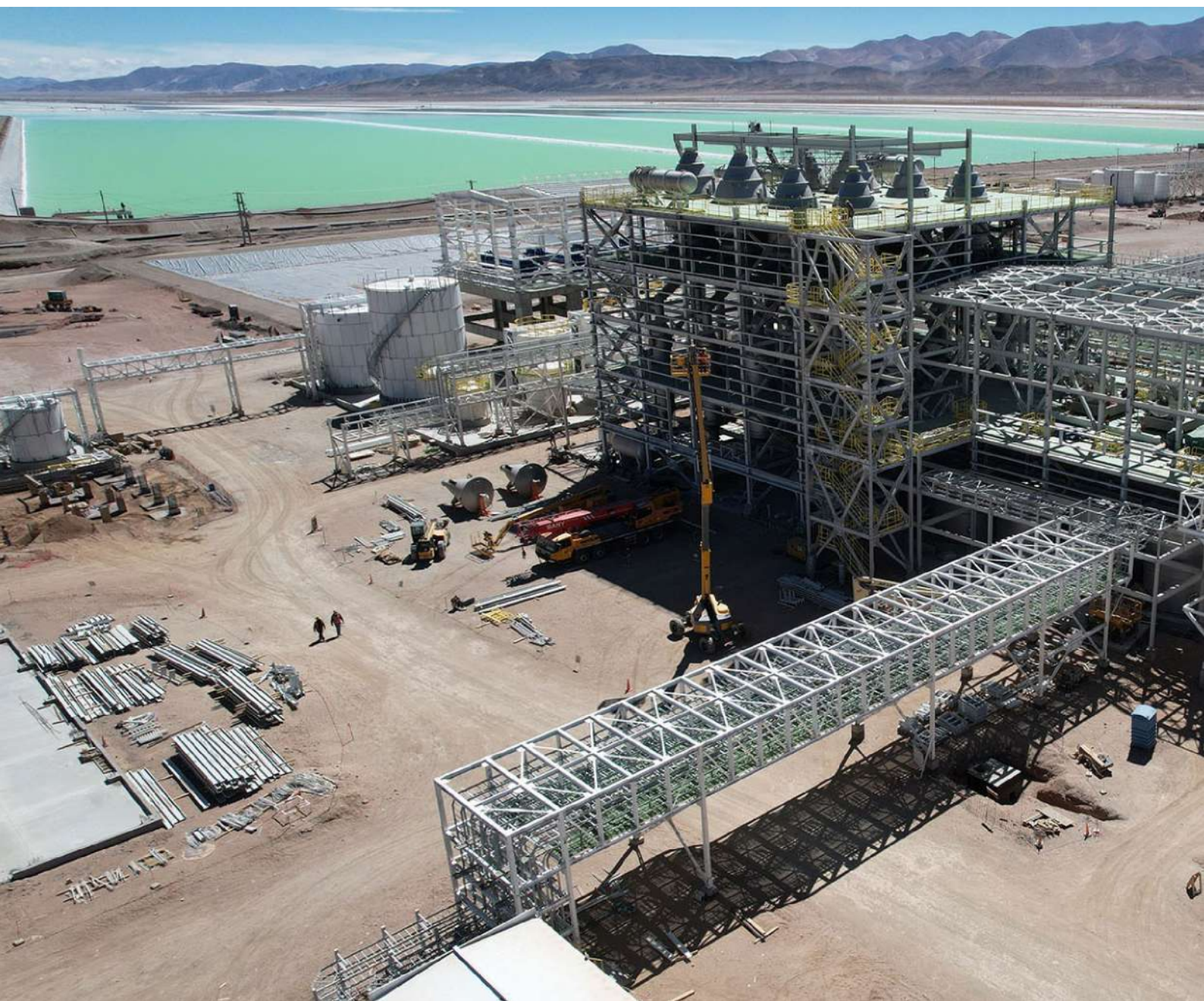


Ganfeng Lithium Co., Ltd.

2021 Sustainability Report

Utilize limited lithium resources to create a green, clean and healthy life for human development and progress



About This Report

This report is the sustainability report (or social responsibility report) for the sixth consecutive year issued by Jiangxi Ganfeng Lithium Co., Ltd., which aims to communicate with stakeholders on corporate social responsibility, operational initiatives and performance, and to respond to stakeholders' needs.

Reporting Period

The reporting period is from January 1 to December 31, 2021. Some of the statements and data are beyond the reporting period in an appropriate manner.

Reporting Scope

The report covers the headquarters, branches and subsidiaries of Ganfeng Lithium Co., Ltd. Unless otherwise specified, the environmental data disclosed in this report was generated by Ganfeng's operations in mainland China.

Data Source

The data and information in the report was extracted from Ganfeng Lithium Co., Ltd.'s relevant documents, reports and system.

Reporting Reference

The report was prepared in accordance with Appendix 27 Environmental, Social and Governance Reporting Guide of the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (HKEx ESG Reporting Guide).

Response to the Four Principles of the HKEx ESG Reporting Guide

Materiality: To prepare this report, the Company conducted a materiality analysis to determine the completeness and accuracy of its contents. The process and results of materiality analysis are presented in Section "Sustainability Development" of this report.

Quantitative: The report disclosed quantitative data on both environmental and social aspects to demonstrate the performance of indicators.

Balance: The Company strives to achieve objective and unbiased information disclosure. The contents of the report came from the Company's internal management documents, statistics and public disclosure, as well as public media reports, with no improper revisions.

Consistency: Unless otherwise stated, the data disclosed in this report was from the unified information collection process and working mechanism established by the Company to ensure the comparability of data year after year.

Reporting Specification

For convenience, Ganfeng Lithium Co., Ltd. is referred to as "Ganfeng Lithium", "the Company" or "we" in the report.

Access to This Report

You can download the Chinese version of this report on the website of the Shenzhen Stock Exchange, or the Chinese and English versions on the website of the Hong Kong Stock Exchange.

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A Message from Our Chairman



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A new year means a new style, a new pattern, and a new way of thinking about development. We must remain modest, realistic, and practical in our efforts to establish a new benchmark in the lithium industry. We must insist on innovation and transformation in development, strive to create a lithium ecosystem in the international sector, and promote the global transition to a green, low-carbon, and circular economy.

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Dear readers,

2021 was a year of both challenges and opportunities. The lithium industry saw significant transformations this year. We, as always, seized the opportunities for development and stayed true to our vision "to created unlimited value by utilizing limited resources". We advanced our management level, global presence, technological innovation, and sustainability, and made remarkable achievements in every aspect.

In the past year, we surmounted the negative effects of COVID-19, as well as the rising prices of coal, sulfuric acid, caustic soda, and soda ash, to make steady progress on project construction. Our products had considerable quality improvements, our production capacity reached record highs, and our performance achieved a remarkable increase. They were the results of the industry's boom and our management team's dedication to their duties. We implemented quality management in accordance with the IATF 16949 specification, made improvements in the production economy, and eliminated leakage and venting in the plant. All of these efforts resulted in our finest performance in history.

Our 10,000-tonne lithium salt plant has been improving and upgrading for the past year. The plant's lithium salt output was doubled, and all production targets were met thanks to the earnest organization and reasonable arrangement. Moreover, the plant actively responded to the Company's call and vigorously promoted digital, IT, and intelligent transitions. It completed the initiative for intelligent three-dimensional warehouses and a security information platform in 2021, and the facility began more automated and intelligent production. Through its research efforts and diverse product and process development, our specialized lithium plant has achieved technological breakthroughs in both production and research and development. Through technical upgrades, our Ningdu plant filled in the gaps in every section of the lithium carbonate workshop and boosted its capacity to meet the rising market demand. Ganfeng Recycling drew momentum from the external environment, partnered with industry leaders, and established a stable pathway of recycling, processing, and profiting. Our metal lithium plant put efforts into product development that led to

the trial production of ultra-thin and ultra-wide lithium bands, as well as lithium powder, lithium amide, and lithium-boron alloy. It collaborated with Shanghai Jiaotong University to develop an aluminium lithium alloy in order to prepare for the further development of the Company. The output and sales of butyl lithium at our organolithium plant set new highs, boosting Ganfeng Lithium's organolithium business. As a result of the market expansion, the battery segment saw a significant increase in core customers. With high spirits and confidence, the management team were getting into shape. They led to technological breakthroughs and advancements in many key projects.

We are full of enthusiasm for the approaching year and are committed to greater progress and accomplishments. In the coming year, we hope Ganfeng Lithium will continue to improve and flourish, becoming a leader and titan in the lithium industry. We believe that our lithium battery sector will grow in size, strength, and competitiveness, bringing more advanced clients to our second-generation solid-state batteries and allowing us to lead the industry trend and take the first chance. We expect our overseas business unit to find more high-quality lithium resources and make smooth progress on development projects. We also hope that additional in-need talents will join us to build the most advanced research institute and the largest and most advanced lithium salt enterprise. We are optimistic about the future!

A new year means a new style, a new pattern, and a new way of thinking about development. We must remain modest, realistic, and practical in our efforts to establish a new benchmark in the lithium industry. We must insist on innovation and transformation in development, strive to create a lithium ecosystem in the international sector, and promote the global shift to a green, low-carbon, and circular economy.

Chairman Li Liangbin



About Us

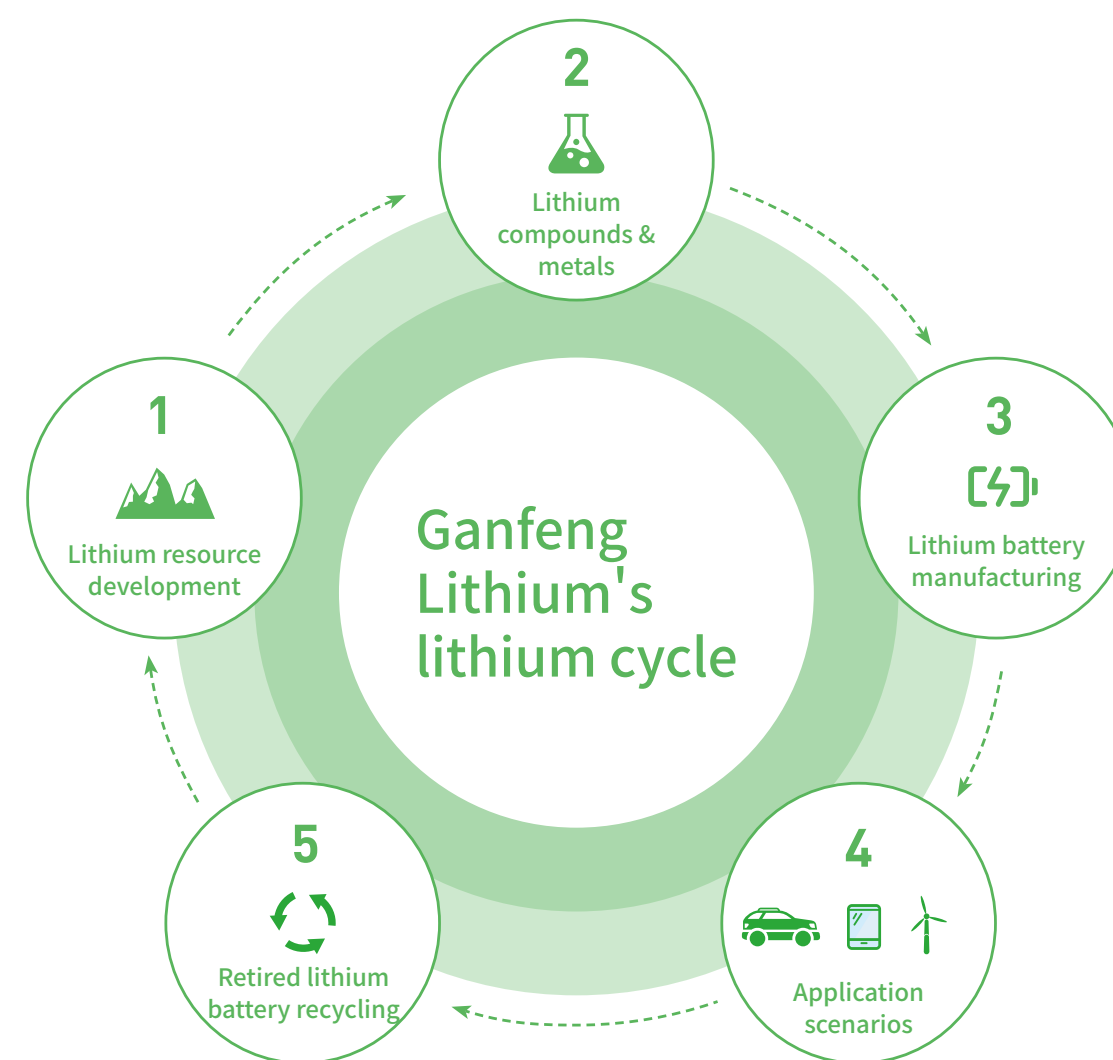
Jiangxi Ganfeng Lithium Industry Co., Ltd. (A-share code: 002460; H-share code: 01772), founded in March 2000, is the only A+H share-listed company in China's lithium industry and a global leader in the lithium industry. We are one of the largest lithium compound manufacturers and the largest metal lithium manufacturer in the world.

The Company has rich lithium mineral resource reserves at home and abroad. At the end of 2021, we were one of the companies in the global lithium sector with the most lithium mineral resource reserves.

The Company specializes in the deep processing of lithium products and lithium battery manufacturing. We have implemented the "upstream-downstream-integration" development strategy and established five business divisions, namely: lithium resource extraction, deep processing of lithium salt products, lithium metal smelting, lithium battery manufacturing, and lithium battery recycling. We have launched over 40 products in five series, including basic lithium salts, organolithium, new lithium battery materials, metal lithium and lithium alloys, and lithium power and energy storage batteries, earning us the reputation as the "global lithium supermarket". We are a world-class company with the most complete range of lithium products, the longest product processing chain, and the most comprehensive process technology in the world.

Technology is at the heart of the business. We are the only professional manufacturer with the technology to extract lithium from spodumene, lepidolite, lithium salt lakes, lithium clay, and recycled materials anywhere in the globe.

We will continue to pursue our mission to "utilize limited lithium resources to create a green, clean, and healthy life for human development and progress", adhere to our development strategy of "building a world-class enterprise that integrates the upstream and downstream of the global lithium industry", and promote the core values of "integrity, responsibility, cooperation, efficiency, and innovation." We will use technological innovation to lead the technological development of China's lithium industry and rely on the listed capital platform to build the top Chinese lithium brand.



Global Layout



The abundant high-quality resource reserves in the upstream ensures a stable supply for the new energy industry. Lithium salt production bases have been established near our mining rights in Argentina and Mexico. It shortens the supply chain, reduces CO2 emissions during transportation, and boosts local employment. We integrate into the local community's way of life and pay attention to their needs. We build basic living facilities to achieve the harmonious coexistence of industrial activity and the community.

Corporate Culture



Taking the people-oriented approach and placing emphasis on continuous improvement, ensuring safety and observing laws and business ethics and pursuing green development to bolster the circular economy

Ten Principles, Four Qualities, and Five Aspects of Faithfulness

(I) Ten Principles

Only exceptional people can build an exceptional business. Building a like-minded team is crucial to achieving entrepreneurial success. Ganfeng Lithium has established a grand stage for people to fully display their talents by establishing a fair and just integrity system, assembling a team of high-quality management personnel who are "faithful to the profession, recognize the Company, adept at learning, and committed to continuous improvement". The Ten Principles must be followed by all managers of Ganfeng Lithium.

- | | |
|--|---|
| 1. Be loyal to Ganfeng Lithium and agree with the Company's core values and business philosophy. | 6. Assume responsibilities, think outside the box, and be capable of breaking through and solving problems. |
| 2. Stay humble and low-key with a strong will. | 7. Work on the front line and solve practical problems. |
| 3. Work hard and always respond to the Company's urgent needs. | 8. Be a technical and management expert. |
| 4. Be dedicated to the position without abuse or misplacement of power. | 9. Observe the rules and never seek privileges. |
| 5. Care for colleagues, be upright and remain true to promises. | 10. Be clean and self-disciplined, never form cliques for private gain. |

(II) Four Qualities

Young people are the future and hope of an enterprise. To a certain extent, the competition among enterprises is the same as competition among young people. We should put young people in positions that fit their personalities to train them and provide them with a platform where they can exert their initiative. Young people at Ganfeng Lithium should be *aspirational, skilful, rule-abiding, and grateful*.

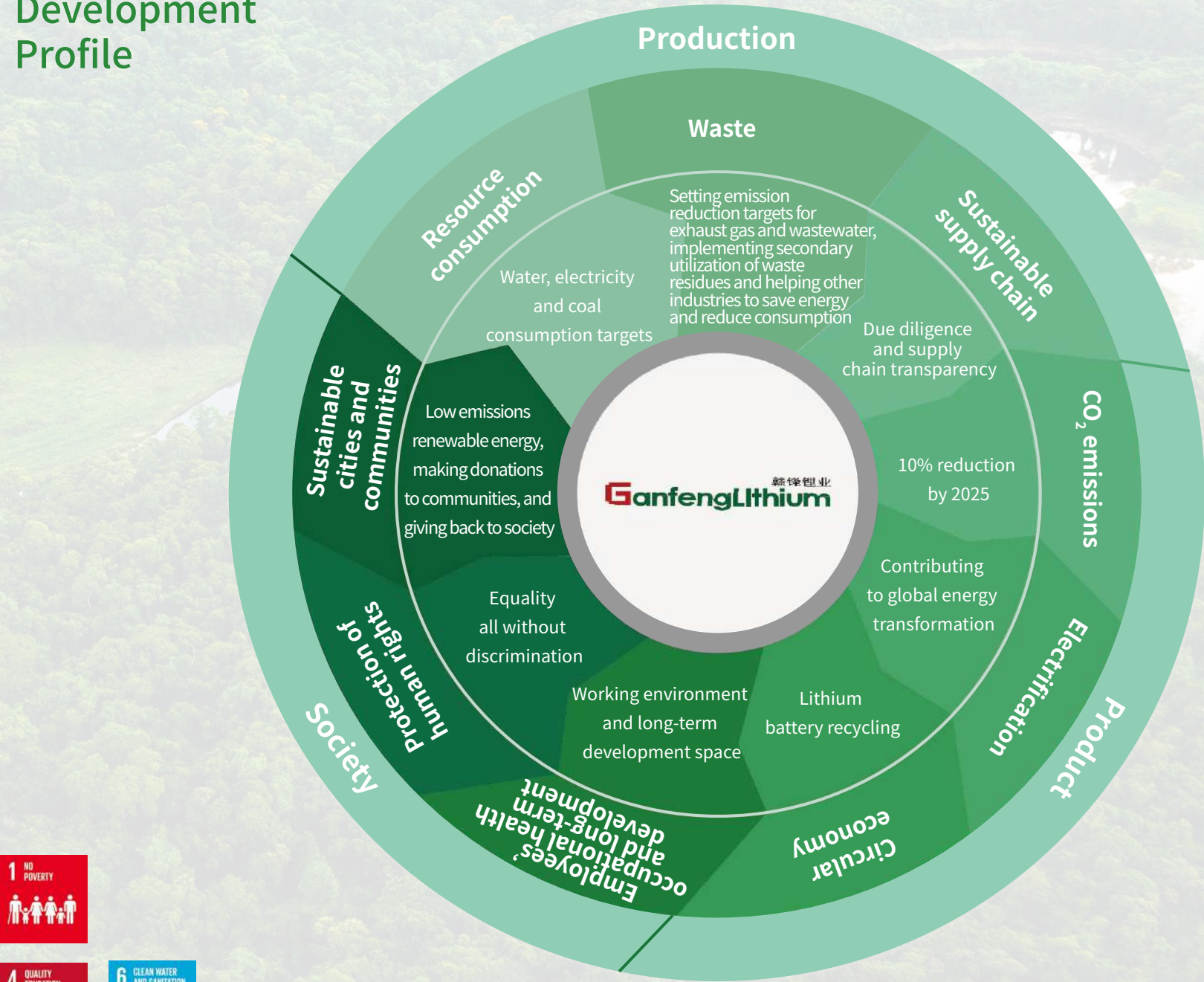
(III) Five Aspects of Faithfulness

Ganfeng Lithium aspires to lead all employees to a comfortable life. For the integrity, health, and sustainable development of the Company, we should:

- Be faithful to the law and never use our power to infringe on any interests of the Company or accept any bribes
- Be faithful to the discipline and never accept any gifts or hospitality from the Company's partners
- Be faithful to ethics and never influence or interfere with the Company's business out of personal interests
- Be faithful to the mission and never form cliques for private gain to affect the Company's healthy development
- Be faithful to the Company and never cover up corruption or abuse of power for personal gain

Sustainable Development Management

Sustainable Development Profile



Statement by the Board of Directors

Ganfeng Lithium has been deeply involved in the lithium business for more than 20 years and is well aware of the lithium industry's relevance in the global transition to a low-carbon economy. To reduce carbon emissions and achieve sustainability, we should develop business models that can ensure supply for the new energy industry chain and emphasize energy conservation and emission reduction in production and operation. We have established a mature and effective sustainability management mechanism. The company's ESG philosophy is instilled in every employee through its sustainable organizational structure, resulting in long-term and stable business, environmental, and social value.

