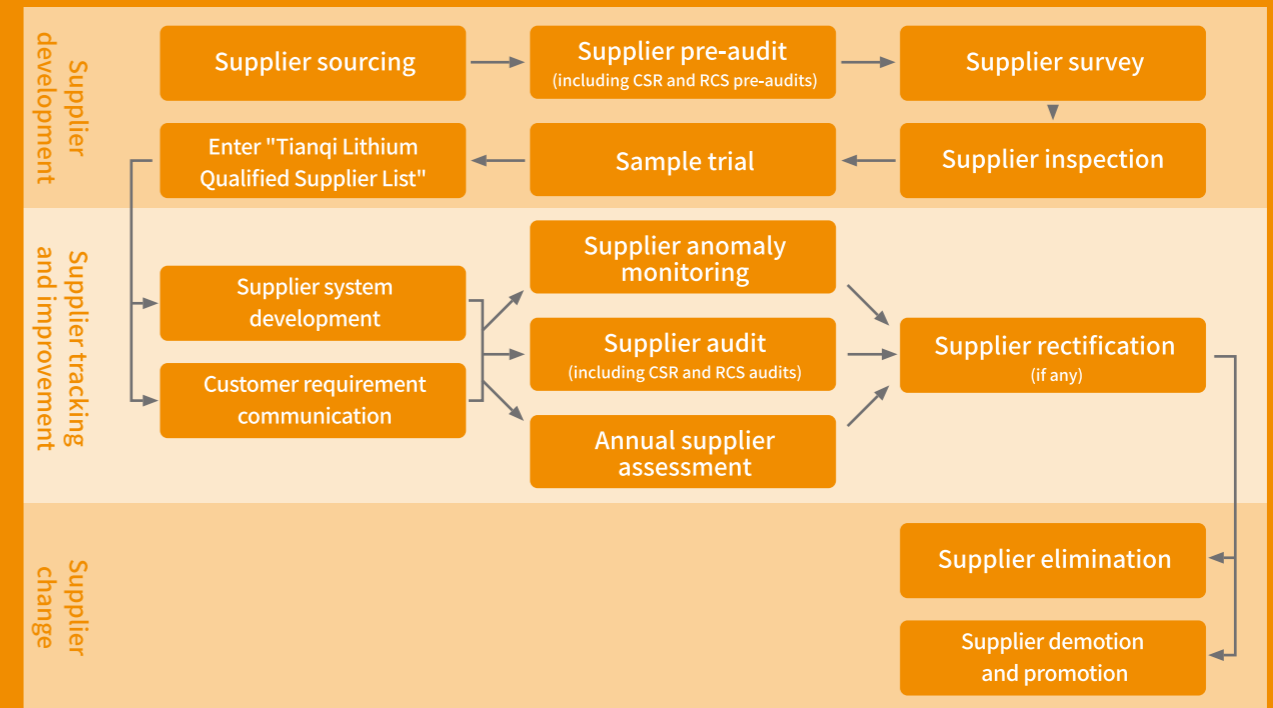
Stable and harmonious cooperation is an important support for the sustainable development of Tianqi Lithium. We actively promote the sound development of the supply chain, enhance sustainable operational capabilities, engage in industry activities, and coordinate with upstream and downstream industries to build a harmonious ecosystem for the lithium industry.

Supply Chain Management

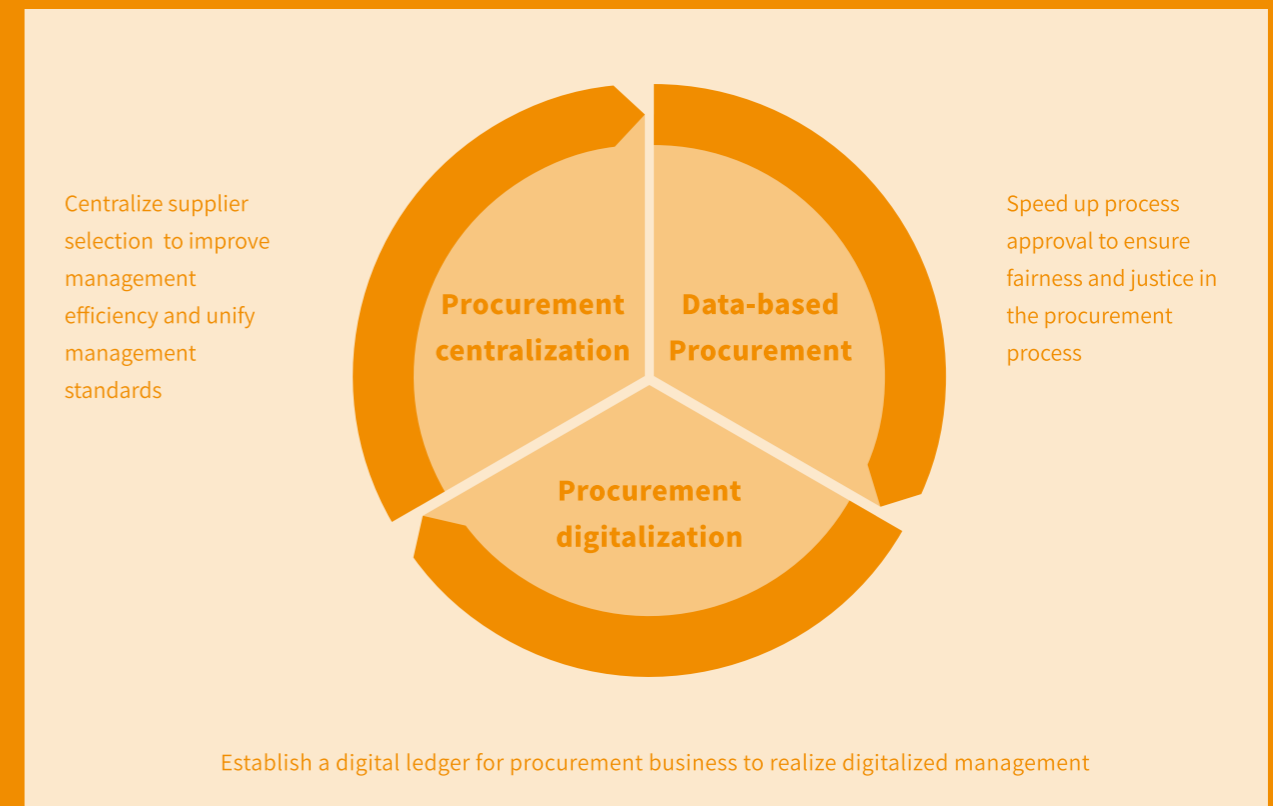
Tianqi Lithium regards supply chain management as the core of quality control. We continuously improve the supplier management system, ensure compliance in the procurement process, and improve supply standards to promote the sustainable development of the supply chain.

Supplier Management

We have formulated the Supplier Management Standards and Procurement Management Standards to adopt hierarchical and classification management of suppliers and put forward different forms of access requirements for different types of suppliers. During the reporting period, we optimized the policy by adding advanced product quality planning (APQP), strategic supplier assessment frequency, supplier change monitoring to strengthen supplier management and continuously stabilize supplier structure and quality. In 2020, we rationalized 407 inactive suppliers and four suppliers that failed the assessment process, effectively ensuring the vitality and quality of current suppliers.



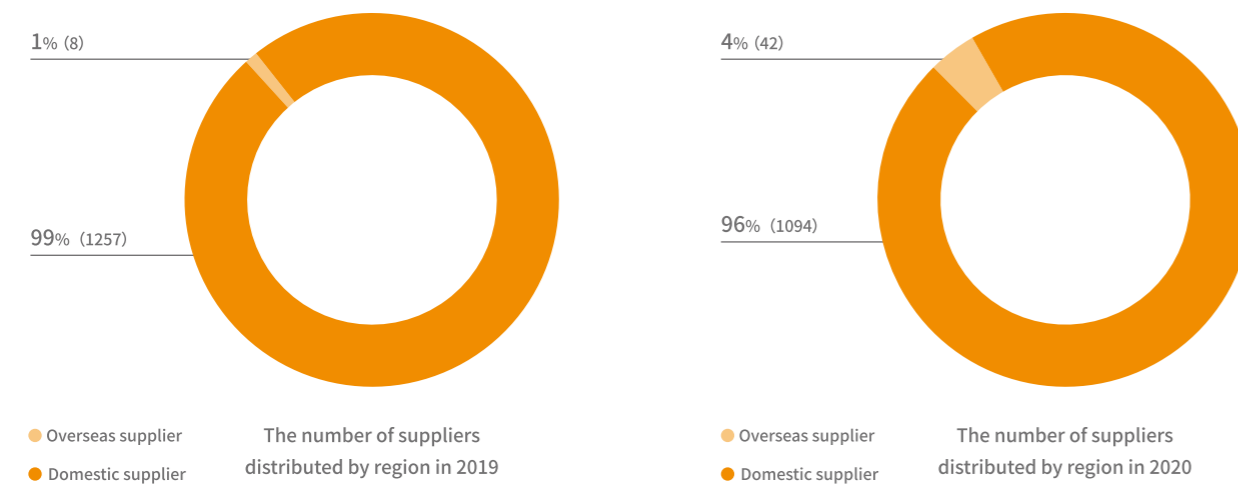
Additionally, we actively promote a centralized procurement function, encourage the digitalization of information and mitigate fraud and non-compliance risks in procurement and contract performance.