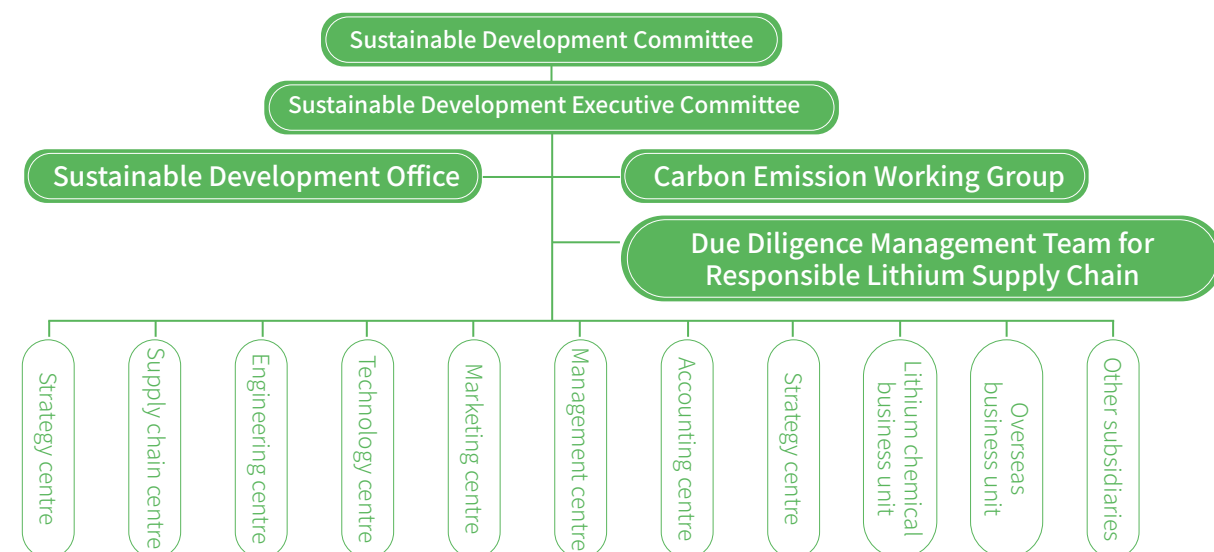
The Ganfeng Lithium Board of Directors is the highest governance and decision-making body for the Company's ESG matters, which oversees and administers the Company's ESG management policies and strategies. The Board of Directors has established a Sustainable Development Committee, which is led by the Company's vice chairperson. The Committee has drafted the Working Rules of the Board's Sustainable Development Committee, in which it has defined the ESG responsibilities of each department. Specifically, the Sustainable Development Committee establishes the Company's sustainability goals and development strategies, and oversees the operation of the Company's sustainable development system throughout all business segments. A Sustainable Development Executive Committee has been set up under the Sustainable Development Committee. There is also the Sustainable Development Office and the Carbon Emission Working Group, which are responsible for coordinating the sustainability tasks of functional departments and subsidiaries, such as energy-conservation technological transformation, waste gas, wastewater, and solid waste emission management, water consumption management, energy transformation, and community maintenance. The Board of Directors evaluates the progress of these causes on a regular basis.

In the context of the global transition to a green and low-carbon economy, Ganfeng Lithium values stakeholders' demands. The Sustainable Development Executive Committee conducts stakeholder surveys on a regular basis. To address stakeholders' needs in a targeted manner, the Board of Directors reviews major ESG topics and determines the Company's ESG risks and opportunities, as well as annual ESG priorities based on the survey results.

In 2021, Ganfeng Lithium improved their risk management process in response to stakeholders' requests. We draw on our experience in supply chain management in the cobalt industry to build a responsible supply chain that begins with lithium mines in the upstream. Moreover, as part of the Company's long-term ESG development plan, we intend to install distributed photovoltaic projects on all rooftops and have started investing in centralized photovoltaic projects in order to increase the proportion of green electricity. We have taken various measures at the same time to encourage upstream suppliers and the Company to step up their ESG efforts and decrease the Company's ESG risks in the field.

This report fully discloses the progress and achievements of Ganfeng Lithium's ESG work in 2021, and was reviewed and approved by the Sustainable Development Committee and the Board of Directors on March 30, 2022.

Sustainable development management structure of Ganfeng Lithium



Stakeholder Communication

The Company highly values the communication with stakeholders. Under the coordination of the Sustainable Development Executive Committee, business departments communicate directly with stakeholders such as company employees, shareholders, government, suppliers, customers, media, society and the public, partners, regularly listen to internal and external stakeholders' demands and expectations, and make timely response.

Stakeholders	Demand and Expectations	Means of Communication and Response
 Government	- Complying with laws and regulations - Paying taxes according to law - Supporting economic development	- Operating according to relevant regulations - Paying taxes according to law
 Shareholders	- Return on investment - Business and profit growth - Risk management - Information disclosure	- Timely disclosure of business information - Shareholders' meeting - Investment Summit - Roadshow
 Customers	- Stable supply of goods - High-quality products and services - Meeting diverse needs of customers - Creating value for customers	- Signing a long-term agreement - Guaranteeing service quality - Customer information protection - Customer satisfaction survey
 Employees	- Safeguarding employees' rights and interests - Improving paths to development - Protecting occupational health - Balancing work and life	- Providing good compensation and benefits - Improving paths to career development - Implementing employee training
 Partners	- Open, fair and just procurement - Fulfilling contracts	- Performing contracts according to law - Open tender - Carrying out project cooperation
 Environment	- Environmental protection - Energy savings and emissions reduction - Ecological conservation	- Managing emissions - Improving resource and energy efficiency - Managing hazardous chemicals
 Society and the Public	- Participating in community development - Supporting philanthropy	- Participating in community development - Supporting philanthropy

Materiality Analysis

Every two years, the Company conducts thorough research and identification of material topics. In 2021, the Company engaged with stakeholders in a variety of ways, conducted benchmarking analysis of the topics in peer companies' sustainability disclosure, and consulted industry topics in mainstream ESG-related ratings and indices in the capital market. We compiled sustainability issues relating to the industry and the Company using the HKEx ESG Reporting Guide's Appendix 27: Environmental, Social and Governance Reporting Guide. After discussing and screening, the Sustainable Development Office identified 22 sustainability topics for the year.

To ensure accurate and complete disclosure of information relating to operation and management, the Company used questionnaires to identify the scope and limitation of disclosure of these topics. We recovered a total of eight copies of the executive questionnaire and 305 copies of the stakeholder questionnaire in 2021, and collected opinions and suggestions on the Company's sustainable development management from all stakeholders, which will serve as important foundation and direction for the Company's future. The Company's 2021 materiality matrix on sustainable development was finalised and reported to the Company's Board of Directors for approval, based on stakeholder and executive evaluations of all social responsibility subjects.

Materiality matrix of sustainable development issues of Ganfeng Lithium in 2021



Response to UN SDGs

1 NO POVERTY	The company continuously helps the families of poor employees to get out of poverty. Over the years, we have actively participated in poverty alleviation, helped improve the lives of poor residents and sent gifts to poor households on festive occasions.
4 QUALITY EDUCATION	For more than 10 years, the company has assisted needy students in various forms such as funding for study and music classroom building. The company cooperates with universities and research institutes to carry out projects that train professionals in the lithium industry.
5 GENDER EQUALITY	In opposition to gender discrimination, the company implements equal pay for equal work for men and women, protects the legal rights and benefits of female employees and increases the proportion of female executives gradually.
6 CLEAN WATER AND SANITATION	The production wastewater and domestic sewage generated by the company's operations are properly treated to reach standards and then discharged to municipal sewage pipe networks without polluting local rivers and lakes.
7 AFFORDABLE AND CLEAN ENERGY	The company has replaced coal with steam and natural gas step by step and leveraged rooftop photovoltaic power generation and self-produced energy storage batteries to increase the use of clean energy.
8 DECENT WORK AND ECONOMIC GROWTH	The company supports the development of strategic emerging industries that facilitate sustainable economic growth, bans compulsory labour and child labour and provides employees with a competitive salary and welfare system while creating an aspiring corporate culture and working atmosphere so that employees take pride in working for Ganfeng Lithium.
9 INDUSTRY, INNOVATION AND INFRASTRUCTURE	The company continuously increases investment in technology development, research and innovation, attaches importance to the introduction and training of scientific research personnel and maintains innovation vitality and ability to drive industrial upgrading.
10 REDUCED INEQUALITIES	The company respects and protects the human rights of every employee regardless of age, gender, disability, race, ethnicity, origin, religion or economic status and eliminates inequality.
11 SUSTAINABLE CITIES AND COMMUNITIES	We provide a diverse product portfolio that complies with sustainable development trends. Our products are widely used in new energy storage, urban clean transportation and other fields.
12 RESPONSIBLE CONSUMPTION AND PRODUCTION	The company improves resource utilisation in all aspects of production and operation, strictly manages the use of hazardous chemicals, reduces waste emissions and rationally develops and utilises lithium ore resources and metal recycling to minimise its impact on the environment. The company regards safe production as the most important responsibility and strives to create a safe and healthy working environment for its employees.
13 CLIMATE ACTION	The company actively takes actions for energy saving and consumption reduction to address climate change. A few initiatives are energysaving targets for factories and linking them to the performance of executives, building a climate change risk management system and hiring third-party professional institutions to conduct greenhouse gas accounting in order to raise its specialty in responding to climate change.
15 LIFE ON LAND	The company optimises the construction process during mining operations and actively carries out reclamation and greening afterwards to maintain the stability of local ecosystem and protect biodiversity.
16 PEACE, JUSTICE AND STRONG INSTITUTIONS	The company continuously improves corporate governance, strengthens anticorruption construction and strives to establish an efficient and transparent governance system.
17 PARTNERSHIPS FOR THE GOALS	The company has established a symbiotic and win-win relationship with partners, working with upstream and downstream partners in the industry chain to push forward sustainable management.

| Prioritizing Compliance to Consolidate the Cornerstone of Governance

The cornerstone of a company's healthy development is operational compliance. Ganfeng Lithium, as an A+H-share listed company, manages compliance in accordance with the governance requirements for listed businesses in both the Chinese mainland and Hong Kong. To ensure the integrity and effectiveness of the Company's operations and work towards the Company's sustainable development goals, we continuously improve our governance structure, increase our governance, and strengthen the Company's risk management capabilities as our business grows.

Material issues addressed in this chapter

- 1、Corporate governance
- 2、Company growth
- 3、Anti-corruption
- 4、Operation with integrity

Issues related to SDGs addressed in this chapter



Improving Corporate Governance

Ganfeng Lithium strictly abides by the Company Law of the People's Republic of China, Securities Law of the People's Republic of China, Guidelines for Governance of Listed Companies and other relevant laws and regulations. The Company has formulated and improved a number of systems and regulations including the Articles of Association, Management Measures for Fundraising, Rules of Procedure of the Shareholders' Meeting, Rules of Procedures of the Board of Directors, Rules of Procedures of the Board of Supervisors, Rules of Work for Independent Directors, Outbound Investment Management System, External Guarantee System, Information Disclosure Management System, etc. We have continuously improved the construction of the shareholders' meeting, the Board of Directors and the Board of Supervisors to lay a solid foundation for the standardized operation and long-term sustainable development of Ganfeng Lithium. In 2021, the Company has formulated the Management System for Outward Donation and Sponsorship, the Management Regulations for Anti-bribery, Anti-Corruption, Anti-fraud and Reporting, the Management Regulations for Anti-Money Laundering and Anti-Terrorist Financing, and the Risk Management System according to the regulatory authorities' latest instructions and the Company's actual situation. We continuously improve our effective corporate governance structure and enhance corporate governance to protect shareholders' and investors' interests to the greatest extent.

Ganfeng Lithium attaches great importance to the diversified structure of the Board of Directors by electing board members based on multiple factors including age, educational background, professional experience and industry experience, etc. Among the members of the Company's Board of Directors, there are four internal directors and six external directors. Four directors are women, which helps exert women's advantages in management.

Ganfeng Lithium attaches great importance to the protection of shareholders' rights and interests, and actively maintains close communication with shareholders. We convene a general meeting of shareholders as required every year, treat all shareholders equally, use online voting and separately count the votes of small and medium shareholders to maximize their participation in the Company's decision-making and protect the interests of investors. In the face of shareholders' inquiries, we give explanations in a timely manner, carefully listen to their opinions and suggestions, and ensure the right to know and the right to speak of small and medium shareholders. The members of the Board of Directors and the Board of Supervisors carefully review each proposal and perform their duties diligently.

In 2021, the Company held a total of six shareholders' meetings, 21 meetings of the Board of Directors, 15 meetings of the Board of Supervisors, seven meetings of the Strategy committee, four meetings of the Audit Committee, three meeting of the Remuneration Committee and one meeting of the Sustainable Development Committee. The members of the Board of Directors and the Board of Supervisors carefully review each proposal and perform their duties diligently.



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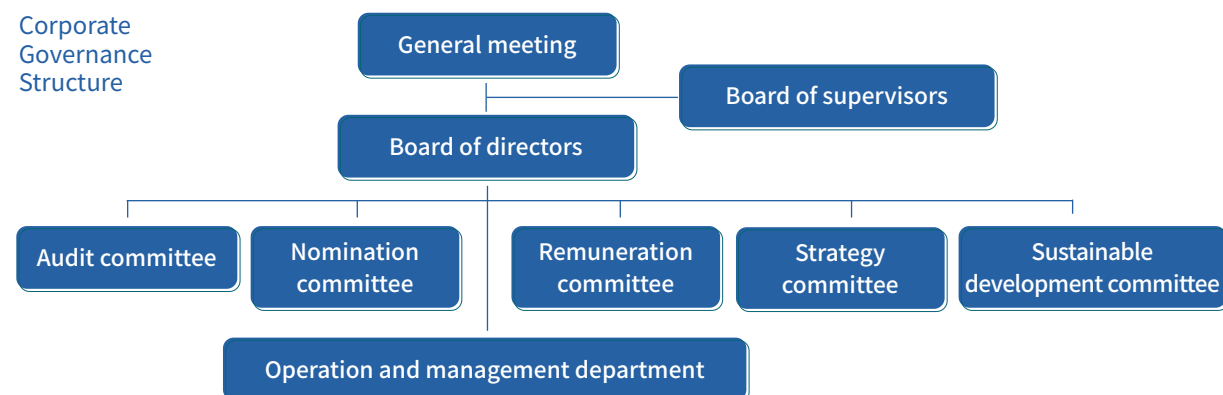
meetings of the Board of Directors



15

meetings of the Board of Supervisors

Corporate Governance Structure



Information Disclosure

In 2021, the Company published 293 announcements on the Shenzhen Stock Exchange and 147 overseas regulatory announcements on HKEX, some of which were in both Chinese and English. In the same year, the Company published six announcements on HKEX in both Chinese and English for notifiable and connected transactions. In our daily work, we always pay great attention to transactional compliance and disclose all matters regarding connected transactions within the Company according to applicable laws and regulations.

Investor Communication

In 2021, the Company engaged in active online and offline communication with investors, answering their questions, and recording the questions and responses for their future reference.

Case

2021 Collective Investor Reception Day of Listed Companies in Jiangxi Province

Ganfeng Lithium's Chairman Li Liangbin, Director of Finance Yang Manying, and Secretary of the Board of Directors Ouyang Ming attended the 2021 Collective Investor Reception Day of Listed Companies in Jiangxi under the theme "Heart to Heart and Hand in Hand for High-Quality Development". The representatives had a lively discussion with investors at the event, answering questions about the Company's development strategy, operating conditions, financing plans, equity incentive, and sustainable development, among other issues of concern to investors.



Case

Training for directors, supervisors, senior executives, and non-managerial employees

The Company encouraged directors, supervisors, and senior executives to attend the Jiangxi 2021 training for listed company directors, supervisors, and senior executives in December 2021. Moreover, we remind directors, supervisors, and senior executives of transactional compliance through emails, letters, and text messages in our daily work to prevent violations involving insider trading or short-term trading.

The Company launched the Zhiniao learning section in the Ping An Bank app in 2021, and uploaded a large number of learning videos for employees in various roles to learn as needed. There are around 40 presentation documents covering industrial processes, industry and trade security, stock and options incentives, PPT tutorials, anti-corruption, and cybersecurity laws.



Reinforcing Risk Management and Control

In order to prepare for the rapidly changing lithium industry in 2021, the Company focused on risk management and conducted detailed risk assessments using the IATF 16949 management system and the Company's risk management system. The Company hosted a risk assessment kick-off meeting that year to thoroughly discuss the risk assessment process and methods. Risk assessment groups were formed at the headquarters, which were coordinated by the Strategic Investment Department to undertake risk assessments in order to identify current and potential risks to the Company. The assessment results were submitted to the Company's risk assessment team for review. To minimize the Company's risk level and thoroughly develop its risk management and control capabilities, the review team proposed solutions for these risks and implemented risk responses.

Risk Identification and Assessment

According to the Risk Management System, the Company separates risks into six categories: strategic, operational, financial, legal, investment and finance, and ESG risks. The Company employs the IATF 16949 system to identify risks in internal and external elements and stakeholders' demands and expectations, and evaluates each risk point in the business process using the PEST and SWOT analysis. The risk assessment teams identified and analysed the risks they faced based on a single risk assessment standard and their current work conditions, then designed preliminary improvement measures. The findings are submitted to the risk assessment team for review. All of these are aimed at lowering risks and improving the Company's risk-resistance.

Information Security Construction

Information technology, or IT, is a critical component of company development and a powerful tool for increasing production efficiency. Information security has become more important as IT and industrialisation have become more integrated. Because IT is integrated into every area of production, a data security breach might result in downtime and, in the worst-case scenario, pose a serious threat to personal safety. At the legislative level, China has enacted extensive and systematic information security regulations. The Company formed the Ganfeng Lithium Information Security Organization and enhanced the information security system in accordance with the Cybersecurity Law of the People's Republic of China. The IT Department performs system risk evaluations and fixes high-risk vulnerabilities. The department also organizes employees of the Company to attend information security training to enhance their security awareness so that they can identify information security risks around them.

Case Establishing a knowledge management centre

The IT department organized the Company's units in 2021 to form a knowledge management team and clarify the responsibilities of team members. To handle document versions, automatically update the serial number of document versions, and perform file validation and invalidation, the knowledge management centre employs essential systems. The centre also establishes a library/folder comprised of the materials submitted by departments, and a shared library/folder in the Company's intranet, which can be shared in real time according to permissions. Any internal employees of the Company can freely access knowledge data within their scope of authority on the intranet.

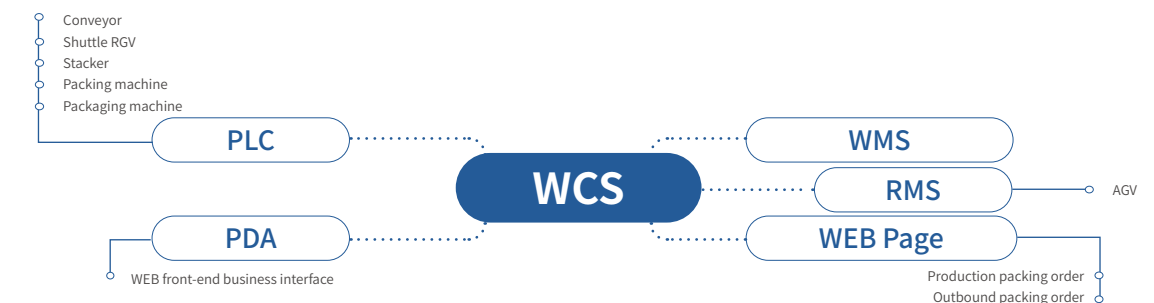
Furthermore, the knowledge management centre classifies the content of the library, dividing it into internal knowledge and external knowledge according to the source, and into the secret level, confidential level, and non-confidential level according to its confidentiality. Only via classifying knowledge management can the Company efficiently store and use knowledge and effectively enhance information security.

Case Upgrading the NCC and ERP systems

The Company's NCC and ERP systems were upgraded in 2021 using the design concept of "business driving finance, financial auditing business, and data assisting business". By the end of the year, 33 sets of books of all companies in the lithium salt segment have completed the upgrade and switch, which included the integration of 15 major functional modules, 114 minor functional modules, and 178 responsibilities and authorities, and 28 business processes. All sets have been put online and optimized according to the practical operation.

Case The intelligent warehousing system boosting intelligent plants

In December 2021, the storage system of Basic Lithium Plant was officially launched, following 14 months of development. WCS, WMS, and the self-developed quality inspection system are used in this project to enable one-on-one binding of the production batch number and the material pallet code, enabling IT-based production processing. Stocking is sped up and accuracy is improved with the automatic push of quality inspection data. There are eight AGV trolleys for material transfer, five shelf folding stackers, one RGV for product entry and exit, and multiple circulating conveyor lines. Palletizing, wrapping film, and stocking are all done automatically, allowing the end product operation process to be standardized. When compared to traditional operation methods, system integration and collaboration, as well as standardized operation procedures, dramatically minimize the requirement for operators and significantly improve plant intelligence. Furthermore, the intelligent warehousing system can recognize the label on each package of inventory products, improving the traceability of each batch of supplies.



Case The intelligent system enhancing work safety

The IT Department increased the plant's work safety management and control capabilities using personnel placement, intelligent AI, voice broadcasting, and 5G network connectivity, with the goal of "recording behavioural safety, reviewing operational safety, and improving management safety". In November 2021, the safety production project will be installed and commissioned. The project is built on the management capabilities for the location of people and objects, processes, and state dangers provided by the 5G private network. It is capable of traceable and reviewable IT-based security risk detection, tracking, early warning, and emergency action. It lowers management costs and dangers to people and objects, as well as improving plant safety continuity.

Reshaping Ganfeng Lithium's Culture

In 2021, Ganfeng Lithium launched a targeted and all-out anti-corruption campaign. Ganfeng Lithium adopted a "zero-tolerance" approach to corruption by introducing the Management Regulations for Anti-bribery, Anti-Corruption, Anti-fraud and Reporting, the Administrative Measures for Bidding, Negotiated Tendering and Contract Review, the Management Regulations for Anti-Money Laundering and Anti-Terrorist Financing, and the Management Regulations for Employee Integrity and Self-discipline. It was a decisive anti-corruption battle. We kept to the strategy of anti-corruption starting from the inside in 2021. We developed channels for internal complaints and reporting based on earlier anti-corruption achievements, drew more attention and worries, raised the exposure of the issues, and collected anti-corruption data on a continual basis. For the first time, we pushed the anti-corruption cause outward by sending/pushing A Letter to Ganfeng Lithium's Good Partners to our suppliers, contractors, and other partners, creating a new model of anti-corruption that features cooperation and joint effects with external suppliers. The Audit Department handled a variety of complaints and reports efficiently, as well as investigated and penalized infractions thanks to these thorough internal and external methods. One by one, issues were solved, and Ganfeng Lithium's was transformed.

The Company's Audit Department evaluated the internal control system in 2021 according to the IATF 16949 management system and conducted follow-up verification audits based on the reported audit findings. The department worked closely with business units to amend existing products, introduce new items, and expand their use, forming a line of defence for corporate interests. These actions pushed the Company toward orderly and progressive management and formed a transmission mechanism that worked in tandem with and in response to the Company's objectives.



In 2021, we improved the internal control process of bidding, negotiated tendering, and contract review in the lithium battery segment according to its business characteristics, to ensure transparency and fairness, good faith, awarding to the best, confidentiality, and scientific and standardized practice. We emphasized work discipline, requiring all managers to keep the information of the final quotation confidential and not to leak it before bid evaluation and determining the bid winner, thereby reducing the risk of fraud in the quotation process.

Multi-channel Integrity and Self-discipline Training

In 2021, the Company's anti-corruption training was up to 12 hours/person, including eight hours for the lithium salt segment and four hours for the lithium battery segment. The eight hours for the lithium salt segment included one hour of lectures by external lecturers, two hours of in-plant training, and five hours of online training. The lithium battery segment, spanning four hours, included three and a half hours of livestreamed training over WeChat and half an hour of online training.

Case An expert invited to deliver a lecture

In 2021, the Company invited an expert from the Xinyu Procuratorate to give a one-hour lecture titled "How to Prevent the Crime of Duty-related Encroachment and the Crime of Acceptance of Bribes by a Non-state Functionary" to employees in the cCompany's economic-related divisions. The workshop was attended by 350 people in person, while more than 400 people watched the livestream. A special report was published on Hi Ganfeng, which turned into a heated topic.

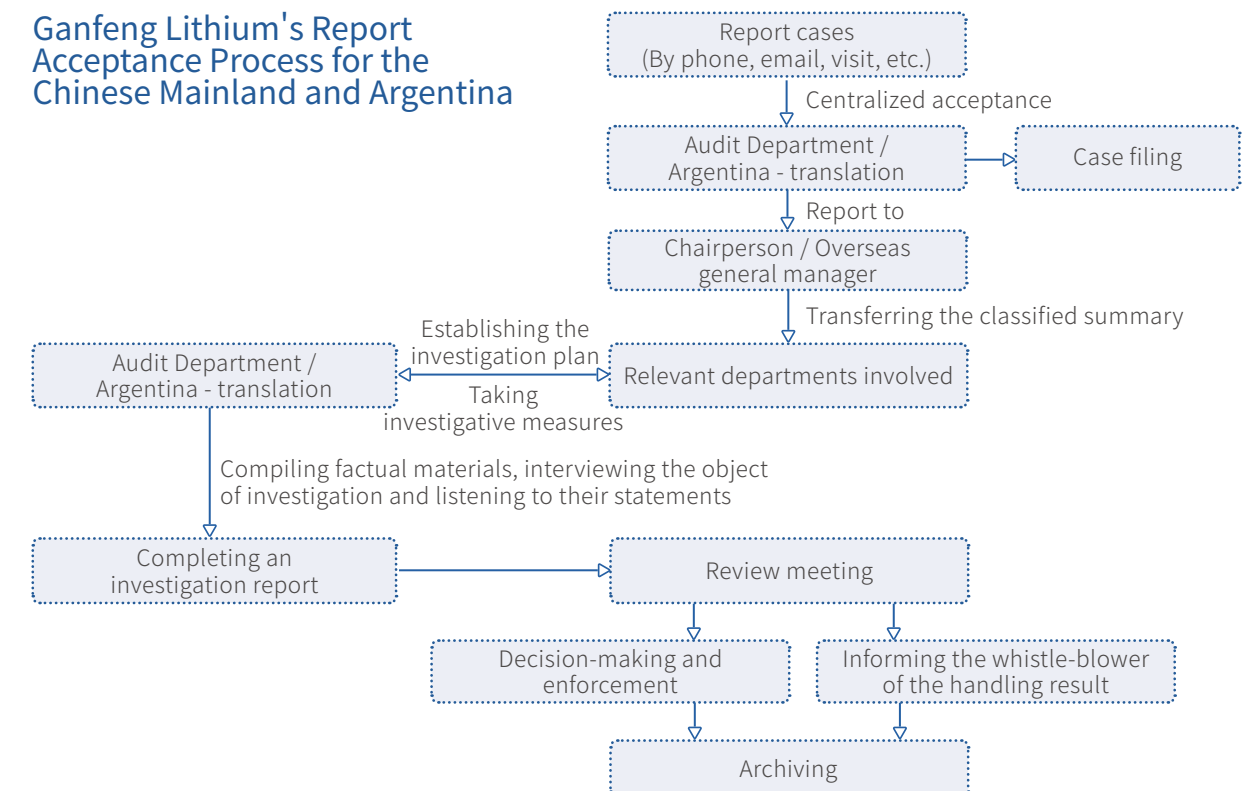
Case Training by New Tools

The Company increased learning channels by using the web platform WeChat as a learning platform. We used innovative means and approaches to resolve the work-study conflict, allowing all employees to learn the standards of honesty and self-discipline management. We employed technology to empower staff education and lay a firm basis for business departments' integrity and self-discipline development. Furthermore, we used the Zhiniao platform's integrated learning to turn current anti-corruption management regulations into an online course for all employees, complete with matching exams to assess the learning effect.

Internationally Unified Anti-Corruption Standard

Everyone – every employee, supplier, contractor, and other partner having direct or indirect business relations with the Company – is aware that the Company's anti-corruption efforts are dependent on everyone. During the reporting period, we collected reports and complaints from all parties and built a report acceptance process for the Chinese mainland. As Ganfeng Lithium is developing rapidly and has invested and built factories around the world, overseas anti-corruption has become prominent. We have built report acceptance processes for other nations based on local conditions, which can be represented by the Argentine subsidiary, based on the existing domestic report acceptance model.

Ganfeng Lithium's Report Acceptance Process for the Chinese Mainland and Argentina



Integrity Self-inspection and Self-correction

The Company recognizes the relevance and necessity of anti-corruption and integrity and has adopted a "zero-tolerance" policy in this area. The Audit Department adheres to the Company's guidelines, enhances key systems on a regular basis, and clearly specifies important tasks. The department develops its anti-corruption capabilities and strengthens its audit and supervision team. It improves anti-corruption oversight and communication while also promoting a new anti-corruption and integrity culture. Our ultimate goal is to strengthen employees' abilities to resist corruption and respond to hazards in order to contribute to the Company's long-term success.

The Audit Department focused on anti-corruption and integrity as part of the management improvement in 2021. Ganfeng Lithium's Integrity Self-inspection and Self-correction, a unique program divided into three parts, was created and started.



Case Setting Up an Anti-Corruption Circle

Ganfeng Lithium cultivates a culture of anti-corruption collaboration with external suppliers and a shared commitment to integrity. We send/push A Letter to Ganfeng Lithium's Good Partners to suppliers, contractors, and other partners. We mine anti-corruption data extensively and profoundly in corruption-prone segments to broaden the Company's anti-corruption circle. We demonstrate that Ganfeng Lithium follows the principle that "bribery is poisonous while only clean and honest partnerships last" and consolidate our positive image of integrity and uprightness.



清风扶正气 廉洁促发展 给赣锋友好合作商的一封信

尊敬的合作伙伴：

您好！

首先感谢您长期以来选择与赣锋锂业结伴同行！“互惠互利、合作共赢、廉洁自律”是赣锋公司多年来一直坚持的合作理念。感谢您多年来对赣锋一贯的支持和理解，使得赣锋有了更好的发展。

我们董事长李良彬先生曾在不同场合说到：“谁向赣锋员工行贿，谁就是想搞垮赣锋。哪个敢向赣锋行贿，那就是向赣锋开炮，就会在赣锋合作商的花名册上被永久除名”。为使廉洁之风更正，赣锋将于2021年9月至2021年12月，开展“廉洁自查自纠活动”，目的是为了携手共建我们之间更亲、更清的合作关系，确保我们的合作能源远流长。我们真诚地建议：在与我公司业务往来合作过程中，严格遵守国家法律法规及行业规定，坚持公平、公正、公开、诚实守信的原则，让我们一起向商业贿赂说不，并请贵公司始终如一的支持和监督我公司的廉政建设。同时恳请贵公司如实地反馈以下情况：

一、在与我公司合作期间，我公司职工是否存在“吃、拿、卡、要、报”等违规行为；是否存在索要回扣、礼金、礼品、有价证券的行为；是否存在其他不正当的行为。

二、在与我公司合作期间，您是否有出于工作沟通目的，对我公司的职工进行了返点返利、赠送礼金礼品及有价证券的行为。

如有以上情况请各位合作商伙伴们将您的知情在2021年9月30日前发送至以下邮箱：

- (1) 审计总部邮箱 shenji@ganfenglithium.com,
- (2) 审计总部负责人qq邮箱：30866496@qq.com
- (3) 锂电审计总部邮箱：shenji@gabfengbattery.com
- (4) 锂电审计部负责人qq邮箱：359082285@qq.com

同时，我公司已建立“合格（优秀）合作商”管理制度，针对上述情况主动反馈的，我们将视为赣锋真挚好伙伴，在合格（优秀）合作商评定上进行翻倍加分，在同等条件下将优先与您保持合作关系。

最后，祝我们共同的事业蒸蒸日上。

赣锋廉洁自查自纠工作小组组长：李良彬 文敬
2021年9月1日

赣锋锂业
GanfengLithium



II

Leading Industrial Transformation with Comprehensive Layout

For more than two decades, Ganfeng Lithium has been heavily involved in the lithium sector. We closely follow the national energy policy, supply customers in the downstream of the new energy industrial chain on a continuous basis, and help to achieve the strategic goals of “emission peak and carbon neutrality”. We are constantly looking for climate-related threats and possibilities. As a result, we are able to use our industrial advantages to expand our industrial chain, build a lithium ecosystem, and continue to produce environmentally friendly and high-quality products. Furthermore, we improve the ESG management of upstream suppliers and collaborate with them to create a responsible supply chain.

Material issues addressed in this chapter

- 1、Energy saving, emission reduction and climate change
- 2、Green products and circular economy
- 3、Responsible sourcing

Issues related to SDGs addressed in this chapter



Responding to the National Strategy of “Emission Peak and Carbon Neutrality”

Ganfeng Lithium is committed to the national strategy of “emission peak and carbon neutrality” and to developing in a green and low-carbon manner. Climate change is the fundamental driving force behind the global shift to new energy strategies, as we all know. Based on our development state and demands, we have fully integrated climate risk indicators into the Company’s existing risk management system. Meanwhile, we continue to invest in the lithium industry and expand the industrial chain vertically to support new energy businesses. We fully recognize the critical role of new energy sectors in optimizing energy structure and promote China’s creation of a green, low-carbon, and circular economic system through our practical activities.

New Energy Industries

Ganfeng Lithium has established five business divisions based on its deep involvement in the lithium business for over two decades: upstream lithium resource development, deep processing of lithium salt products, midstream lithium metal smelting, lithium battery manufacturing, and downstream lithium battery recycling. The Company is involved in all aspects of the lithium sector to ensure supplies for new energy businesses and support China’s shift to renewable energy.

Lithium resource development

The demand for lithium compounds has risen fast as a result of the development of new energy vehicles, and lithium has transformed from a “minority metal” to “white oil”. The layout of lithium resources is critical to the world’s strategic development of the new energy vehicle industrial chain, as it ensures the steady and rapid growth of the industry. Spodumene, lithium salt lakes, lepidolite, and lithium clay are among the lithium resources that Ganfeng Lithium has established across the world. To guarantee the supply of raw materials for the new energy sectors worldwide, we must continue to discover and develop more lithium deposits.

Deep processing of lithium salt

As the world’s largest lithium salt producer, Ganfeng Lithium has relied on its innovations to launch over 40 items across five series, earning the moniker “global lithium supermarket”. All of our customers have applauded and trusted our cutting-edge technologies, reliable quality assurance, and excellent services. Ganfeng Lithium has built the world’s largest lithium salt production base in Xinyu, Jiangxi province, with a total capacity of 100,000 tonnes of lithium carbonate equivalents. We offer security to the supply chain for the new energy industrial chain by ensuring sustainable product supply.

Lithium metal smelting

The Company is the world’s largest metal lithium producer, with the world’s first low-temperature vacuum distillation and purification technology for producing battery-grade metal lithium, and is China’s only large-scale professional provider of ultra-thin lithium bands. Metal lithium products are mostly used in the pharmaceutical industry. Given the shift in battery technology to solid-state batteries, the Company intends to expand its lithium metal smelting base in order to assure future anode material supply for solid-state batteries.

Lithium battery manufacturing

Our battery products include power batteries, energy storage batteries, special batteries, consumer batteries, and small polymer cells. We offer a wide range of lithium battery products to customers in a variety of market segments. At the same time, we aggressively push solid-state battery research, development, and production. Due to our partnership with Dongfeng Motor, the world’s first 50 solid-state battery vehicles were delivered in Jiangxi province’s Xinyu in 2021. Our energy storage battery devices are used in wind and photovoltaic power production projects, allowing huge energy storage systems to be installed on the power generation to store renewable energy and minimize reliance on fossil fuels. Ganfeng Lithium plans to expand its lithium battery business, assist in the development of energy storage systems, and employ renewable energy to help achieve the Company’s long-term aim of carbon neutrality.

Lithium battery recycling

Ganfeng has been able to dismantle and recycle batteries without causing any pollution as a result of years of accumulating retired lithium battery recycling technologies. We have turned urban waste into “urban mines”, established a closed-loop industrial chain, and developed a lithium ecosystem. We are constructing a green, environmentally friendly manufacturing chain with our customers.

Case The Goulamina spodumene project in Mali, Africa

In 2021, Ganfeng Lithium continued to extend the global resource layout to secure the supply of the Company’s lithium raw materials, effectively decrease risks in the supply chain, ensure the stability of the downstream new energy industry, and guarantee the steady development of new energy industries.

In 2021, the Company invested in the Goulamina spodumene project in Mali, Africa, and acquired a 50% stake in the mine. After the start of mining, the mine’s 800,000 tonnes of lithium concentrate capacity every year will be sold exclusively to Ganfeng Lithium.



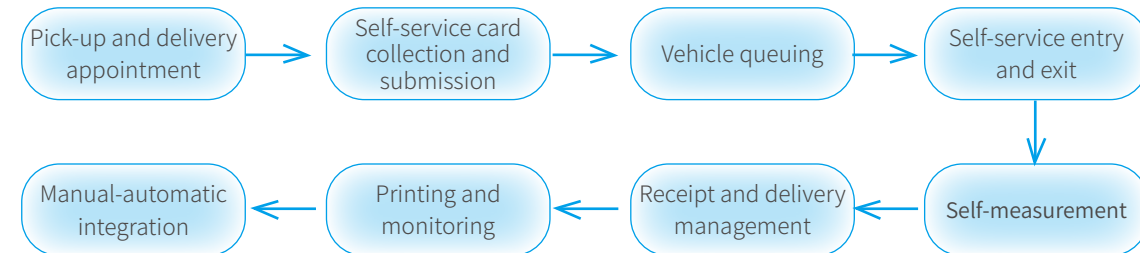
Case The fourth phase of Basic Lithium plant starting construction

Ganfeng Lithium adjusts the production capacity schedule promptly according to market conditions. In 2021, the fourth phase of Basic Lithium plant project started construction. After the production line is put into operation, it will provide downstream customers with high-quality lithium salt products.



Case The intelligent plant project put into operation

In December 2021, the Company's intelligent plant project was put into use. The project added two sets of unattended weighbridges, a supply chain logistics management system, and a display for vehicle queuing in the plant to increase efficiency by downsizing staff and reduce labour intensity, and improve customer satisfaction.