Sustainable Sourcing

Tianqi Lithium pays attention to environmental and social factors in the procurement process. We understand and evaluate the performance of suppliers including supplier development, supplier tracking and improvement, and supplier change in such aspects including environmental protection, employee rights, anti-corruption, occupational health, fulfillment of social responsibilities, and actively implement responsible procurement. We also advise active suppliers of the Company's audit / complaint email and hotline and procurement complaint email details to open supplier communication channel to report any impropriety.

During the reporting period, Tianqi Lithium had a total of 1,136 suppliers with 80% strategic suppliers passing internal system certifications.



Supplier Communication and Support

We maintain close cooperation and open communication with suppliers in a variety of ways. During the COVID-19 pandemic, we shared channels for pandemic prevention materials with suppliers and increased the frequency of communication to reduce the impact on suppliers. During the reporting period, Tianqi Lithium's supplier satisfaction reached 98.7%.

	Promote supplier system certification and develop special plans
	Carry out on-site audits of key suppliers, identify and highlight any deficiencies in production management, process technology management, quality management, etc., and assist in rectification
	Actively communicate with suppliers, give priority to payment for goods to suppliers in pandemic-stricken areas

Due Diligence for Responsible Supply Chains

Tianqi Lithium strictly prohibits mining, trading, processing and exporting of mineral resources in conflict-affected and high-risk areas. It fully respects the rights and interests of workers in mining areas and attaches great importance to possible environmental and social impacts. We have released the Management Manual for Responsible Mineral Supply Chain, Responsible Mineral Risk Identification and Control Procedures, Code of Conduct for Responsible Mineral Suppliers, and committed to follow the Chinese Due Diligence Guidelines for Responsible Mineral Supply Chains. These are included in contracts and agreements signed with suppliers. The Company has established a supply chain due diligence framework including a five-step approach to responsible minerals sourcing in order to strengthen its supply chain management capabilities.



Risk Management and Mitigation

In addition, we utilize a risk management process for risk identification, assessment and control to mitigate risk exposure and provide due diligence for responsible supply chains.

Risk identification	Issue and collect basic information forms and questionnaires of mineral suppliers, including legal status and identity information of suppliers, supplier analysis and potential risks, and review the forms submitted by mineral suppliers against the UN sanctions list Require suppliers to provide information on the place of origin for each major transaction, and understand the source of the transaction, transportation routes, and the name and location of the direct supplier
Risk assessment	For raw materials and supply chains identified as "high risk", conduct enhanced due diligence to evaluate the activities and relationships of upstream suppliers Conduct on-site risk assessments and where necessary, implement more stringent due diligence with the help of third parties, conduct mine inspections, document reviews and interviews with miners, consult local communities and other stakeholders, complete a comprehensive evaluation of suppliers and a field inspection report of mines
Risk control	Develop a risk reduction plan within 3 months and seek supplier to ensure compliance with relevant requirements after rectification Cooperate with suppliers and other stakeholders (such as local communities, non-governmental organizations, customers, industry organizations, consulting companies) involved in continuous risk monitoring of mines to ensure that the assessed risks are continuously and effectively controlled.

Industry Contribution

Tianqi Lithium attaches great importance to the long-term, sustainable development of the lithium industry and strives to explore ways with to engage with key stakeholders to promote industrial transformation and progress high-quality development.