Case Leading the solid-state era and joining forces to create a low-carbon future

The second phase of Ganfeng LiEnergy's new lithium battery facility in Xinyu, with an annual output of 10 GWh, started operations in January 2022. On the same day, the world was introduced to the Dongfeng-Ganfeng solid-state battery E70 model for demonstration purposes. Ganfeng LiEnergy's power and energy storage battery manufacturing capacity was considerably increased when the fully automated production line for the new lithium battery with an annual output of 10 GWh was put into operation. The first 50 Dongfeng E70 electric vehicles fitted with Ganfeng's solid-state batteries were delivered officially, paving the stage for solid-state battery commercialisation. We were the first to industrialize solid-state lithium batteries, and we worked with Dongfeng Motor to complete the first loading operation, which was a watershed moment in China's lithium battery industry. We are in the midst of a period of transition. The global new energy vehicle sector is flourishing, and China's "emission peak and carbon neutrality" strategic plan presents a once-in-a-lifetime chance for the lithium battery industry's rapid expansion. We will lead solid-state development and collaborate with stakeholders to create a low-carbon future. A new era will be ushered in by solid-state battery technology!



New energy vehicles loaded with Ganfeng Lithium's lithium salt products travelled approximately **88** billion kilometres around the world between 2015 and 2021. They helped the environment by reducing carbon dioxide emissions by **22** million tonnes.



Boosting the Global Transition to a Green, Low-carbon, and Circular Economy

Over the course of two decades of extensive involvement in the lithium business, Ganfeng Lithium has provided roughly 350,000 tonnes of lithium salt products to the new energy industry chain, fully satisfying the needs of new energy vehicles in the downstream. New energy vehicles loaded with Ganfeng Lithium's lithium salt products travelled approximately 88 billion kilometres around the world between 2015 and 2021. They helped the environment by reducing carbon dioxide emissions by 22 million tonnes. The Company completely executes its carbon-neutral strategy and is committed to the new energy industry chain, ensuring that it continues to contribute to the mitigation of global warming.

Response to Climate Change

As a result of climate change, the new energy industry has both opportunities and risks. According to Ganfeng Lithium, climate change is the fundamental cause of the new energy boom. To help prevent global warming, we should do everything we can to ensure the supply of new energy around the world. In 2021, we proactively assessed numerous climate-related risks and opportunities in accordance with the Task Force on Climate-Related Financial Disclosures (TCFD)' framework and recommendations. Based on our Company's development, we quickly created various climate risk management strategies and countermeasures to ensure the Company may embrace climate-related opportunities and minimize climate-related hazards.

Policy risk:

On July 16, 2021, the Shanghai Environment and Energy Exchange initiated national carbon emissions trading. It is predicted that the lithium industry will eventually be incorporated into the national carbon emissions trading market as it matures. In recent years, the Company has experienced remarkable growth, with rising total absolute emissions. We may face higher carbon emission prices once we are integrated into the carbon emissions trading market.

Countermeasures:

To accelerate the transformation of the Company's existing energy use structure and reduce carbon emissions per tonne of products, the Company has drawn a carbon emission reduction roadmap and promoted the application of renewable energy according to local conditions, including rooftop photovoltaics, centralized photovoltaics, and wind power generation.

Technology risk:

Due to increasingly rigorous industrial energy conservation rules, the Company must undertake more energy-saving technical transformation projects and implement new technologies and methods to cut carbon emissions.

Countermeasures:

The Company actively introduces advanced low-carbon production techniques from around the world, changes and refreshes production lines on a timely basis, eliminates obsolete production capacity, and increases energy efficiency. Furthermore, in order to achieve low-carbon production, we are experimenting with carbon capture technologies.

Market risk:

The new energy industry has seen extraordinary growth as a result of global warming, and the Company has begun production expansion plans based on downstream needs. Changes in policy may affect the end customers in the industry chain, affecting the upstream market.

Countermeasures:

The Company analyses the market from the perspective of the entire industry chain's development, vertically extending the industry chain, which resulted in the creation of a lithium ecosystem. As a result, we ensure the new energy industry's healthy and sustainable development while also consistently improving its market appeal.

Reputation risk:

The global economy is significantly decarbonized as a result of the new energy industrial chain. However, the smelting of lithium compounds and the recycling of lithium batteries both produce significant amounts of carbon dioxide. The manufacture of lithium compounds accounts for the majority of carbon emissions in the new energy industry chain. It has a negative impact on the Company's clean output to some extent.

Countermeasures:

In order to ensure an eco-friendly and low-carbon industrial chain, the Company carefully adheres to low consumption and low emission requirements in manufacturing and collaborates with the upstream and downstream to construct a green supply chain.

Acute risk:

Some of the Company's mines are located in areas with harsh climates. The Company may suffer direct damage as a result of extreme weather.

Countermeasures:

For each project, the Company conducts hydrological, geological, and climatic studies, as well as develops ways to mitigate the immediate hazards posed by extreme weather.

Chronic risk:

Climate change will have a direct impact on precipitation in different parts of the world. The lithium salt lakes owned by the Company have a high concentration of lithium ions. Increased rainfall, the result of climate change, may lower the concentration of lithium ions in the lakes, which makes lithium extraction more challenging.

Countermeasures:

The Company has created a number of lithium extraction technologies for low-concentration salt lakes to ensure that it can produce at a cheaper cost and use water efficiently under different concentrations.

Boosting Circular Industries

The 14th Five-Year Plan for National Economic and Social Development includes classified usage and centralized disposal of used batteries. For the first time in 2021, the government's report on its activities during the two sessions (National People's Congress and Chinese People's Political Consultative Conference) advocated for the speeding up of the construction of a system for recycling power batteries. According to the China Automotive Technology & Research Centre, by 2020, China will have retired approximately 200,000 tonnes (about 25 GWh) of power batteries, with a market worth RMB 10 billion. According to estimates from relevant institutions, the value of China's power battery recycling market will grow to RMB 16.5 billion by 2022, with promising possibilities. Retired power batteries contain a number of hazardous substances, including organic solvents, heavy metals, and toxic gases, which can cause explosions, water contamination, and air pollution. Resource recycling can be accomplished by recycling retired power batteries and extracting lithium, cobalt, nickel, manganese, iron, aluminium, and other useful metals.

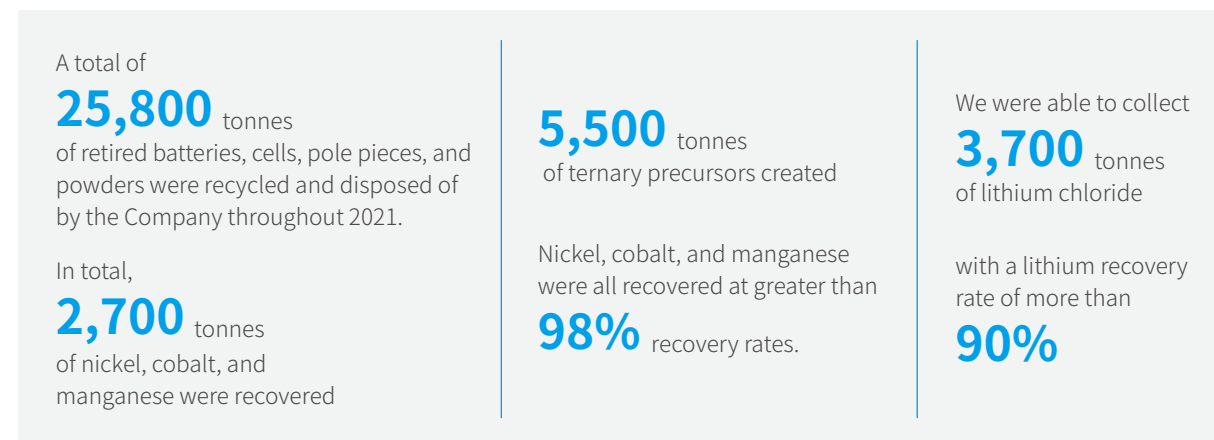
Based on existing lithium chemical plants, ternary precursor chemical plants, metal lithium plants, and battery plants in the industrial environment, Ganfeng Lithium is increasing its recycling technological presence. We take advantage of "urban mines" to create a comprehensive lithium battery recycling program. On one hand, we help customers solve the product cycle problem and minimize carbon emissions by efficiently extracting recyclable metals from batteries. On the other hand, we successfully process these recycled raw materials, produce green recycled goods with Ganfeng characteristics, and assist clients in developing a more sustainable supply chain. We use our sound and mature sales channels to allow the extracted resources to return to the market through the corresponding channels. As a result, we are able to recycle resources, establish a closed loop for the industry, and collaborate with clients to create an industry chain that is green and environmentally friendly.

The Company is working hard to develop specialized battery recycling. Our lithium iron phosphate processing capacity is expected to reach 50,000 tonnes by 2023. We will become the pioneers in lithium iron phosphate battery recycling technology and China's largest lithium iron phosphate recycling firm by providing customers with comprehensive solutions and high-quality services for lithium iron phosphate battery recycling. Our capacity for ternary battery processing will be 50,000 tonnes. We will concentrate on the global ternary precursor market and strive to become the industry's first-class provider of ternary precursor materials. From recycled battery materials, we plan to create 5,000 tonnes of battery-grade lithium carbonate and 20,000 tonnes of ternary precursors. This will grow the Company to become China's largest lithium iron phosphate recycling enterprise and one of the top three businesses in the waste battery processing capacity industry.

The Company has stepped up its technological innovation efforts. We developed a high-value utilization technology for old lithium iron phosphate batteries as well as a selective purification and remodelling technology for retired ternary lithium battery materials. These technologies enable large-scale, high-value usage of all components of used lithium iron phosphate batteries, as well as sensitive ternary battery breakdown and recycling. We have effectively tackled the fluorine pollution of waste batteries using pyrolysis and fluorine retention technology. Heavy metals such as nickel, cobalt, and copper are recycled in the slag using heavy metal removal technology. We fully recover phosphorus, iron, and phosphorus in lithium iron phosphate batteries by preparing battery-grade anhydrous iron phosphate based on high-value usage of phosphorus and iron. While developing the aforementioned two technologies, we created two applicable technical standards and applied for six national patents in 2021. The Company's project, "The Tailored High-Value Clean Recycling Technology for Used Lithium Batteries and Its Industrialization", earned first place in China's Nonferrous Metals Industry's Science and Technology Award that year.



Factory intelligent disassembly and wiring



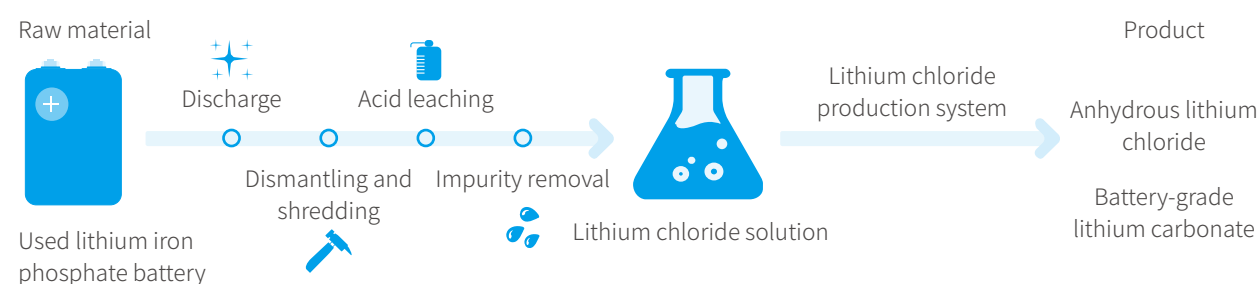
To ensure the supply of batteries and waste materials, the Company will expand its collaboration with well-known lithium battery companies such as BYD, Guoxuan High-Tech, and EVE Energy. To accomplish a complete loop in the industry, we will supply high-value-added goods to cathode material firms, such as battery-grade lithium carbonate and ternary precursors.

Case

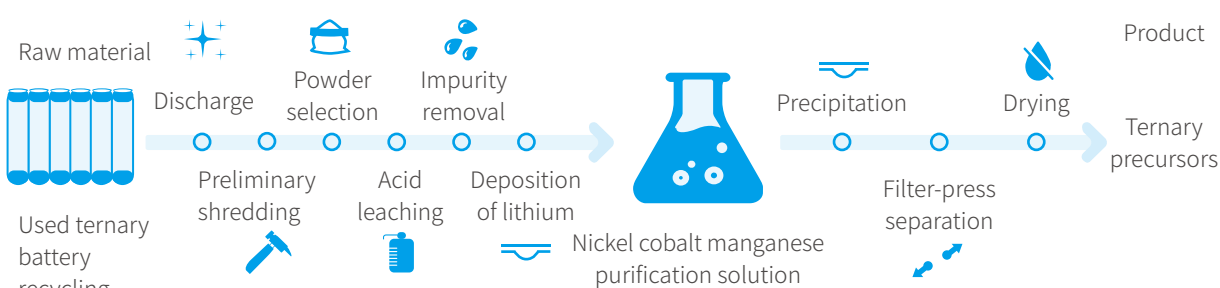
Trial production of the 12,000-t/a ternary precursor expansion project

Jiangxi Ganfeng Recycling Technology Co., Ltd.'s 12,000-t/a ternary precursor expansion project uses recycled retired ternary lithium batteries as raw materials to build a 12,000-t/a ternary precursor material production line and a 4,250-t/a battery-grade lithium salt product production line. All main facilities, including the battery dismantling workshop, the battery crushing, ternary leaching and impurity removal, extraction, lithium salt processing, and ternary precursor workshops, and auxiliary facilities, including the raw material and waste residue warehouses and the water supply and drainage, gas supply, and pollution treatment systems, have been completed. The project started trial production in December 2021.

The Retired Battery Recycling Solution



Used lithium iron phosphate battery recycling technology



Used ternary battery recycling technology

Building Responsible Supply Chains Together

Adhering to the IATF 16949 management system, Ganfeng Lithium creates responsible supply chains. In 2021, the Company implemented a more stringent procurement policy. We informed upstream suppliers about the concept of sustainability and the requirements for it, and we asked them to commit to clean production, legal labour, safety and environmental protection, and anti-corruption. By engaging with suppliers, we have reduced social and environmental risks in the industrial chain and developed responsible supply chains.

Supplier Management

The Company has put in place a system for supplier development, evaluation, judgment, admission, and management that strictly adheres to the Administrative Measures for Bidding, Negotiated Tendering, and Contract Review, as well as the Supplier Management Procedures. With this action, the Company ensures that supplier management continues to develop as the business grows.

The Company has 544 suppliers from Jiangxi Province, 2,965 from other areas of China, and nine overseas suppliers by the end of 2021.

- 1. New supplier development:** All departments of the plant will be organized by the Procurement Management Department to closely watch market dynamics relating to raw materials, auxiliary materials, equipment, and spare parts required for the Company's production. They will develop plans to identify suitable suppliers with high quality assurance capabilities, constant physical quality improvement, and cooperation intentions based on the Company's needs and send them a Supplier Questionnaire.
- 2. Preliminary selection and determination of suppliers:** The findings of the supplier questionnaires are first screened by the Procurement Management Department, which excludes vendors that do not meet the standards. For suppliers who fulfil the requirements, the department will assemble the Quality Department, the Production Technology Department, and other relevant departments to review the supplier information.
- 3. Sample trials and judgement:** Prospective vendors are notified to deliver samples by the Procurement Management Department. The sample's comprehensive technical requirements will be given by the Production Technology Department and the Quality Department. The testing results are confirmed by the Company's departments, and a Supplier Product Trial Report is generated.
- 4. Supplier system development:** The Supplier System Monitoring and Development Schedule is developed by the Procurement Management Department and the Quality Department in accordance with the supplier's system certification.
- 5. Determining qualified suppliers:** Based on the verification results of the supplier's trial production of samples, the supplier's qualifications, and the PPAP report, the Procurement Management Department fills out the Qualified Supplier Admission Evaluation Form. The evaluation results are sent to the managers of Quality, Production Technology, Procurement Management, and other relevant departments for signatures, and then to the subsidiary's general manager for approval. The supplier can be registered as a qualified supplier of the Company once the findings of the multidisciplinary demonstration have been approved by the subsidiary's general manager.
- 6. Supplier performance appraisal:** Every year, the Procurement Management Department will organize relevant departments to evaluate the supplier's quality pass rate, on-time delivery rate, and services using the Supplier Performance Appraisal Form and to encourage the supplier to improve, in order to continuously improve the quality of the Company's purchased products and reduce the risk of purchasing bad products.
- 7. Annual supplier audit and evaluation:** At the end of each year, the Company develops a supplier audit strategy for the following year and audits and analyses various types of suppliers at various frequencies.
- 8. Customer CSR and the notification and monitoring of product safety:** Customer-specific requirements and product safety requirements are identified by the Production Technology Department and the Quality Department. They will convene appropriate departments to review and confirm the list of CSRs that come under the purview of suppliers or

that affect them. Then, in the form of technical agreements, quality agreements, or procurement contracts, they must inform suppliers of the identified customer's CSR requirements.

9. Supplier change: Upstream suppliers are audited on a regular basis by the company. If there is a change, the Company's relevant departments will convene a meeting as soon as possible to change the supplier in accordance with the Supplier Change Application.

10. Performance monitoring: Every year, the Procurement Management Department gathers and calculates data on the supplier audit plan completion rate, which is then recorded in the Process Target Performance Monitoring Statistics Table. If a supplier's performance falls short of expectations, the department will conduct an immediate analysis and correction with the supplier. At the same time, a report on corrective and preventive actions will be created.

11. Risk management and improvements: Suppliers are subjected to two-party audits and confirmations on a regular basis by the Company in order to assist them in improving, ensuring effective supplier management, and avoiding risks.

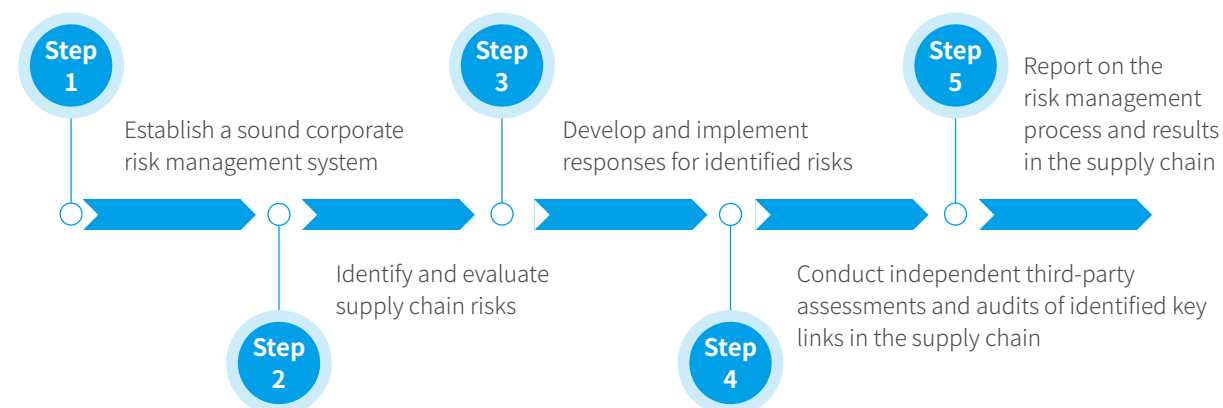
Due Diligence Management of Lithium Supply Chains

Because it is closely tied to the growth of the new energy industry, Ganfeng Lithium places a high value on securing lithium supply chains. We buy environmentally friendly products and include sustainability in our procurement process. To guide and regulate suppliers' behaviour in law-abiding operations, employment compliance, resource consumption, pollution control, health and safety, and business ethics, we developed the Code of Conduct for Suppliers. Ganfeng Lithium adheres to sustainability-oriented responsible supply chain decision-making, explores ways of shaping responsible supply chains, transfers corporate responsibility from the upstream to the downstream of the industry chain, mitigates social and environmental risks, and ensures that both industrial economic value and environmental value can be realized.