During the reporting period, we organized and participated in industry conferences including the 2020 China Lithium Battery Conference; Strategy Seminar on International Standards for Lithium Battery Materials and Lithium Resources; 2020 (Fifth) International Lithium Battery Industry Chain Summit and other industry events, working closely with other industry participants to progress in an open manner.



China Lithium Conference 2020 in Suining

•In October 2020, Tianqi Lithium co-organized and participated in China Lithium Conference with the theme of "Focusing on Open Cooperation, Sharing Lithium Achievement" to better understand the strategic layout of lithium resources – domestically and globally, strengthen government-corporate enterprise cooperation, identify the development trends of lithium-based industries and assess the total demand for lithium batteries.

•In addition, we initiated the establishment of the "Lithium Industry Alliance" with representatives of the lithium industry in Sichuan, Chongqing and other regions to advance the industry with high efficiency, low cost and comprehensive utilization, enhance the competitive advantage of the industry, realize the cooperation and sharing of resources, promote the industry cluster development and help the "dual circulation" of China's economy.

In addition, Tianqi Lithium actively promotes the standardization of the lithium industry. During the reporting period, we led or participated in the development of more than 20 industry and national standards, including:

GB/T 26008-2020 Battery Grade Lithium Hydroxide Monohydrate	Methods for Chemical Analysis of Lithium-rich Manganese-based Cathode Materials
GB/T 39224-2020 Technical Specification for Recycling Waste Batteries	Methods for Chemical Analysis of Lithium Boron Alloys
YS/T1342.1-2019 Methods for Chemical Analysis of Rechargeable Battery Waste	Methods for Chemical Analysis of Lithium Nickel Manganese Oxide
YS/T 582 Battery Grade Lithium Carbonate	GB/T11064 Methods for Chemical Analysis of Lithium Carbonate, Lithium Hydroxide and Lithium Chloride

Examples of industrial and National Standards (in part)

Our actions to promote the progress of the industry have been recognized and praised by specialized industry bodies. During the reporting period, Tianqi Lithium won the "Outstanding Contribution Award" for the 40th anniversary of the establishment of the Chemical Industry and Engineering Society of China issued by the Professional Committee for Inorganic Acids, Bases and Salts of the Chemical Industry and Engineering Society of China.

Giving Back to the Community

Tianqi Lithium places great importance on the practice of corporate social responsibility which aligns with our mission of "changing the world with lithium." Along with our principle of "economic benefits never override the environment or peoples' well-being and safety", we create value for customers, employees and business partners with a philosophy of shared responsibility, strong sense of culture and ethical business behavior for the sustainable development of economic prosperity, the betterment of the environment and contribution to social progress.

Fight Against the Pandemic – Disinfectant and Masks

At the beginning of 2020, the outbreak of COVID-19 affected people all over the world. During the epidemic, we responded in a timely manner for all employees to ensure a safe resumption of work while also making our due contribution to the society.

Medical Supply Donations

Knowing that there was a shortage of medical supplies in various provinces, cities and regions across the country, Tianqi Lithium immediately contacted medical institutions, industrial parks, and communities in both Chongqing and Sichuan where Tianqi is headquartered to understand the actual demand for sodium hypochlorite . In addition, we promptly cooperated with downstream medical disinfectant manufacturers, specialized hazardous chemical transporters and other service providers to ensure that the donated supplies were quickly prepared and efficiently delivered to medical staff working on the front line in the fight against the pandemic. During the reporting period, Chongqing Tianqi donated more than 60 tons of sodium hypochlorite disinfectant solution to support the prevention and control of the pandemic.