The Company updated the Due Diligence Management Control Procedures for Responsible Mineral Supply Chains and other documentation in 2021, headed by the Company's Due Diligence Management Team for Responsible Supply Chains, and advanced the due diligence management of lithium supply chains. The Code of Conduct for Suppliers incorporates Ganfeng Lithium's standards for suppliers to guide and regulate upstream lithium mine suppliers' behaviour. It encourages them to adopt more environmental and social obligations.

The OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas, the Guidelines for Social Responsibility in Outbound Mining Investments, and the Chinese Due Diligence Guidelines for Responsible Mineral Supply Chains are used to manage the sustainability of lithium raw material supply chains. The Company has consistently followed the "five-step process" in due diligence management of lithium supply chains and the supplier management principles of "transparency in the supply chain, responsible procurement, no human rights issues, and minimum environmental impact". To maintain secure lithium supply chains, we review supplier information on a regular basis to understand their links, such as raw material mining, shipping, and processing.

The frame of the responsible mineral "five-step method" in due diligence management of supply chains

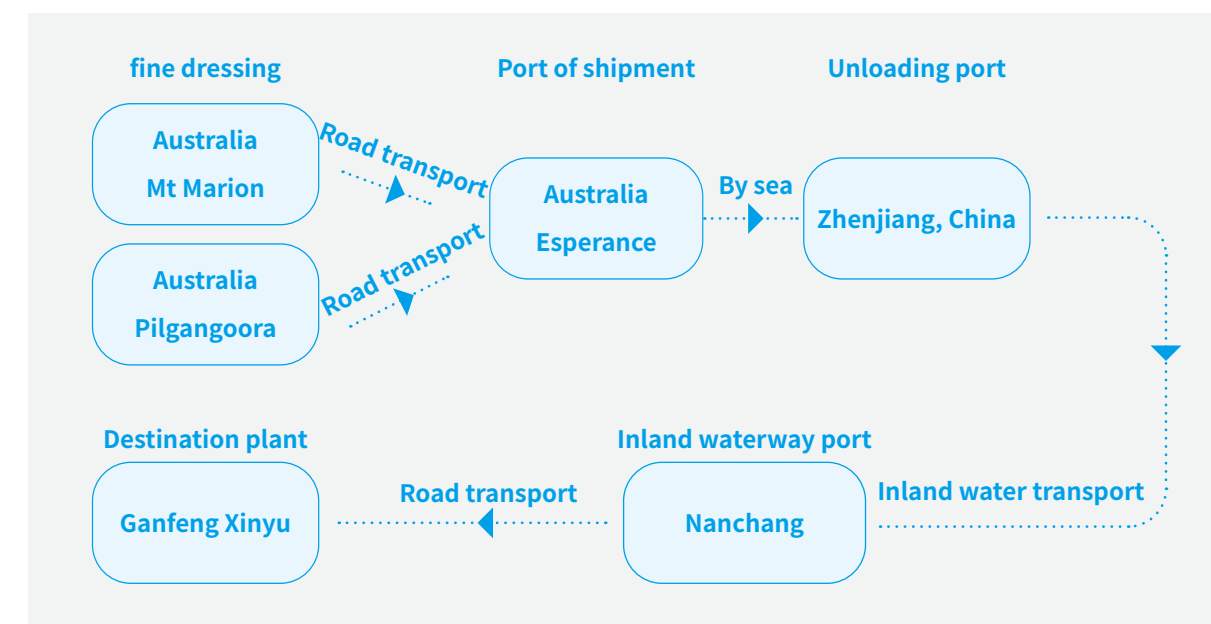


The Company has invested in and engaged in lithium mining rights projects in Australia, Argentina, Mexico, and Ireland, as well as negotiated off-take agreements with them, in order to ensure upstream lithium supply chains. By the end of 2021, the Company had procured all of its raw materials directly from the mines in which Ganfeng Lithium had stakes, with no artisanal mining or procurement through middlemen. We can reduce the risk of conflict minerals by ensuring clear source of mineral sources, well-defined transit routes, manageable hazards, and traceability through equity and off-take agreements.

We also identify and assess risks in upstream lithium supply chains on a regular basis and establish risk mitigation plans after internal discussions. To achieve a win-win situation in the industry chain, we will aggressively contact upstream miners and tackle potential upstream issues through cooperation.

In 2021, third-party agencies hired by Apple, Tesla, Mercedes-Benz, and other clients visited the Company for due diligence audits. These agencies traced the sources of raw lithium materials to ensure that the supply chains are stable and reliable.

Map of a Supply Chain





Becoming a Pioneer in the Lithium Industry with Proactive Innovation

Ganfeng Lithium has established footprints across the industry chain as the world's leading lithium-ecosystem company. We use technical innovation to propel the Company's quick growth, improve the Company's services for customer satisfaction, and provide high-quality products to benefit China's economy and people's livelihoods. To gain a foothold in the advanced lithium battery raw material market, we introduced anhydrous lithium hydroxide and ultra-thin lithium strips. We collaborated with Dongfeng Motor to develop the world's first solid-state battery electric vehicle, which will serve as a model for future new-energy vehicles. To improve 3C consumer electronics, we created low-noise TWS battery technology. We are always developing new product categories and bringing the Company's lithium ecological industry plan into action. The Company is transferring its business advantages into market and consumer delight by adhering to the philosophy of "developing new products, exploring new markets, and cultivating new impetus".

Material issues addressed in this chapter

- 1、Customer service
- 2、Product quality and safety
- 3、Technological innovation and patent management

Issues related to SDGs addressed in this chapter



Ensuring R&D Capabilities

Ganfeng Lithium has always had a strong technological foundation and relies on technological innovation to ensure the Company's long-term viability. For more than 20 years, the Company has been heavily involved in the lithium business and is a technology leader in the sector. We conquer challenges one by one, break through industrial technical obstacles, and collaborate closely with academics to produce new lithium products. In 2021, the Company received the Jiangxi Province Science and Technology Advancement Award third prize, a Jiangxi Province Patent Award, the title of National Demonstration Enterprise for the Integration of Advanced Manufacturing and Modern Services, and the first prize of the China Nonferrous Metals Industry Association's Science and Technology Advancement Award. RMB 342 million has been invested in technology research and development by the Company.

R&D Platforms

The Company fully utilizes various R&D platforms, submits applications for national, provincial, and municipal scientific research projects, and achieves breakthroughs in critical industrial technological issues. We are constantly adjusting our product structure, enhancing product performance, and boosting our market competitiveness. We work to strengthen our R&D conditions and talent pool, as well as to train scientific research personnel and build scientific research platforms in projects. We increase talent incentives and technology R&D investment, fostering technical talents in diverse industrial chains to satisfy business development needs. We also conduct industry-university-research collaboration and talent exchanges, flexibly introduce advanced R&D talents, strengthen collaboration with universities and research institutes, and accelerate technical innovation and talent team building. We also encourage the Company to apply scientific research discoveries from universities and research institutes to increase its technical capacity.

Talent Incentives

Ganfeng Lithium has a well-functioning performance appraisal and salary adjustment mechanism. Once a year, the technology centre's R&D staff may receive a pay increment. Staged assessments are used in R&D projects, and incentives will be awarded if a staged target is met. To encourage employees to pursue technological innovation, we have devised a system for evaluating professional and technical titles. Every year, the Company's R&D technicians have the opportunity to advance their professional titles and receive a better salary package. Long-term equity incentives are implemented for core technical people, and shares are allocated based on their contributions to the Company. We have established awards for proposals for improvements, technological innovation, and remarkable contributions. Every quarter, we reward rationalization proposals that result in financial gains. We established year-end technology innovation and excellent contribution awards to recognize major projects and individuals with outstanding contributions during the year.

Industry-University-Research Collaboration

Shanghai Jiaotong University, China University of Geosciences, Nanjing University of Aeronautics and Astronautics, Jiangxi Intelligent Manufacturing Research Institute, Nanchang University, and Jiangxi University of Science and Technology established an industry-university-research collaboration in 2021. We brought together professionals in lithium metal processing, lithium waste residue treatment, lithium battery replenishment, and intelligent dismantling of used lithium batteries to tackle some of the industry's most pressing technological issues.

Case Joint Research Centre for Light Alloy Materials

In June 2021, Ganfeng Lithium and Shanghai Jiaotong University (SJTU) signed a cooperation agreement to jointly build the Joint Research Centre for Light Alloy Materials at Ganfeng Lithium's headquarters. The SJTU Light Alloy Net Forming National Engineering Research Centre's Academician Ding Wenjiang and his team were introduced to Ganfeng Lithium. The centre conducts in-depth industry-university-research cooperation around the development, preparation, forming technology, and other advanced light alloy material technologies and applications of lithium-containing metal structural materials (such as aluminium-lithium alloy and magnesium-lithium alloy). The cooperation supports Ganfeng Lithium to improve the quality, speed, and efficiency of the development of the next-generation light alloy structural materials.



Case The intelligent dismantling project for retired lithium batteries

In November 2021, Jiangxi Ganfeng Recycling Technology Co., Ltd. (Ganfeng Recycling) and Jiangxi Intelligent Manufacturing Research Institute signed an agreement on "the cooperative research and development for the first set of intelligent dismantling equipment for retired lithium battery roll cores" at Ganfeng Recycling. The two parties reached a strategic cooperation on solving Ganfeng Recycling's problem in the intelligent dismantling equipment for retired lithium battery cores. The cooperation provides strong support for Ganfeng Recycling's intelligent and automated dismantling of retired lithium batteries and relevant personnel training.

Persisting in Technological Innovation

Ganfeng Lithium has always prioritized technological innovation as a driving force, and it aspires to be the lithium industry's technological leader. We take the lead in major national and provincial scientific research projects, as well as promote the application and mass production of ground-breaking technologies and goods. In 2021, the Company received approval for three national-level projects, six provincial-level projects, and four municipal-level projects.

National-level projects: National Pilot Enterprise for the Integration of Advanced Manufacturing and Modern Services; High-specific-energy and Long-cycle Metal-lithium-based Secondary Battery and Its Key Materials; National Top Young Talent Program: Luo Xiaofeng

Provincial-level projects: 12000-T/A Ternary Precursor Plant Expansion Project; Ganfeng Lithium's Smart Lithium Battery Plant Based On 5G Private Network + MEC; Research and Development of Ultra-Thin Lithium-Aluminium Alloy Bands for High-Performance Lithium Secondary Batteries; Basic Lithium Plant Reconstruction and Expansion Project; High-Value Utilization of Lithium Smelting Slag (The Cat Litter Preparation Technology and Its Industrial Application); Water-conserving Enterprise in Jiangxi Province

Municipal-level projects: Preparation Technology of High-Performance Lithium Electrolyte Anhydrous Lithium Perchlorate and Its Industrial Application; Ultra-Long-Life Lithium Iron Phosphate Energy Storage Battery Based on Pre-Lithiated Negative Electrode and Optical Storage Demonstration; Clean and Efficient Recovery of Retired Ternary Lithium Battery Materials and High-Value Resource Utilization. Ganfeng LiEnergy's Technology Centre was approved as a Xinyu Technology Centre.

The Company was granted
98 national patents in 2021

including
37 invention patents

and
61 utility model patents

The Company had been granted
365 national patents
by the end of 2021

including
113 national invention patents

and
252 utility model patents

Case Research on the Preparation of High-Purity Lithium Carbonate by Carbonization of Battery-Grade Lithium Hydroxide

In 2021, Basic Lithium Plant focus on making full use of lithium resources and preparing lithium salts with low cost and high efficiency. The key R&D project “Research on the Preparation of High-Purity Lithium Carbonate by Carbonization of Battery-Grade Lithium Hydroxide” made a breakthrough. The project uses saturated lithium hydroxide dust collected and CO₂ as raw materials for one-step carbonization, and prepares high-purity lithium carbonate through centrifugal separation, electromagnetic iron removal, and other processes. In this project, the one-time transformation rate of lithium is as high as 90%, which greatly saves water consumption and mother liquor production. The project also recovers the lithium precipitation mother solution and acidifies it for neutralization and leaching of spodumene. It solves the problem of lithium recovery and treatment of mother liquor, basically realizing zero loss of lithium and the comprehensive high-value utilization of lithium resources.

Case Application of the solid-state power lithium battery technology

In 2021, Zhejiang Funlithium New Energy Technology mastered the packaged technology of optimum components of high-conductivity solid electrolyte materials for solid-state lithium batteries and their large-scale preparation in the “Solid-state Power Lithium Battery Technology”, a key project under the Ningbo Science and Technology Innovation 2025 program. The Company made breakthroughs in the solid/solid interface construction technology and stabilization technology for active particles



and electrolytes, electrodes and electrolyte layers. The Company explored the design, packaging, evaluation, and matching of battery materials for solid-state lithium batteries. The Company carried out research on the feasibility and stability of solid-state power battery packs for trial use in automobiles, as well as joint research on solid electrolyte materials and key technologies for the mass production of solid-state power lithium batteries. The project has developed and produced solid-state power lithium batteries that meet the target, and developed the process of 100-tonne ultra-high lithium-ion conductivity solid electrolyte powder materials. A production line with an annual output of 10 million m² of solid-state flexible electrolyte membranes and a production line with an annual output of 10 GWh of ternary solid-state lithium power batteries have been built, and the project’s assessment objectives have all been completed. The success of the project provides a solid foundation for the mass production of solid-state batteries in China. It is of great strategic significance for further improving the technological innovation system of secondary batteries in China and promoting China’s transformation from a battery manufacturer of quantity to one of quality.

Optimizing Product Mix

Ganfeng Lithium vertically extends the lithium industry chain and continues to expand the lithium ecosystem. As the professional manufacturer with the most complete range of lithium products, the longest product processing chain, and the most comprehensive process technology in the world, Ganfeng Lithium makes full use of each type of lithium ore resources and continues to increase research and development efforts to improve each product. Now the Company is the world’s only professional manufacturer in possession of the technologies to extract lithium from spodumene, lepidolite, lithium salt lakes, lithium clay, and recycled materials. By developing various lithium resources, we have launched more than 40 lithium products in five major categories.

Case Breakthrough in anhydrous lithium hydroxide

Recent years has seen the rapid growth of global demand for power batteries, which has driven up the demand for battery-grade anhydrous lithium hydroxide. Ganfeng Lithium uses in-house industrial-grade lithium hydroxide as the raw material, and prepares battery-grade anhydrous lithium hydroxide products through dissolution, ultrafiltration, adsorption, recrystallization, jet mill, vacuum drying, electromagnetic iron removal, and vacuum packaging. The jet mill and vacuum drying processes to prepare battery-grade anhydrous lithium hydroxide in the project are the world’s first. The project has developed impurity removal using ultrafiltration and the evaporation and crystallization technology using MVR-forced-circulation low-temperature and pressure steam, which realizes structural, management, and technical energy conservation. The technology project received an investment of RMB 50 million and built an annual output of 6,000 tonnes of battery-grade anhydrous lithium hydroxide, which can meet the rapidly growing market demand for ternary cathode materials and promote the rapid development of the lithium-battery new energy vehicle industry in the province and even China. So far, the project’s battery-grade anhydrous lithium hydroxide has been supplied to advanced customers such as Tesla and LG Chem on a large scale, which has won a good reputation and recognition for Ganfeng Lithium, and provides a strong guarantee for the stable cooperation between Ganfeng Lithium and customers in the long term.

Case The world’s first batch of solid-state battery vehicles delivered

In January 2022, the first 50 Dongfeng E70 electric vehicles equipped with Ganfeng Lithium’s solid-state batteries were officially delivered. It paved a clear path for the commercialization of solid-state batteries. In this E70 solid-state battery system, Ganfeng Lithium uses a separator made of solid electrolyte to replace the organic polymer separator commonly used in liquid batteries, which inherently improves the safety and energy density of the battery from the material system. It is a significant direction for technological development of the battery industry. In terms of safety, Ganfeng Lithium is the first in the world to equip vehicles with hybrid solid-liquid lithium-ion batteries based on flexible solid-state separators. The battery has excellent electrochemical performance and can pass the abuse test higher than the most stringent national standard, including acupuncture, extrusion, overcharge, and high-temperature cabinet.

After years of research and development in solid-state batteries, Ganfeng Lithium has developed a second-generation solid-state battery product (based on high-nickel ternary positive electrode and metal-containing lithium negative electrode material). Its energy intensity exceeds 350Wh/kg and its cycle life is close to 400 times.



Case Development of the soft-packaged ultralow-temperature lithium battery

To meet the requirements of the low-temperature environment on the battery performance in the market, Ganfeng Lithium has carried out design and research on the existing 8119194-020AH model, and developed a high-conductivity lithium iron phosphate cathode electrode, a low-temperature electrolyte, and a ceramic separator. We apply the self-designed and developed lamination/direct hot-pressing one-step forming process to develop a high-safety battery that can be used in harsh environments such as low temperature. It meets the conditions of the cycle life (25°C 0.5C/1C capacity retention rate $\geq 80\%$) ≥ 4000 CYCLE, -40°C 1.0C discharge capacity retention rate $> 60\%$, and -20 °C 0.3C charging efficiency $> 85\%$. It does not precipitate lithium even when charged under low temperature for a long time. The launch of the ultra-low temperature battery has filled the Company's gap in low temperature batteries. Its technical specifications are advanced in the world, enhancing the Company's technological innovation capabilities. The product meets the GB/T 31486-2015 and GB 38031-2020 national standards. It has been well received by users, with broad market prospects and significant economic and social benefits.

Case Breakthrough in the ultra-thin lithium strip technology

In order to further improve the mass and energy intensity of lithium metal batteries, the lithium metal strips must be processed thinner and wider. At present, most of China's ultra-thin lithium strips are produced and processed by rolling. This process needs to extrude metal lithium into a thicker master strip before rolling it to form, which is more complicated and imposes higher requirements for equipment and operators. Yichun Ganfeng uses self-produced battery metal lithium ingots as the raw material, and conducts research in multiple dimensions such as lithium ingot performance, extrusion die, extrusion and winding methods, and successfully develops the extrusion and preparation ultra-thin lithium strips with a thickness of 40 – 200 μm (tolerance: $\pm 5\mu\text{m}$) and a width of 30 – 150 mm (tolerance: $\pm 0.03\text{mm}$). This lithium strip product will meet the market demand for ultra-thin lithium strips brought about by the global development of solid-state battery technology in the future, and provide a strong guarantee for Ganfeng Lithium to maintain its leading position in the lithium strip market.



Case Comprehensive and efficient recovery of lithium-containing waste to prepare high-quality lithium salt

With the explosive growth of the global new energy vehicle industry in recent years, the recycling of a large number of retired lithium batteries has become an urgent problem for China. If not recycled, these lithium-containing wastes will cause environmental pollution and a serious waste of lithium resources. The existing lithium-containing waste treatment process causes significant environmental pollution, has a low lithium recovery rate, and produces lithium products of poor quality. Ganfeng Recycling adopts a “targeted approach” and “normalized processing” in response to these problems. The company clarified the targeted pre-treatment reaction mechanism for lithium-containing wastes, revealed the principle of normalized post-treatment, and established a “lithium product production—application—recycling demonstration ecological chain” to realize the diversification of raw materials and flexible manufacturing for a single production line. The project pioneers in the systematic integration of secondary sodium deep oxidation, hydrochloric acid acidification leaching, calcium and magnesium salt transformation, and other technologies, where the lithium-containing wastes are normalized into a chloride system. After that, the existing production line for lithium extraction from brine is comprehensively utilized, and high-quality lithium salt is prepared through the deep complexation and precipitation of lithium and the transformation of sodium hydroxide. It solves the problem of lithium-containing waste disposal, recovers valuable lithium resources, and brings significant economic and social benefits. The company's process technology is advanced in the world, and its products have been recognized by customers such as Tesla, BMW, LG, Samsung, and Panasonic.