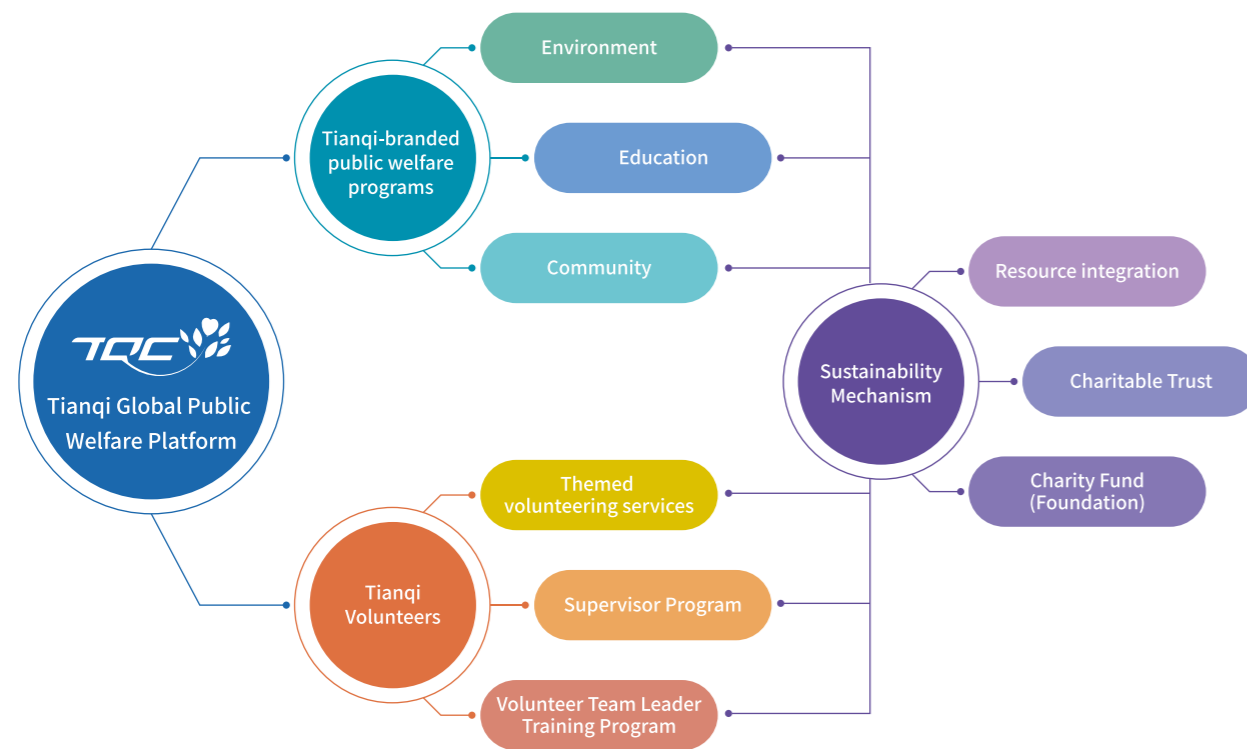
We care about our overseas staff and associates and help build a community with a shared future for mankind. Knowing that the pandemic in Chile was serious, the Company's trade union actively cooperated with the administrative department to urgently purchase 200,000 masks via relevant channels and shipped them to Chile to jointly fight the pandemic and demonstrate the Company's international commitment.

Building a Charity Brand

Relying on the Tianqi Global Public Welfare Platform, we have continued to launch Tianqi-branded public welfare programs to consistently promote the sustainable development of society. Focusing on the three themes of education, environment and community, we have built a volunteering service team of Tianqi Lithium to pass on the responsibility concept of "changing the world with lithium" and build a better society together.

In order to ensure the continuity of Tianqi Lithium's volunteering service, we have established a guarantee mechanism for Tianqi Lithium's volunteering service. Through policy systems, capital investment and organizational management, we carry out evaluations of public welfare programs to review the validity, effectiveness and timeliness of implementation to improve the quality of our volunteering services.

Tianqi Lithium's Public Welfare Strategy Framework



Promoting Poverty Alleviation Through Healthcare

In order to effectively improve the primary medical and health care in local communities, Tianqi Lithium signed a formal strategic cooperation agreement with the People's Government of Suining City, Sichuan Province in 2016. A total of USD 1.74 million was donated over three years to fund "Three Major Projects" for Poverty Alleviation through Healthcare in Suining, which established the country's first combined model of Demonstration Joint Village Clinics+ Village Doctor Capacity Building + Volunteer Medical Services to gradually realize the goal for the masses to "reduce doctor visits, reduce costs and provide assistance for major diseases to reduce disease-induced poverty".

During the reporting period, 25 Demonstration Joint Village Clinics were completed and opened in Suining City, servicing more than 123,000 outpatient visits, more than 4,000 inpatient treatments and effectively alleviating the problem of "difficult and expensive medical treatment" for people in remote areas. This program achieved "three wins" with rural residents, namely the ability to see a doctor, the alleviation of poverty with healthcare, and development of primary medical services.

In the future, Tianqi Lithium will further seek to establish high-quality medical resources in rural areas to improve the capabilities of rural medical practitioners and enhance local medical and health service offerings.



Moving Forward Program

The Moving Forward Program is a development-oriented philanthropic project launched by China Foundation for Poverty Alleviation (CFPA) to promote the growth of children in poverty-stricken areas and fairness in education for urban and rural areas. The program aims to improve the learning environment and the sharing of quality education resources for children in disadvantaged areas through continuous social care and professional support.

Tianqi cooperated with CFPA to continuously fund the "Moving Forward Project" in Mao County, Sichuan Province for three years (2018-2020). With the support of Mao County Education Bureau, by creating multi-function classrooms, training teachers to become mental health coaches, and leading students to carry out mental health related courses, moving forward summer camps and other activities. Four positive impacts for rural children include greater tolerance, improved self-esteem, more constructive ability and enhanced teamwork skills.

In the past three years, Tianqi Lithium has donated USD 260,967.90 and assisted in building 2 demonstration schools and 9 mental health coach training institutes, training 39 mental health coaches and benefiting a total of 2,315 students.

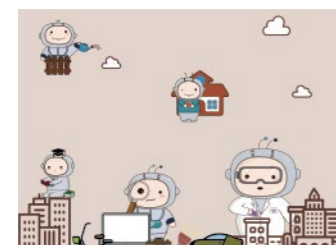
Volunteering Service

During the reporting period, due to the impact of the pandemic, we continued to establish a positive brand image of "Tianqi Volunteers" through a combination of online and offline activities in order to fulfill our long-term commitment to the sustainable development of society.



Environment

Tianqi Biodiversity volunteering service: The project is piloted at the production plants and volunteers cooperate with specialized charity organizations to conduct surveys of local biodiversity, establish a list and number of species, and dynamically monitor and record changes in the type and number of species and protect biodiversity.



Education

Lithium Classroom: Volunteers team up to develop and upgrade courses in combination with STEM education concepts and new mascot to create Tianqi's own courses on new energy science.



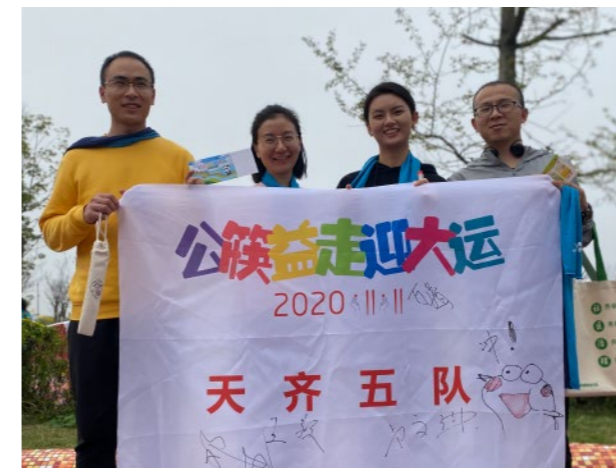
Community

Make Dreams Come True Project: On the day of the 35th International Volunteer Day, Tianqi volunteers started the "make dreams come true" project in Mao county, Sichuan province, in order to help the rural students and teachers to realize their little dreams. Tianqi volunteers and other caring people donated 60 gifts in total for them just in three days.

We are not only committed to the spirit of volunteering service in the Tianqi brand, but also actively cooperate with other not-for-profit organizations to promote voluntary cultural exchanges at home and abroad to build a better world.

Participation in environmental protection: "Double Eleven" Serving Chopsticks Campaign to welcome the Universiade

"Double Eleven" Serving Chopsticks Campaign was initiated by the Charity and Social Enterprise Research Center of the University of Electronic Science and Technology of China, with the participation of more than a hundred local enterprises and institutions in Sichuan. Now in its 31st year, the Universiade summit will be held in Chengdu, with a launch event to promote the use of serving chopsticks. A total of 36 Tianqi volunteers participated in the exhibition, guidance, and hosting of the event, contributing 129.5 hours of total community service. The total number of participants in the event exceeded 600.