Creating Value with Service

Ganfeng Lithium adheres to the philosophy of “lowest cost, highest efficiency, best quality, and best service”, providing prompt feedback and improvements to customers' needs, as well as ensuring the lithium ecosystem's sustainability by enhancing product and service quality. The Company acquired CQC's ISO 45001:2018 occupational health and safety management system and ISO 14001:2015 environmental management system certifications in August 2021. The Company passed TÜV SÜD's IATF 16949:2016 supervision audit from October to December 2021. The Company has established 26 processes, 32 process documentation, and 47 process performance items, as required by the IATF 16949 quality management system, involving all departments in the system development. Our overall process performance compliance percentage is over 92%, indicating that the system is well-managed.

The Corporate Management Department and the Strategic Investment Department organize functional departments of the headquarters and subsidiaries/plants at the beginning of each year to conduct risk assessments based on the internal and external operating environments. Within each subsidiary/centre, risk assessments and evaluations are conducted, and risk countermeasures are devised. In 2021, the Company had no major risks due to sound management and control.

The Company manages, analyses, and improves process performance, such as product qualification rate, MTTR, MTBF, delivery OTD, supplier OTD, customer complaints, return rate, internal and external losses, and employee satisfaction, as required by the IATF16949 system. Employee awareness, position operation, process control, material control, equipment, and the on-site environment are all areas where we inspect and improve the system's functioning. In order to increase quality personnel's talents and the Company's data analysis processing and problem-solving capacities, we host focused training for relevant personnel on quality culture, the Seven Basic Tools of Quality, the 8D report, VDA6.3, customer audit, and supplier management. SPC and MSA are also used to analyse and improve process control and quality.

In 2021, we received IATF 16949 management system certification. We gradually enhance our management to meet, if not exceed, the expectations of our customers.

In 2021, our overall customer satisfaction was

98.40%

up

3.28%

from the previous year

IV

Contributing to Environmental Protection with Low-carbon Operations

Ganfeng Lithium, as a lithium industry leader, supports the global transition to a green and low-carbon economy through its business model and pays close attention to the environmental effects of its production and operations. Under the environmental management framework, the Company promotes energy-saving and environmental protection technology projects, aims to reduce the external effects of its production and operation, and follows the business philosophy of green and low-carbon corporate development.

Material issues addressed in this chapter

- 1、Emission management
- 2、Waste and chemicals
- 3、Energy management
- 4、Resource management
- 5、Environmental impact management
- 6、Green products and circular economy

Issues related to SDGs addressed in this chapter

6

CLEAN WATER AND SANITATION



7

AFFORDABLE AND CLEAN ENERGY



12

RESPONSIBLE CONSUMPTION AND PRODUCTION





Improving Environmental Management

Environmental effect assessments of construction projects are conducted by the Company in compliance with the Environmental Protection Law of the People's Republic of China, the Law of the People's Republic of China on Environmental Impact Assessment, and other relevant laws and regulations. The environmental protection devices of a construction project are developed, produced, and put into production and use simultaneously with the major components of the project, according to environmental protection standards. According to the Technical Specification for Application and Issuance of Pollutant Permit, the Company's business units apply for pollutant discharge permits, design self-monitoring schemes, and conduct self-monitoring in accordance with relevant regulations. The Company has developed the Environmental Protection Responsibility Systems, the Management Regulations for Environmental Protection Devices, and the "Three Simultaneities" Management Regulations for Environmental Protection of Construction Projects. These regulations state environmental protection obligations and duties in manufacturing and operations, resulting in a sound environmental management system for construction projects of the Company.

The Company places a strong emphasis on increasing and improving employee environmental awareness. The Environmental Protection Department of the Company hosted safety and environmental protection training in 2021, with a total attendance of 50,492. Throughout the year, the Company published 19 notices in the internal OA system on safety and environmental protection, with the goal of defining safety and environmental protection management in various conditions to ensure the Company's smooth operation.

In 2021, the Company continued to minimize carbon emissions, wastewater, exhaust gas, and solid waste discharge, as well as energy and water consumption, in order to meet the 2025 sustainable development goals to achieve corporate sustainability.

The 2025 sustainable development goals are as follows, using 2019 as the base year:

By 2025

exhaust gas emissions per tonne of products will have been reduced by	5%	carbon emissions per tonne of products by	10%
water consumption emissions per tonne of products by	20%	and coal consumption per tonne of products by	6%
the water circulation rate per tonne of products will have increased by	20%	and the proportion of sustainable electricity by	25%

Case Ganfeng Lithium ranked among China Top 500 ESG Enterprises

On December 3, 2021, Ganfeng Lithium was selected into the China Top 500 ESG Enterprises list. The list was released on the Sina Golden Kirin Forum by Sina Finance ESG Rating Centre and CCTV-1's show The Growing of the Great Brand. Being on the list means that the Company's endeavours in financial performance, environmental protection, climate governance, social responsibility, and common prosperity are recognized by the public.



In 2021, under the leadership of the safety, environmental protection and fire management committee,

the number of environmental protection penalties was **0**

the number of environmental protection complaints of the company was **0**

and the environmental protection investment was **74.914** million yuan

Maintaining Low-carbon Operations

The Company follows a low-carbon operations strategy and implements technical improvement projects in production that use new technologies and methods to steadily reduce carbon emissions per unit of product. Basic Lithium Plant, which is the world's largest lithium salt manufacturing base, has accumulated some experience in low-carbon operations. In 2021, we shared the plant's experience with Ningdu Ganfeng, Ganfeng Recycling, and other subsidiaries and built a coordination network, in order to keep low-carbon activities running more quickly and effectively.

Ganfeng Lithium was named China's Pioneering Carbon Company in Sina Finance's China Carbon Company selection in May 2021 for its commitment to the carbon neutrality cause.

Carbon emissions per tonne of lithium carbonate equivalents for the Company in 2021 were

7.25 tonnes

down

1.22 tonnes from 2020

Case

Ganfeng Lithium attending the Green Supply Chain Forum and sharing carbon neutral practices in lithium industry

In June 2021, Mr. Wang Xiaoshen, vice chairman of Ganfeng Lithium and chairman of Ganfeng Lithium's Sustainable Development Committee, attended the Carbon Neutrality on Green Supply Chain Management Forum. The meeting focused on enterprises' sustainability strategies in the carbon neutral era, where many enterprises discussed practical solutions for carbon emission reduction. At the meeting, Mr. Wang Xiaoshen, shared Ganfeng Lithium's efforts to build a green supply chain in the lithium battery industry in recent years under the theme of "Ganfeng Lithium's Practice of the Green Supply Chain for Lithium Batteries". He also shared Ganfeng Lithium's sustainability cases of green mining, low-carbon operations, and developing the circular economy in simple language.



As a green industry, lithium batteries should be more sustainable in the production process. Besides a green result, it should have a green process.

Case

Approved to draft the industry standard Requirements of The Greenhouse Gas Emission Accounting and Reporting: Lithium Salt Manufacturing Enterprises

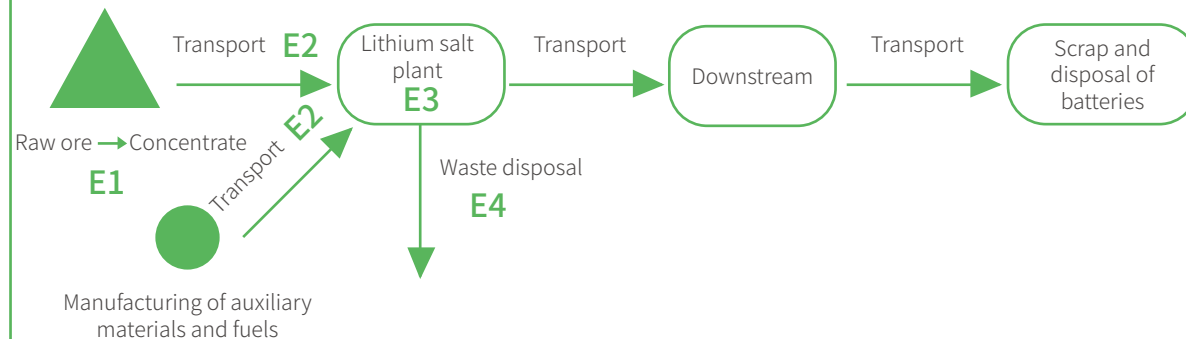
As a leading enterprise in the lithium industry, the Company is aware that it must also lead the industry in carbon emissions and lay the groundwork for China's carbon neutrality cause. In 2021, in response to TC243: Nonferrous Metals' project to solicit carbon emission and low-carbon standards in the non-ferrous metal industry, the Company applied for the industry standard Requirements of The Greenhouse Gas Emission Accounting and Reporting: Lithium Salt Manufacturing Enterprises. The standard passed the review in November, and the Company was approved to draft the standard. This is the lithium industry's first low-carbon standard. On the other hand, in December 2021, the Company received a B- rating from the international authoritative Carbon Disclosure Project (CDP), indicating that the Company has reached the management level in carbon information, and has a governance structure, risk management measures, and appropriate emission reduction initiatives to respond to climate change.

Case

Ganfeng Lithium's lithium hydroxide product certified with the Carbon Label

In October 2021, Ganfeng Lithium's lithium hydroxide monohydrate product passed the Carbon Label certification, making Ganfeng Lithium China's first lithium enterprise to receive a carbon label. The carbon label is a label awarded to an enterprise to certify that its product's GHG emissions in the production process are quantified into standardized data, and calculated and verified by professional organizations. The carbon labelling of lithium hydroxide monohydrate will contribute to the carbon emission calculation of the whole lifecycle of new energy products such as electric vehicles and the targeted carbon reduction in significant links to achieve energy conservation and emission reduction in the entire new energy industry.

The carbon dioxide accounting for Ganfeng Lithium's lithium hydroxide monohydrate product is "cradle-to-gate", which covers the carbon dioxide generated in the whole process from raw material mining to product production and packaging. The director of Ganfeng Lithium's Carbon Emission Working Group said, "From the carbon footprint verification, we have been clearer about the carbon emissions of each link, and determined the potential direction for emission reduction. The Company has started to prepare initiatives to reduce the carbon footprint of individual lithium products."



Case

Photovoltaic projects increasing the share of green electricity

In 2021, the first phase of the rooftop photovoltaic project of the Company's Basic Lithium Plant was officially connected to the grid. The project costed RMB 14,212,800 and took eight months to complete. It was connected to the grid for power generation in November 2021, with a registered capacity of 4.626 MWp. The Company's lithium extraction project in the Mariana Salt Lake in Argentina will fully use sustainable electricity. In order to reduce its carbon footprint and provide sustainable carbon-free energy, Ganfeng Lithium plans to build a 150-MW photovoltaic power station with energy storage operation. This plan is one of the few enterprise projects in the plateau region in Provincia de Salta that can provide 100% sustainable energy supply. Solar power can avoid GHG emissions into the atmosphere. In this case, 157,000 tonnes of carbon dioxide emissions can be reduced every year, realizing a circular model of lithium mining, product manufacturing, and product use and supporting environmental protection.



Striving for Lower Emissions

As per the Management Regulations for Environmental Protection in the Production Process and the Environmental Operation Management Regulations, Ganfeng Lithium successfully regulates and minimizes pollutant discharge in the operation process. We strive to reduce emissions in addition to ensuring that wastewater, exhaust gas, and solid waste are discharged in accordance with the law and regulations.

Solid Waste

Ganfeng Lithium takes advantage of the closed-loop industrial chain it has built over time, follows the Law of the People's Republic of China on the Prevention and Control of Environment Pollution Caused by Solid Wastes and other relevant laws and regulations, and maximises all useful substances to generate economic value in order to achieve the aim of "turning waste into treasure".

The Company classifies solid wastes and uses distinct treatment methods for each category so that the wastes can be passed over to qualified organizations for more effective centralized treatment and less environmental harm.

Waste Discharge Per Tonne of Ganfeng Lithium Products

Waste discharge per unit of products	2021	2020	Y-o-y Comparison
Hazardous waste (tonnes/10,000 tonnes of LCE)	67.14	27.17	+147%
Non-hazardous waste (tonnes/10,000 tonnes of LCE)	1851	3983	-54%

Case

Training on solid waste management

In 2021, the Company hosted a training session on solid waste management. We communicate solid waste management methods to subsidiaries and assign environmental management responsibilities to every position, so that we can classify solid waste more effectively and minimize the impact on the environment.



Case

Plant lighting

In 2021, the Company fully launched the plant lighting project. The project, with a total investment of RMB 50 million, included 50,428 m2 of road asphalt, collision warnings in an area of 2,943 m2, drainage renovations for Workshops 4, 5, and 6, 14,184 m2 of turf, 37,187 green plants and shrubs, and 148 ornamental trees. The plant area was completely renewed, which has improved the Company's image, the on-site environment, and employees' satisfaction.



Case Protected natural areas in Mariana, Argentina

The Mariana project adopts the PRO-MA-12 Waste Management program. Almost 100% of the organic waste is disposed of and 100% of the discarded plastic films are recycled. In order to maintain the local ecological balance, the Company has established protected natural areas around the Mariana Salt Lake. One of the most important protected areas is the lake area in the northwest, which is the habitat of the protected species Andean flamingo. To this end, we have specially emphasized in our environmental protection measures that during the breeding period of the flamingos, human access to the protected area must be restricted to the possibly greatest extent.

Wastewater

In the places where we operate, we closely follow national and local laws and regulations when it comes to wastewater disposal, ensuring that it is discharged only after reaching the required criteria. Furthermore, we want our subsidiaries to strive for “zero” wastewater discharge. Basic Lithium Plant achieved “zero” wastewater discharge in 2021, and the learning was shared with other businesses. When compared to 2020, the Company’s wastewater discharge per tonne of products was reduced by 49.03%, the product lithium loss rate in wastewater discharge decreased from 1% to 0.23%, and the lithium loss caused by wastewater discharge decreased by 56.31%.

Case The first and second phases of Basic Lithium Plant’s semi-dry method project

This project, with an investment of about RMB 10 million, has solved the problems of water vapor entrained in the kiln outlet chimney and dripping and leakage of the filter press. After the project was put into use, there has been no wastewater discharge and the content of COD, fluorine, and thallium in wastewater has been reduced. According to accounting, the project can save RMB 117,000 in costs by running 300 days a year. Moreover, it has reduced the labour intensity of employees and greatly improved the plant environment.



Case Sewage treatment and reuse of Ningdu Ganfeng’s sewage plant

Ningdu Ganfeng invested RMB 50,000 to renovate its sewage pipeline and rainwater tank pipeline based on the water quality analysis of the sewage discharged from the plant. All wastewater and first flush in the plant area are collected and used for acid clinker slurry mixing or washing calcium silicate residues, which effectively reduces water consumption and wastewater discharge. Ningdu Ganfeng’s water consumption per tonne of lithium carbonate has dropped from 10.84 tonnes of tap water in 2020 to 6.96 tonnes in 2021. In December 2021, it achieved zero discharge from the sewage plant.



Case Mariana’s sewage treatment plant

The Company’s Mariana project is under construction. At present, there is a sewage treatment plant on the project site to treat waste liquids and make them comply with the local waste dumping regulations, thereby preventing the pollution of groundwater in the project area. Waste liquids that do not meet the dumping standards will be transported to Salta city for appropriate treatment.



Case The organolithium wastewater collection tank

Relying on existing projects, Ganfeng Lithium’s organolithium plant built a new wastewater collection tank with an effective volume of 208 m3 to the north of the machine maintenance workshop. The collection tank is capable of sedimentation and oil separation, and mainly for collecting polluted rainwater on the work road next to the machine maintenance workshop and sewage from washing the ground. After sedimentation and oil separation, the water will be pumped to Basic Lithium Plant’s sewage treatment plant for treatment. It has effectively prevented the polluted rainwater and sewage from washing the ground from flowing into the rainwater ditch and polluting groundwater.



Exhaust Gas

When coal is burned, the Company produces a certain amount of exhaust gas. At key discharge outlets, we installed exhaust gas absorption and online monitoring systems to measure sulphur dioxide, nitrogen oxides, and particulate matter in the exhaust gas 24 hours a day, seven days a week. We also carry out technical improvements and equipment updates in line with exhaust gas management laws and regulations, with the goal of lowering exhaust gas concentrations and total amounts. Particulate matter, sulphur dioxide, and nitrogen oxide emissions per unit of product (equal to 10,000 tonnes of LCE) were lowered by 1.77 tonnes, 2.75 tonnes, and 10.64 tonnes, respectively, in 2021.

Comparison of Exhaust Gas Emissions Per Tonne of Ganfeng Lithium Products

Exhaust gas emissions per unit of products	2021	2020	Y-o-y decrease
Particulate matter (tonne/10,000 tonnes of LCE)	4.75	6.67	29%
Sulphur dioxide (tonne/10,000 tonnes of LCE)	6.32	9.27	32%
Nitrogen oxides (tonne/10,000 tonnes of LCE)	19.13	30.36	37%

Noise

The company strictly regulates noise in its plants by establishing specific noise control standards in several sectors. We've placed noise monitoring equipment in strategic spots throughout each region. When the noise level exceeds the acceptable level, the treatment plan will automatically be implemented to bring the noise level back to acceptable levels.

Optimizing Use of Resources

Ganfeng Lithium places a high value on resource optimization since it saves money and lowers production costs. Multifaceted energy-saving technological improvements can help the Company train more skilled engineers and establish the groundwork for long-term corporate sustainability.

Energy-Saving Technical Improvement

The Company uses an energy management system to collect data on energy use in each process and directly correlate the findings with the performance of the person in charge. The Company's annual energy-saving technical improvement targets are likewise tied to the success of the person in charge. To ensure the effectiveness of energy conservation and emission reduction projects, we leverage the power of organizational structure. Based on their operational status, our facilities met energy savings and consumption reduction targets through project-based technical improvements such as waste heat recovery and water gas conversion to natural gas.

Case Water-gas-to-natural-gas conversion project in for the acidification kiln

The project costed about RMB 500,000 in total, and was put into use in March 2021. According to accounting, it can save nearly RMB 420,000 of operating costs every year, reduce the impact on production from 15 days per year to 0 days and the average β -lithium oxide content of acid clinker from 0.11% to 0.074%, and increase the overall yield by about 0.5 %. After the conversion to natural gas, there is no long the problem of tar treatment and the exhaust gas can be directly emitted without desulfurization and denitrification, which reduces the operating cost of the environmental protection system.



Case The additional kiln inlet boiler project

The total investment of Basic Lithium Plant's additional kiln inlet boiler project was RMB 752,500. A new steam boiler with an evaporation capacity of 4.5 t/h was built to recover the 300°C hot air waste heat in the kiln inlet, with a complete set of water supply system and sewage system. The project was connected to the kiln inlet DCS system. Based on the full load of 180,000 tonnes/year of spodumene, it produces 15,000 tonnes of steam every year. Based on RMB 220/tonne, it creates economic benefits of RMB 3.3 million.



Ningdu Ganfeng drew on the experience of Basic Lithium Plant, and after analysing its existing process, invested about RMB 600,000 to add a waste heat boiler facility to recycle heat from the exhaust gas from the rotary kiln inlet to produce steam. The steam production is about 20 tonnes per day. Based on the steam cost of RMB 205/tonne in 2021 and a running period of 26 days per month, it can save about RMB 1.279 million in costs in one year.



Case Ningdu Ganfeng expanding production capacity and reducing consumption of electricity per unit of product

After analysing the capacity of existing facilities, Ningdu Ganfeng invested RMB 4 million in January 2021 to improve the support facilities for production capacity expansion to increase the utilization rate of existing facilities. The project has effectively improved the utilization rate of electricity, with the electricity consumption per tonne of lithium carbonate dropping from 1,811.7 kWh/t in 2020 to 1,700.7 kWh/t in 2021.



Drying system



Crushing system

Case

Low-carbon mining and green operations of the salt lake projects in Argentina

The extraction of lithium salt lakes does not involve high-energy-consumption processes such as calcination, and uses only sunlight as the main energy source in the early stage. It reduces fossil fuel consumption without emitting excess carbon dioxide and other combustion products. Moreover, in the lithium extraction system, the Company uses sustainable power generated by photovoltaic power plants to ensure green operations.



Use of By-products

Through complete utilization, the Company takes advantage of the lithium ecosystem to convert all by-products into economic value. Lithium can be found in the calcium silicate slag created during lithium salt smelting, which can be used in the cement industry to improve cement strength. The Company handled 782,000 tonnes of calcium silicate slag in 2021.

Case

Reuse of solvents at the organolithium plant

In 2021, the Company's organolithium plant made technical improvements to dry and recover 100% of cyclohexane, the solvent of butyllithium. This move has reduced the pollution and carbon emissions caused by the burning of organic matter. The recovery and reuse of the solvent has realized closed-loop management and improved corporate efficiency.

Use of Water Resources

The Company places a high value on the efficient use of water resources. The Company has undertaken various water reusing initiatives to increase the water circulation rate for water consumed in manufacturing and operations. The Company set water consumption targets for plants in 2021, requiring them to analyse each process' s water consumption and take measures to reduce it.



The performance of water conservation management at Ganfeng Lithium: Despite a sharp increase in output, our water consumption in 2021 was lowered by

713,900 tonnes

compared to 2020, and our water consumption per tonne of goods was reduced by

11%

Water Consumption Per Tonne of Ganfeng Lithium Products

Item	2021	2020	Y-o-y decrease
Water consumption per unit of products (tonne/10,000 tonnes of LCE)	34.43	38.62	11%

Case

Reducing water consumption with solid calcium chloride

In 2021, our plants introduced solid calcium chloride to replace the calcium chloride aqueous solution. They improved the process and directly used the acid cleaning solution produced by the backwash of the chelating resin in the pulping workshop. They sent the solution to lithium chloride to dissolve calcium chloride to recover lithium resources. Every month, 18,000 m3 of acid cleaning solution are recovered, 18 tonnes of metal lithium are comprehensively recovered, 8,678 tonnes of steam are saved, and 18,000 tonnes of water consumption is reduced.

Case

Technical improvement of the sulfuric acid scrubber to reduce water consumption

Based on the research on sulfuric acid resin regeneration, Ningdu Ganfeng invested about RMB 50,000 in October 2021 to complete the technical improvement from hydrochloric acid resin regeneration to sulfuric acid resin regeneration. The acid cleaning solution is neutralized and recovered before being sent back to the washing tank of the large filter press and used in the system. This move reduces sewage discharge and reuses the treated wastewater. The consumption of tap water per tonne of lithium sulphate was reduced from 4.839 tonnes in 2020 to 2.025 tonnes in 2021.



Sulfuric acid resin regeneration

Case

Water management of the salt lake project in Argentina

The Company's Cauchari-Olaroz salt lake project in Argentina is well aware that water resources are critical to the project, and the annual brine extraction is directly related to the project's annual output. The Company conducted a detailed feasibility assessment of the local hydrology and geology to ensure that the extracted brine does not compete with the local community's water consumption. Moreover, all of the water used in the production process of the project is recycled to minimize the impact on the water resources of the surrounding communities.

Green Travel

Green office and green travel are important to the Company. We have implemented a variety of incentives to encourage staff to use alternative-fuel vehicles and promote environmentally friendly travel.

Case Dongfeng E70 boosting green travel

In 2021, the Company cooperated with Dongfeng Motor to launch the world's first solid-state battery passenger vehicle, the E70 model. As a partner, the Company purchased 50 Dongfeng E70 solid-state battery passenger vehicles. Some of them are used for employees' commuting, and the other are used as official vehicles of the Company's subsidiaries. A variety of measures have been taken in parallel to promote green travel and reduce carbon emissions in an all-round way.



Conserving the Ecological Environment

Ganfeng Lithium places a strong emphasis on environmental protection and peaceful coexistence between humans and nature. The influence of project operations on the surrounding natural environment is carefully considered. We are looking into mining, smelting, and processing, as well as battery manufacturing and recycling, to see how we might reduce the environmental impact of our operations.

Environment Reclamation

Environmental laws and regulations are closely followed by the Company, which has developed the "Three Simultaneities" Management Regulations for Environmental Protection of Construction Projects. We are putting the environmental impact assessment report into action to guarantee that the project's environmental protection facilities are compatible with the main body. We also take extra precautions to minimize our negative influence on the environment.

We meticulously follow the state's regulations in the mining process and refrain from using open-pit mining. Although open-pit mining is large-scale and low-cost, it has a substantial environmental impact. When mining, we usually use hole mining and backfilling, which has the least amount of impact on the environment.

Sustainable Mining

Ganfeng Lithium focuses on salt lake resources for sustainable mining. First, we regulate the amount of brine pumped to maintain the hydrological equilibrium. Second, we use sustainable energy sources such as solar energy in our manufacturing processes whenever possible. Striving to be the most environmentally friendly lithium mine in the world, our four salt lake projects in Argentina have incorporated sustainable mining into their production and operation management.

Case The salt lake project's sustainable mining

In October 2021, the Company conducted environmental monitoring on the Mariana project area and surrounding areas. The monitoring was implemented by environmental consultants. These experts in vegetation, fauna, ponds, air quality, noise, soil, and water quality conducted measurement, analysis, and sampling in every site around the Mariana project. The whole process was supervised and engaged representatives from the Tolar Grande community and the Salta Mining Office.

The results of the monitoring were highly satisfying, which was inseparable from LMA's upholding the concept of harmonious development. The Company strictly implements the environmental management plan developed based on the project's environmental impact report and environmental impact statement. Moreover, the Company conducts environmental monitoring around the Mariana project every six months to assess the environmental dynamics of the project in different periods, in order to ensure that the local environment remains in good condition.



V

Ensuring Safety and Employee Health

Ganfeng Lithium prioritizes work safety in production and operations, safe development, and the health and safety of its employees. We always keep in mind that our employees are the most important aspect in ensuring our long-term viability, and we strive to improve our safety management system on a regular basis. In safety management, we strive for “zero accidents, injuries, or environmental harm caused by the Company” . As such, we offer safety awareness improvement training to build a good safety culture and follow the work principle of “prevention first, combining prevention and elimination” .

Material issues addressed in this chapter

- 1、 Safety and health
- 2、 Waste and chemicals

Issues related to SDGs addressed in this chapter



Improving the Safety System

The Company conducts construction project safety evaluations in strict conformity with the Work Safety Law of the People's Republic of China, the Measures for the Safety Supervision and Administration of Hazardous Chemical Construction Projects, and other relevant laws and regulations. A construction project's safety equipment is developed, manufactured, and put into production and use at the same time as its major components.

The Regulations on the Management of the Responsibility System for Work Safety, the Management Regulations on Safety Risk Assessments, and the Regulations on the Management of Hazardous Chemicals were developed by the Company. The Management Committee for Safety, Environmental Protection and Fire Protection is in charge of work safety management. According to the Administrative Provisions on the Work Safety License, work safety licenses have been applied for all hazardous substances used in the Company.

In 2021, Ganfeng Lithium, Ganfeng Recycling, Xinyu Ganfeng, Yichun Ganfeng, Fengxin Ganfeng, and Ningdu Ganfeng passed the occupational health management system certification.

Case The Work Safety Project

The project cost a total of RMB 3.359 million and was completed in December 2021. Based on the 5G private network, it is an effective tool for the physical location and risk monitoring of workers and materials in the plant. It lowers the cost of handling large groups of people and materials, minimizes the safety risks of employees and materials, and improves the plant's overall safety.

Operators use the online work safety system to discover problems and troubleshoot hidden dangers. It manages, tracks, and eliminates risks or hidden dangers in order to ensure operational and environmental safety while also raising safety awareness.

The AI-based camera system can assess the risks or conceal threats in the working area and immediately notify the operators. It sends out reminders in advance, records events, and makes event tracking easier.

The AI-based camera and voice systems, as well as the human-vehicle positioning system, have enhanced management efficiency. They can control production and employees in real time, detect anomalies in real time, assign jobs fairly, and identify risky operational behaviours. As a result, work safety incidents are prevented or minimized.



Work Safety Practice

Work safety is a priority for the Company, which employs a variety of strategies. The first step is to assign everyone's primary safety responsibilities in a reasonable manner. The second step is to create a dual mechanism for classified risk management and control, as well as hidden danger investigation and management, in order to avoid mishaps. The third step is to set up an evaluation system. Every quarter, the Company's headquarters inspects and assesses the subsidiaries. According to the reward and punishment system, the assessment management team and subsidiaries evaluate the people responsible for investigations on hidden dangers. The fourth step is improving emergency response teams. Employees are made to participate in emergency drills on a regular basis so as to strengthen their emergency response capabilities.

In 2021, Ganfeng Lithium invested RMB **25.4491** million in work safety and had **“zero”** work safety accidents.

Case An SIS added to the organolithium plant's tank farm

In response to the instruction of automation upgrading technology enhancement for chemical companies in the Xinyu High-tech Zone, Ganfeng Lithium's organolithium plant committed more than RMB 3 million to add a safety instrumented system (SIS) in the 203# tank farm, based on current projects. Twelve SIS level gauges, seven SIS shut-off valves, and one SIS safety system make up the system. With the enhancement completed, dual-system (DCS and SIS) monitoring and alarms for the reserves in the tank farm have been installed to ensure the plant's work safety.



Safety Risk Control

In the first quarter of each year, the Company carries out safety risk identification and assessment across the Company according to the Management Regulations for Safety Risk Assessments and develops management and control plans for major risks identified.



Employees

New employees can only begin working after completing a three-grade safety course. Every year, on-the-job employees must complete at least 24 hours of safety training.



Contractors

The contractor's qualifications will be verified first. Only those with the necessary qualifications are permitted to work for the Company, and they must sign an outsiders' construction safety agreement. Personnel from the contractor must get training and education from the Safety and Environmental Protection Department before working in the plant. Only after passing the examination will they be allowed to enter the plant and work on the job. They are also required to make a security disclosure and maintain a record.



Visitors

Visitors must undergo training after arriving at the Company and before accessing the workshop site to understand the hazards and control methods in place, as well as on-site safeguards. They must wear safety helmets, masks, and other work-related protective gear.

We conduct regular fire safety inspections and fire hazard inspections to discover and correct hidden hazards in a timely manner, prevent fires, and make the Company's fire protection work scientific, standardized, and institutionalized, adhering to the work policy of “prevention first, combining prevention and elimination”.

Hidden Danger Investigation and Management

The Company conducts extensive and detailed safety inspections and hidden danger investigations on a regular basis, as well as accepts inspections by external supervisory bodies.

In 2021, the Company received

471

internal and external inspections, resulting in the screening of

3,035 risks

and a

100%

rectification rate

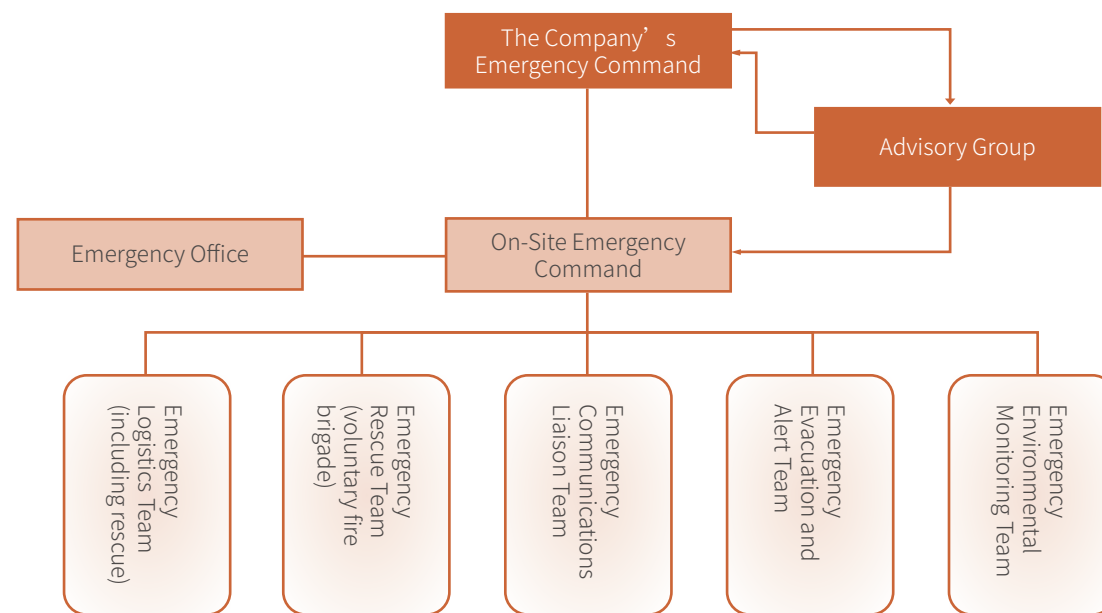
It has effectively reinforced safety management measures and vastly improved the Company's unit safety conditions.



Safety Emergency Management

The Company has developed safety emergency management measures to respond to production, operation, and management emergencies, and all plants are required to undergo annual drills of their emergency plans to ensure their effectiveness. In 2021, all plants successfully completed all emergency plan drills with a 100% completion rate.

Emergency Rescue Workflow



Safety Culture Construction

The Company carries out the Work Safety Month series of events, safety quizzes, Safety Open Day visits, safety information release on the WeChat official account, safety accident warning video broadcast, and self-inspection and self-rectification of safety-risk behaviours. These numerous activities have fostered a culture in which everyone understands and cherishes safety and where everyone strives to improve their safety skills and knowledge. In 2021, a total of 50492 people in the company participated in safety and environmental protection training. We also worked hard to create "one map, one sign, and three lists" that outline safe procedures for implementing work safety management. As a result of the foregoing actions, no serious safety or environmental accidents involving the Company's responsibilities happened in the group in 2021.

Strengthening Chemicals Management

The Hazardous Chemicals Registration Management System was developed in accordance with the Work Safety Law of the People's Republic of China, the Hazardous Chemicals Safety Regulations, the Hazardous Chemicals Directory, and other relevant laws, regulations, and guidelines in order to set the safety requirements for the transportation, loading, and unloading, purchase and sale, storage, use, and disposal of hazardous chemicals, as well as to regulate hazardous chemical management. The system regulates every link involving hazardous substances based on the Company's current status.

In 2021, the Company examined the plants' ability to manage hazardous chemicals on a regular basis, highlighting concerns and flaws in their hazardous chemical management. During the review, the facilities discussed their hazardous chemical management experience in order to help each other improve their management capabilities. The move consolidated the Company's hazardous chemical management standards and improved hazardous chemical management's overall safety.

- 1 Hazardous chemical management techniques at the plants
- 2 Inspections by the Department of Safety and Environmental Protection at the headquarters
- 3 An examination of hazardous compound handling
- 4 Knowledge and experience exchange in the management of hazardous chemicals
- 5 Standardization of management practices
- 6 Overall improvement in safety

Safeguarding Occupational Health

Ganfeng Lithium places importance on employee health and safety. The Company works on the "three simultaneities" for occupational disease protection facilities, as required by the Law of the People's Republic of China on the Prevention and Control of Occupational Diseases and the "Three Simultaneities" Supervision and Management Measures for Occupational Disease Protection Facilities of Construction Projects. Occupational disease protection facilities, in particular, are developed, built, and put into production and use at the same time as production facilities. Every year, as required, the Company conducts occupational health examinations for personnel who are exposed to occupational dangers, and no proven or suspected cases of occupational diseases have been discovered thus far.

We undertake systematic occupational health management in accordance with the OHSAS 18001 certification. To identify sources of occupational illness dangers, we established the Management Regulations for Occupational Health Examination of Employees. All employees who are exposed to occupational dangers receive regular and complete physical examinations and occupational health monitoring. During the manufacturing process, we supply personnel with essentials such as qualified work protection equipment and instruct them on how to properly wear it. Safety education and training are held on a regular basis to improve employees' self-protection knowledge and protect their workplace health.

In 2021, the Company invested RMB

4.32 million

in occupational health personal protective equipment.

New employees did **not have any** occupational diseases

There have been **no fatal workplace accidents** in the last three years

and the employee injury rate has been

zero percent

with

zero days

missed due to work injuries





VI

Delivering Happiness with People-oriented Ganfeng Lithium

With the goal of "delivering happiness by putting people first," Ganfeng Lithium has put in place a sound system to protect employees' rights and interests in accordance with the law, looked after its employees, created a great environment for employees to work and realize their worth, and remained committed to improving their sense of gain and happiness to be a business that delivers warmth.

KDD

Material issues addressed in this chapter

- 1、Employment and labor management
- 2、Development and training
- 3、Employee care
- 4、Democracy and human rights
- 5、Community investment

Issues related to SDGs addressed in this chapter



Improving Talent Echelon Structure

Ganfeng Lithium is expanding rapidly, and there is an increasingly high demand for talent. The company strictly adheres to regulations such as the Recruitment Management Regulations and the Salary Management Regulations and strives to create an equal and diverse recruitment model, as well as build an employee training system on the Ganfeng Lithium Business School platform to strengthen the structure of the talent echelon and ensure a sufficient talent pool to take on responsibilities when needed, in order to maintain Ganfeng Lithium's growth.

Promoting Talent Development

Ganfeng Lithium targets four main areas: attracting, retaining, training, and using talent in order to develop talent resources, optimize talent matching, improve talent capabilities, create an environment for their growth, and unleash their vitality and creativity, so that we can develop a high-quality, pragmatic, and responsible professional talent team with reasonable structure, professional support, and high loyalty, in line with the company's strategic development.

Simultaneously, the Company has established a comprehensive and fair talent development channel, giving employees the opportunity to advance their careers in management and professional roles. Annual promotions are organized by the headquarters in collaboration with human resources departments at all levels. Employees with the will and capability are given promotion opportunities to take on greater responsibilities and challenges, encouraged to create greater value for the company, and are regularly evaluated and then appointed to relevant positions every year based on their evaluation results through a variety of standardized operational processes (including recommendation, selection, evaluation, and inspection).

The Company actively engages in talent development and management activities, improves talent training, focuses on enhancing the overall quality and managerial capabilities of people in crucial roles and teams, and optimizes talent matching. We will continue to deepen the talent system reform, improve the talent training mechanism, optimize the environment for talent development, strengthen the development of talent resources, encourage employees to succeed in their jobs, recognize their self-worth, and commit to ensuring that employees grow alongside us.

Case Orientation Training for College Students

Ganfeng Lithium Business School held its 2021 orientation training for college graduates on schedule in July 2021. The Chairman of Ganfeng Lithium Li Liangbin, President Ge Zhimin of Ganfeng LiEnergy, Vice-President Shen Haibo, general managers of subsidiaries, heads of functional centers, and technical experts from each business unit were among the more than a dozen lecturers on the training team. They covered everything from Ganfeng Lithium's development history to the technical and operational aspects of each business unit, as well as the demand for talent; from the talent system's construction to the characteristics of compensation and benefits; and from career transition to workplace etiquette, among other topics.

The speakers provided professional training, discussed their experiences, and voiced their hopes and concerns for the students. The training was crucial in allowing college graduates to integrate with Ganfeng Lithium as quickly as possible and become qualified employees.



Case Front-Line Commander Training

The year 2021 was designated as Ganfeng Lithium's "Year of Delicacy Management". Production lines are viewed as "cells" in a manufacturing organization, with delicacy management as the ultimate goal. As part of its Firefighting Month activities, Ganfeng Lithium held the first phase of "Front-Line Commander" training to improve the abilities of production line management staff (known as "front-line commanders") to handle emergencies, command, and collaborate.



Case A Path towards Ganfeng Lithium's Sustainable Development in Argentina, Featuring Respect, Love, Environmental Protection, and Win-Win Results

In its Argentinian project, Ganfeng Lithium actively works to safeguard the environment, care for its employees, and give back to the community. Minera Exar established Ckuri-Wind Gran Espirito, a local training school, with the goal of supplying matchable skills to the lithium sector.