Cultural exchange: Tianqi Lithium "Connections Gallery" at the Western Australian Museum

The new Western Australian Museum officially opened in Perth on November 21, 2020. The Museum represents the important historical, geological, natural and cultural connections between Western Australia and other regions. The Tianqi Lithium "Connections Gallery" showcases the cultural diversity of Western Australia and the history of China-Australia friendship through the use of interactive screens and physical exhibits.





Mao County Moving Forward



Ambition
drives new opportunities

Fight
for your dreams



Appendix-ESG Data Overview

Subject area	Aspect	KPI	Unit	2020
Economics	Resource reserves	Lithium reserves LCE (Lithium carbonate equivalent)	10,000 ton	1,607
	Output	Output of lithium concentrate	ton	579,974
		Output of lithium chemicals	ton	38,050.40
	Revenue	Total revenue	thousand USD ¹	469,662.80
		Domestic revenue	thousand USD	360,285.32
		Overseas revenue	thousand USD	109,377.48
	Assets	Total assets	thousand USD	6,094,407.23
	Gross margin	Gross profit margin	%	41.49%
		Gross margin of lithium concentrate	%	62.53%
		Gross margin of lithium chemicals	%	23.71%
Net cash flow	Net cash flow from operating activities	thousand USD	100,970.54	
Environmental ²	Energy consumption	Natural gas	m ³	30,597,589.91
		Coal	ton	19,277.18 ³
		Purchased Electricity	10,000 kWh	15,755.32
		Purchased steam	ton	141,691.00
		Diesel	ton	68.46
		Gasoline	ton	10.96
		Liquefied petroleum gas	ton	0.22
		Comprehensive energy consumption ⁴	GJ	2,637,219.10
	Intensity of comprehensive energy consumption	GJ/ton LCE	67.32	
	Resource consumption	Surface water	ton	1,500,923.00
		Tap water	ton	292,189.77
		Third-party water ⁵	ton	270,000.00
		Total water withdrawal (fresh water)	ton	2,063,112.77

¹ The exchange rate of the US dollar is based on data from the National Bureau of Statistics. The average exchange rate for 2020 is 1 US dollar to RMB 6.8974.

² The environmental data cover the three production bases in Shehong, Sichuan, Zhangjiagang, Jiangsu, and Tongliang, Chongqing, the Chengdu headquarters, and Tianqi Shenghe Lithium Co., Ltd. Due to product category, production process and other reasons, some environmental data only cover part of the production bases.

³ The "coal to gas" project at Shehong plant in Sichuan was completed and put into operation in 2020. Therefore, the consumption of coal was greatly reduced.

⁴ The comprehensive energy consumption was calculated in accordance with the GB/T 2589-2020 General Principles for Calculation of Comprehensive Energy 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 production system. The scope includes: 1) natural gas, coal, purchased electricity, diesel, gasoline, liquefied petroleum gas and liquefied oxygen of Shehong, Sichuan, 2) natural gas, purchased electricity, purchased steam, diesel, gasoline, liquefied petroleum gas, carbon dioxide, tap water and third-party water of Zhangjiagang, Jiangsu, and 3) natural gas, purchased electricity, diesel, gasoline and tap water of Tongliang, Chongqing.

⁵ Third-party water refers to reclaimed water purchased from industrial parks.

Subject area	Aspect	KPI	Unit	2020
Environmental	Resource consumption	Recycled/reused water	ton	17,511,395.00 ⁶
		Total water used	ton	19,572,987.00
		Intensity of total water withdrawal	ton/ton LCE	52.70
		Packaging material-plastics	ton	1,061.38 ⁷
		Packaging material-paper	ton	40.27 ⁸
		Packaging material-metal	ton	185.25 ⁹
		Total packaging material consumption	ton	1,285.90
	Emissions	Nitrogen oxides emissions	ton	46.86
		Sulfuric acid mist	ton	0.65
		Sulfur dioxide emissions	ton	26.89
		PM (particulate matter) emissions	ton	12.47
		Chlorine	ton	0.63
	GHG emissions	Main emissions	ton	87.50
		Direct (scope 1) GHG emissions	ton CO ₂ equivalent	124,147.00
		Energy indirect (scope 2) GHG emissions	ton CO ₂ equivalent	134,978.31
	Water Effluents Discharged & Other Wastes	Total (scope1 and scope 2) GHG emissions	ton CO ₂ equivalent	259,125.31
		Total Waste Effluents Discharged	ton	447,982.49
		COD (chemical oxygen demand)	ton	9.54
		SS (suspended solids)	ton	4.83
		Ammonia nitrogen	ton	0.69
Total phosphorus		ton	0.04	
Total nitrogen		ton	0.75	
Household waste (food waste, office waste, etc.)		ton	537.90	
Non-recyclable non-hazardous waste		ton	580.80 ¹⁰	

⁶ Recycled/reused water was estimated based on the water needs satisfied by recycled/reused water.