Employee Care for a Better Workplace

We work hard to build a "shared results and risks" business community at Ganfeng Lithium. We implemented a performance rating system, tied employees' annual salary composition to their and the company's success, and reviewed and adjusted the salary plan on a regular basis. The successes that Ganfeng Lithium has attained thus far would not have been possible without the active participation and dedication of all workers. We value our employees as precious assets and aim to make the workplace a better place to work. We designed an equity incentive scheme, which went into force in 2021, to give rewards to employees and allow them to share the fruits of the company's growth.

Caring for Employees' Physical and Mental Health

Without the hard work and dedication of all employees, Ganfeng Lithium's efforts to provide unwavering and stable energy security for economic and social growth would be impossible. The Company actively arranges outward-bound activities and provides a healthy living environment for its employees, with an emphasis on serving them. We carried out a variety of outward-bound activities in 2021, as well as remodeled canteens, so that our staff can work cheerfully and live a happy life.

Case Outward-Bound Activity for the Youth

The Ganfeng Lithium Youth Association hosted a team-building and outward-bound activity in September themed "Bring Together the Youth for the Future". A variety of sports piqued everyone's interest, and they demonstrated their strength, vitality, and passion by singing, dancing, doing push-ups, reciting poetry, and so on. During this enjoyable activity, they quickly became close.

During the exchange and discussion session, these college graduates expressed their own difficulties in the factory or at work since joining the company, as well as their plans and ambitions for life and work. Guests, including Wang Dabing from the Management Center, Wang Bin from Basic Lithium Plant, Zhou Wei from the Power Plant, and Peng Lijuan from Recycling Technology, shared their perspectives on Ganfeng Lithium's "Four Haves" for young people, referring to those with ideals, technical capabilities, the principle of following the rules, and gratitude, by telling their stories or perceptions of Ganfeng Lithium. The college graduates expressed a strong desire to learn more about how to become qualified Ganfeng Lithium members.

Youth is one-of-a-kind and cannot be duplicated. Youth's priceless value and enormous potential can only be realized through hard effort and dedication to the causes they care about. After this activity, the newly-employed personnel rapidly blended into the Ganfeng Lithium family, which has become even larger and stronger as a result of their tolerance, unity, mutual assistance, youth, vitality, and willingness to take on new challenges.



Case Canteen Renovation and Upgrading

Ganfeng Lithium updated its cafeteria in 2021, prioritizing it in its annual plan with the goal of "providing employees with warm dishes in a clean canteen." We hoped that the makeover would improve our employees' dining experiences, boost our logistical services, and help us provide high-quality dining services. Thanks to the efforts of senior management, the kitchen and dining room were significantly enhanced following three months of complete upgrading and refurbishment.

The kitchen is designed to have a smooth production flow to operate in line with the general production process: material acceptance, inspection, and storage area – preliminary processing area – refined processing area – pastry area – cooking area – sales area – decontamination room, and a food preparation room is set up separately, according to the overall planning of the e-cafeteria. All of the kitchen's operation points are now tightly integrated, and the manufacturing process is smoother and more efficient as a result of the makeover. The kitchen can now serve about 2,000 people and provide over 800 meals to employees.

With a total of 412 tables, more seats, air conditioning, and floor cleaning machines, the eating space has enhanced its capacity to accommodate more guests. The dining space can accommodate over 1,000 dine-in guests if the hours are staggered. It has provided the staff with a welcoming, clean, and warm dining environment.



Protection of Employees' Rights and Interests

At our operating sites, we carefully follow applicable rules and regulations such as the Labor Law of the People's Republic of China, and the Labor Contract Law of the People's Republic of China, and we respect and safeguard our employees' legitimate rights and interests. On a year-over-year basis, we have increased our contributions to the housing fund in 2021. We are committed to protecting our employees' basic human rights; adhering to the principles of fair, open, and just recruitment; respecting our employees' diversity and the differences among employees of various countries, nationalities, races, colors, and cultures; and strictly prohibiting discrimination on the basis of gender, ethnic group, age, education background, religious beliefs, disabilities, and other factors.

Case Ganfeng Lithium Enhanced Employment for Local Residents

Ganfeng Lithium's Argentina HR workers visited Torzalito, a town near the Güemes Industrial Park in the northwestern Argentine province of Salta, Argentina, in November 2021 to assist local youngsters with training on issues such as resume preparation. The event attracted a number of up-and-coming professionals eager to work in Argentina's lithium business.

Ganfeng Lithium has long been committed to promoting the economic development and employment of the surrounding communities. To assist local communities to create more employment opportunities, our Argentinian team provides relevant training from time to time to help local residents strengthen their employability.



Case Ganfeng Lithium Celebrated Local Festival

Our Argentina team celebrated "Miner's Day" with local colleagues on October 28, 2021. Because mining is one of Argentina's most important businesses, the local community places a high value on the annual "Miners' Day," which takes place in October. As a company with operations in both the upstream and downstream of the lithium industry, we understand the value of resources and the challenges of mining. We showed our appreciation for the efforts made by frontline personnel in Argentina's new energy industry by sending them presents and celebrating this special holiday with them.

Respecting local beliefs, culture, and customs is a must for our international teams. Furthermore, Ganfeng Lithium's local teams participate in a variety of local events in order to break down cultural boundaries and build a sense of "home" in their work and lives.



Sustainable Development of Local Communities

Ganfeng Lithium has a number of lithium projects around the world. The Company places great value on the long-term development of local communities, actively participating in their work and lives, understanding their needs, and providing advantages to them.

Case Ganfeng Lithium Sponsored Local Activities to Celebrate the Start of New Semesters

Minera Exar supported activities in the local community to celebrate the start of new semesters by providing healthy food and gifts to children, as well as collaborating with community and municipal organizations to plan a variety of entertainment activities in numerous villages. We were likewise ecstatic to see their cheerful grins.



Case Ganfeng Lithium Cooperated with a Local Hospital on Preventive Care

In Puna, Minera Exar collaborated with the Health Department of the province of Jujuy and Susques Hospital to provide preventive treatment. Doctors, dietitians, psychologists, nurses, technicians and community relations workers were among the members of the team. Cleaning agents, ethanol 96%, sprayers, nitrile gloves, disinfectants, and donated food, drinks, and awards for awareness and preventative programs were all provided by the company. "Not everyone can go to the hospital," said Dean Susques, the event's organizer. "So we go to the residents' homes and give them extra assistance."



Case Ganfeng Lithium Boosted the Local Tourism Industry

Our local team, the local administration, and Minera Exar, which supplied cement, containers, and other materials from the beginning of the project, helped to open the Tuzgle Hotsprings Resort. Its completion boosted the local tourism industry, as well as economic growth and employment.



Case Ganfeng Lithium Respects Local Traditions and Customs

The Argentinians celebrated "Pachamama," which means "Mother Earth," in August 2021, and Ganfeng Lithium's Argentine employees celebrate Pachamama every year to appreciate nature's gift. The spirit of this local culture matches Ganfeng Lithium's environmental protection and sustainability practices, and traditional celebratory ceremonies frequently incorporate advanced and respectable ideals.



Case

Ganfeng Lithium Advocates Gender Equality and Values Women's Worth

Men are not the only ones who work in the mining industry. Women, in fact, shine in Minera Exar's social relations department, where they work as a vital link between the community and the Company. Our female employees work not only in office or in administrative positions, but also in a variety of settings, including community relations, the environment, laboratories, geology, engineering, and other fields.



Mother's Day was observed in Argentina on the third Sunday of October 2021. Among Ganfeng Lithium's abroad employees, there are many ordinary yet wonderful mothers who silently contribute to their employer and families. Ganfeng Lithium sends them small presents every year on this important day to convey gratitude and blessings.



Ganfeng Lithium's global resource layout is exemplified by a series of projects in Argentina. The Company has made resource investments in Mexico, Mali, Argentina, Ireland, Australia, China, and other countries and regions, all while adhering to ESG principles such as "environmental preservation," "employee care," "community help," and "development promotion."

There is still a long way to go in the global energy transformation. We will continue to pave the way for a repeatable and sustainable development route, one step at a time.

Employee Communication and Care

Ganfeng Lithium actively promotes democratic management, fosters open communication, and works to build diverse and effective multi-level communication channels and platforms. We build trade union organizations at all levels of the Group, adhere to democratic procedures in line with the Trade Union Law and other applicable regulations, and protect employees' rights to information, expression, involvement, and oversight. We encourage employees to contribute their ideas and suggestions, establish unfiltered communication channels and platforms between management and non-managerial employees, actively listen to employees' voices and management suggestions for the company's development, and keep employees informed of major decisions and development orientation.

Ganfeng Lithium urges managers at all levels to actively listen to employees' views and provide feedback via questionnaires, employee suggestion boxes, email, hotlines, and other means. The Internal Auditing Department ensures that every suggestion is promptly accepted, that every reasonable reporting case is independently investigated based on the principles of truthfulness, confidentiality, and effectiveness, and that appropriate follow-up actions are taken after the whistleblower has been properly protected. Ganfeng Lithium places a high priority on employee happiness and contentment at work and is dedicated to establishing a welcoming environment.

Case

Workers' Congress of Ganfeng Lithium

In Xinyu city, Jiangxi province, Ganfeng Lithium hosted the second meeting of the Fourth Workers' Congress and the 2020 Annual Advanced Award Meeting on April 30. The conference held five simultaneous sessions in Dongguan city, Ningdu county, Shanghai, Ningbo city, and Suzhou city, as well as an online livestreaming platform to encourage more employees to participate in corporate governance.

The Company's Party Committee, Trade Union, Human Resources Department, Corporate Culture Department, and other institutions or departments reviewed and evaluated various viewpoints expressed by our employees over the previous year, devised specific solutions, and recognized outstanding teams and individuals in 2020.



Ganfeng Lithium's Trade Union increased its efforts to solicit ideas at this year's Workers' Congress, receiving 575 proposals from 16 subsidiaries, covering requirements in 11 important subjects such as transportation, welfare, compensation, and management, more than three times the total number in 2020. The HR Department responded to the difficulties and gave remedies on the spot, such as salary adjustment rules and varied leave plans, on the themes with the most ideas, such as salary and working hours. We also launched a satisfaction survey for all employees at the same time, and items with poor satisfaction will be improved in the future.

As a company whose manufacturing accounts for a high proportion of its business, Ganfeng Lithium has consistently increased its efforts to protect employee safety during the manufacturing process.

In 2021,
488
different inspections
were organized

84
major risk management
measures were established

and roughly RMB
2000 million
was spent on production
safety and labor protection

Since its founding, the 14-year-old Ganfeng Lithium Trade Union has been dedicated to listening to the genuine voice, addressing the requirements of the public, defending employee rights and interests, and connecting human-enterprise ties. Every member of Ganfeng Lithium may only feel a sense of belonging and the warmth of a family in the tall buildings and bases where they operate if they have a pleasant and comfortable working environment and if every concern and suggestion is properly handled.

Key Performance of Sustainable Development

Type	Indicator		Unit	2021	2020
Environment					
Exhaust gas emissions	Particulates		Tonne	42.62	36.20
	Sulphur dioxide		Tonne	56.70	50.36
	Nitric oxides		Tonne	171.52	164.84
	Particles per unit of product		Tonne /10,000 tonnes of LCE	4.75	6.67
	Sulfur dioxide per unit of product		Tonne /10,000 tonnes of LCE	6.32	9.27
	Nitrogen oxides per unit of product		Tonne /10,000 tonnes of LCE	19.13	30.36
Wastewater	COD		Tonne	73.53	72.14
	Ammonia nitrogen		Tonne	2.54	2.21
	COD per unit of product		Tonne /10,000 tonnes of LCE	8.20	13.29
	Ammonia nitrogen per unit of product		Tonne /10,000 tonnes of LCE	0.28	0.41
Solid waste	Hazardous waste		Tonne	583.92*	146.71
	Non-hazardous waste	Slag	Tonne	9468.98	8842.50
		Coal cinder	Tonne	6630.18	12667.54
Energy consumption	Total energy consumption		Tonne of standar coal	197353.46	130242.02
	Energy consumption per unit of revenue		Tonne of standar coal /RMB 10,000	0.18	0.24
	Energy consumption per unit of product		Tonne of standar coal /tonne of LCE	2.20	2.22
	Coal		Tonne	144973.54	50609.51
	Power		10,000 kWh	44305.42	36226.28
	Diesel		Tonne	586.75	357.82
	Natural gas		10,000 cubic meters	875.87	492.29
	Gasoline		Tonne	0.07	2.18
	Purchased steam		10,000 tonnes	43.16	19.47
Water consumption	Use of water in total		10,000 tonnes	308.74	237.35
	Water consumption per unit of revenue		Tonne/RMB 10,000	2.79	4.30
	Water consumption per unit of product		Tonne/tonne of LCE	34.43	38.62
Packaging materials	Number of used packaging bags		10,000 bags	79.27	52.02
Greenhouse gas emissions	Total amount of greenhouse gas emissions		10,000 tonnes	65.03*	46.00*
	Scope 1		10,000 tonnes	30.98*	23.62*
	Scope 2		10,000 tonnes	34.05*	22.38*
	Greenhouse gas emissions per unit of revenue		10,000 tonnes /RMB 100 million	0.58	0.83
	Greenhouse gas emissions per unit of product		10,000 tonnes /10,000 tonnes of LCE	7.25	8.47

Type	Indicator	Unit	2021	2020
Society				
Number of employees	Total employees	Person	7870	5533
	Male	Person	4930	3530
	Female	Person	2940	2003
	≤34	Person	3228	2096
	35-44	Person	2721	1938
	45-54	Person	1771	1373
	≥55	Person	150	126
	Master or above	Person	164	120
	Bachelor and junior college	Person	1941	1177
	Below junior college	Person	5765	4236
	General jobs	Person	5458	3672
	Special jobs	Person	444	435
	Management	Person	1968	1426
	Full-time	Person	7870	5533
	Part-time	Person	0	0
Turnover rate	Overall turnover rate	%	30.36	27.41
	Male	%	35.98	32.15
	Female	%	20.94	19.06
	≤34	%	32.30	31.72
	35-44	%	16.75	13.95
	45-54	%	7.16	4.99
	≥55	%	0.70	0.54
	Master or above	%	16.46	35.83
	Bachelor and junior college	%	26.28	30.25
	Below junior college	%	32.13	23.81
	General jobs	%	48.82	40.92
	Special jobs	%	0.55	0.42
	Management	%	6.96	9.87
Occupational health	Number of work-related deaths	Person	0	0
	Severe injuries per 1,000 employees	%	0	0
Employee training	Percentage of trained employees	%	100	100
	Training hours per person	Hour	21.90	25.21
Supplier	Number of domestic suppliers	/	3512	2780
	Number of international suppliers	/	9	3
Product liability	Proportion of product recalls due to safety and health reasons	%	0	0
	Customer satisfaction	%	98.39	95.12
Anti-corruption	Number of corruption lawsuits	Case	0	0
Community investment	External assistance and donations	RMB10,000	576.67	303.60

Notes:
1. In 2021, the Company implemented coal-to-gas conversion, which cleaned up all the coal tar left in the original equipment. Therefore, the emissions of harmful waste increased significantly.
2. The reported carbon emissions only refer to carbon dioxide emissions, and do not include methane, nitrous oxide and other greenhouse gases. The accounting is carried out in accordance with the standard and emission factors of the Guidelines for Accounting and Reporting Greenhouse Gas Emissions for Chemical Production Enterprises in China (For Trial Implementation), in which the emission factor of purchased electricity complies with 0.6101tCO₂/MWh, the average emission factor of the national power grid in 2015 and a uniform national average emission factor for enterprises.

Disclosures and KPIs Compliance with HKEX ESG Reporting Guide

Environmental, Social and Governance Reporting KPIs		Page
Environment		
A1: Emissions		
General Disclosure		p51-57
A1.1	The types of emissions and respective emissions data.	p53-57
A1.2	Greenhouse gas emissions in total (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	p51
A1.3	Total hazardous waste produced (in tonne) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	p53
A1.4	Total non-hazardous waste produced (in tonne) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	p53
A1.5	Description of measures to mitigate emissions and results achieved.	p53-57
A1.6	Description of how hazardous and non-hazardous wastes are handled, reduction initiatives and results achieved.	p53-55
A2: Use of Resources		
General Disclosure		p58-61
A2.1	Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (kWh in ' 000s) and intensity (e.g. per unit of production volume, per facility).	p78
A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility).	p78
A2.3	Description of energy use efficiency initiatives and results achieved.	p58-59
A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency initiatives and results achieved.	p60-61
A2.5	Total packaging material used for finished products (in tonne) and, if applicable, with reference to per unit produced.	p59
A3: The Environment and Natural Resources		
General Disclosure		p61
A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	p61
Social		
Employment and Labor Standards		
B1: Employment		
General Disclosure		p78
B1.1	Total workforce by gender, employment type, age group and geographical region.	p78
B1.2	Employee turnover rate by gender, age group and geographical region.	p78

B2: Health and Safety		
General Disclosure		p66-71
B2.1	Number and rate of work-related fatalities.	p67
B2.2	Lost days due to work injury.	p67
B2.3	Description of occupational health and safety measures adopted, how they are implemented and monitored.	p66-71
B3: Development and Training		
General Disclosure		p79
B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	p79
B3.2	The average training hours completed per employee by gender and employee category.	p79
B4: Labour Standards		
General Disclosure		p74
B4.1	Description of measures to review employment practices to avoid child and forced labor.	p74
B4.2	Description of steps taken to eliminate such practices when discovered.	p74
Operating Practices		
B5: Supply Chain Management		
General Disclosure		p37-39
B5.1	Number of suppliers by geographical region.	p37,79
B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, how they are implemented and monitored.	p37-39
B6: Product Responsibility		
General Disclosure		
B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	p46,79
B6.2	Number of products and service related complaints received and how they are dealt with.	p47
B6.3	Description of practices relating to observing and protecting intellectual property rights.	p43
B6.4	Description of quality assurance process and recall procedures.	p47
B6.5	Description of consumer data protection and privacy policies, how they are implemented and monitored.	不适用
B7: Anti-corruption		
General Disclosure		P24-25
B7.1	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases.	P25
B7.2	Description of preventive measures and whistle-blowing procedures, how they are implemented and monitored.	P24-25
Community		
B8: Community Investment		
General Disclosure		p78
B8.1	Focus areas of contribution (e.g. education, environmental concerns, labor needs, health, culture, sport).	p78
B8.2	Resources contributed (e.g. money or time) to the focus area.	p78

Feedback Form

Dear readers,

Thank you for reading the Sustainability Report of Ganfeng Lithium in 2021. We sincerely hope to get your comments and suggestions regarding this report and our work as well. Please send the filled feedback form to us via mail, email after scanning, or call us to give valuable advice directly. Really appreciate it.

Address: Longteng Road, Economic Development District, Xinyu City, Jiangxi Province

Email: liaolonglong@ganfenglithium.com

1. Which of the following stakeholder do you belong to?

- ☐ Shareholder ☐ Employee ☐ Supplier ☐ Customer ☐ Government
☐ Community ☐ Academic institutions ☐ Other (please specify)

2. Have you read the Sustainability report of Ganfeng Lithium? (If no, please ignore No.3, 4, and 5)

- ☐ Yes ☐ No

3. If yes, do you read a paper version or an electronic version?

- ☐ Paper version ☐ Electronic version

4. Do you wish to read a paper version or an electronic version?

- ☐ Paper version ☐ Electronic version

5. What is your overall evaluation for the report?

- Readability (i.e. intelligible expression, beautiful design, attractive content, and easy to find the required information)

- ☐ 3 (good) ☐ 2 (general) ☐ 1 (poor)

- Reliability (The information in this report is true and reliable)

- ☐ 3 (good) ☐ 2 (general) ☐ 1 (poor)

- The report should reflect positive and negative information, and meet your expectation.

- ☐ 3 (good) ☐ 2 (general) ☐ 1 (poor)

In addition to the contents that have been disclosed, what kind of information do you wish to read?

Utilize limited lithium resources to create a green, clean
and healthy life for human development and progress



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