⁷ Packaging materials - plastics include PE packaging materials such as plastic pallets, ton bags, cover films, backsheet films, wrapping films, PE films and aluminum-plastic composite bag.

⁸ Packaging materials - paper includes paper-based packaging materials such as kraft paper bags, stickers, valve bags and cardboards.

⁹ Packaging materials - metal includes metal packaging materials such as steel drums.

¹⁰ The way of cooperation between the Shehong plant in Sichuan and third-party services was changed in 2020, and the weight of waste was calculated based on the monthly weight of each vehicle.

Subject area	Aspect	KPI	Unit	2020
Environmental	Other Wastes	Lithium slag	ton	343,968.58
		Coal ash and slag	ton	10,773.68
		Iron scraps	ton	214.75
		Calcium slag	ton	12,167.14
		Other recyclable waste	ton	204.45
		Used mineral oil (motor oil, lubricating oil, etc.)	ton	18.77
		Waste acid and alkali, waste alcohol and laboratory waste liquid	ton	17.82 ¹¹
		Waste contaminated with chemical reagents	ton	2.07
Social	R&D investment	Total R&D investment	thousand USD	2,769.07
	Occupational health investment	Total occupational health investment	thousand USD	682.07
	Suppliers	Domestic suppliers	number	1,094
		Overseas suppliers	number	42
		Strategic suppliers with system certifications	%	80
		Frequency of due diligence to strategic supplier	times/year	2
		Suppliers eliminated	number	411 ¹²
		Customer satisfaction rate	%	>95
	Employees (Including Windfield)	Total employees	person	1,644
		Male employees	person	1,218
		Female employees	person	426
		Chinese employees	person	1,219
		Australian employees	person	425
Employees aged 25 and below		person	86	

¹¹ Since the Shehong plant in Sichuan processed laboratory waste liquid every two years, the laboratory waste liquid treatment volume in 2020 included the waste liquid produced in 2019.

¹² 407 suppliers had not cooperated with us for two consecutive years and 4 suppliers failed the assessment.

Subject area	Aspect	KPI	Unit	2020
Social	Employees (Including Windfield)	Employees aged 26-35	person	566
		Employees aged 36-45	person	503
		Employees aged 46 and above	person	489
		Production personnel	person	988
		Technical personnel	person	354
		Sales personnel	person	32
		Financial personnel	person	63
		Management and others	person	207
	Employees (Excluding Windfield)	Training investment	thousand USD	75.23
		Total number of trainees	person	1,505
		Total number of trainees	person time	13,402
		Total training hours	hour	30,553
		Average training hours per capita	hour	20.30
		Employee turnover rate (MTD)	%	16.93
		Number of work-related fatalities	person	0
		Occupational disease incidence rates	%	0
		Major safety incidents	number	0
	Intellectual property	Authorized overseas invention patents (cumulative)	item	4
		Authorized domestic invention patents (cumulative)	item	64
		Design patents (cumulative)	item	11
		Authorized utility model patents (cumulative)	item	74
	Community	Total number of volunteer activities	person time	174
		Volunteer service time	hour	151.9
		Volunteer service investment	thousand USD	1.10
		Investment in environmental protection programs	thousand USD	0.36
Investment in education programs		thousand USD	5.23	
Investment in community well-being programs		thousand USD	132.82	

Feedback form

Dear Reader,

Thank you for downloading the 2020 Sustainability Report of Tianqi Lithium. This is the fourth 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?

Excellent Good Fair Poor Very Poor

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

Excellent Good Fair Poor Very Poor

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

Excellent Good Fair Poor Very Poor

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

1.Which parts of the report are most 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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Note: Personal information provided for internal use only.

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