

A graphic of a molecular structure is positioned in the upper right quadrant. It consists of several translucent spheres in shades of blue and green, connected by thin, light-colored lines. The background of the entire page is a soft-focus image of a globe with green and blue hues.

# 2021 SUSTAINABILITY REPORT

Green chemistry devotes to low-carbon  
and beautiful life

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ABOUT Tinci Materials Technology Co.,Ltd

Guangzhou Tinci Materials Technology Co., Ltd. (hereinafter referred to as "Tinci Materials", "The company" or "We"), hopes to convey to all stakeholders our values, vision, goals, actions and performance in governance, economy, environment and society through sustainable development reports based on international standards. Starting in fiscal 2021, we publish our sustainability report annually.

【Report Standard】

We have established sustainable development report writing team, which is composed of senior executives of the company, functional departments of the headquarters and heads of each business divisions. This report is based on the core option of the "Sustainability Reporting Standards" (GRI STANDARDS 2016) issued by the Global Reporting Initiative, combined with the "Guidelines for Social Responsibility of Listed Companies" (2006) of Shenzhen Stock Exchange and the "Measures for the Assessment of Information Disclosure of Listed Companies in Shenzhen Stock Exchange" " (revised in 2020).

【Report Scope】

We provide every different stakeholders with the sustainable development information of Tinci Materials for the period from January 1 to December 31, 2021, and some data are beyond the above scope due to the principles of continuity and comparability.

【Data Sources】

The economic performance data in this report is quoted from the 2021 annual report of Tinci Materials, which is consistent with the scope of the consolidated financial statements. The report has been independently audited by Grant Thornton Certified Public Accountants (special general partnership). Unless otherwise specified, the amounts shown in this report are in listed in RMB. Other non-financial information is provided by each functional departments of Tinci Materials Headquarters and its subsidiaries, involving

Guangzhou Tinci Technology Materials Co., Ltd. (including Huangpu Base), Jiujiang Tinci Technology Materials Co., Ltd., Yichun Tinci Technology Materials Co., Ltd., Ningde Kaixin Battery Materials Co., Ltd., Zhejiang Tianshuo Fluorosilicon New Material Technology Co., Ltd., Chizhou Tianci Technology Materials Co., Ltd. and Anhui Tianfu Fluorine Materials Co., Ltd. The content of the report will detail the specific scope of the information disclosed. We entrust SGS to conduct compliance, authenticity and reliability assurance of the report.

【Release Channe】

This report is published in both Chinese and English electronic and paper versions. If there is any slight difference between the Chinese and English versions, the Chinese version shall prevail.

Web version download address:

<http://www.cninfo.com.cn/new/disclosure/stock?stockCode=002709&orgId=9900022986#latestAnnouncement>

【Feedback】

For further improving our sustainable development strategy and pursuing better sustainable development performance, we look forward to receiving feedbacks and suggestions Please follow the contact information below to provide feedback to help us.

Contact: Lu Xiaocui

Phone: +86(0)20 66608666

Fax: +86(0)20 66608666

Mail: [ir@tinci.com](mailto:ir@tinci.com)

Address: No. 8, Kangda Road, Dongcheng District, Yunpu Industrial Zone, Huangpu District, Guangzhou, Guangdong

Postal code: 510760

The interpretation of various abbreviations mentioned in the report is consistent with the company's annual report, please refer to the company's 2021 annual report for details



Senior leaders take the lead in participating in customs law training



## SPEECH BY THE CHAIRMAN OF THE BOARD

Dear investors, thank you for your attention to the "2021 Sustainability Report" of Tinci Materials, and thank you for your continuous interest in the company.

2021 Year is the first year for Tinci Materials to release its ESG report, and it is also the first year for us to include the mission of "green chemistry for a low-carbon and beautiful life" in our core development values. With the global climate change, energy crisis and environmental pollution problems, green, energy-saving and environmental protection are highly valued, and carbon neutrality has become a global consensus. Within the background of Chinese dual-carbon policy, it is our honour to take responsibility and promote the progress of new energy industry and the popularization of clean energy for China.

Thanks to the explosive growth in demand for new energy vehicles, our business has developed rapidly in 2021. While in the rapid development of the main business and striving to improve market share and industry status, the company has never forgotten to show its responsibilities to social stakeholders, continuously improved its governance and management structure, strengthen systemic risk management, and further improve the environment, society, and governance (ESG).

Regarding environmental protection, we have formulated a sound related management system and protection measures. In terms of preventing and controlling water pollution, we have strengthened the subsidiaries' management of water pollutant discharge in the production process, reducing the amount of wastewater generated, and reusing water resource to carry out wastewater pollution prevention; in terms of waste gas treatment, in

accordance with the governance policy of "source reduction, process control, and end treatment", the company has carried out one strategy for one enterprise, establishing a task-forced team for leakage detection and repair management, and comprehensively implemented waste gas detection work. "Not up to standard, no emission" is the bottom line of waste gas treatment, which implements the anti-pollution control work of the atmospheric environment; in terms of solid waste management, the company's bases formulate pollution prevention and control responsibility system, including solid waste generation, collection, storage, transportation, utilization, and disposal, establish a solid waste management ledger that truthfully record the relevant information of the solid waste be generated, so that the solid waste can be traced and searched.

In terms of social responsibility, the company pays attention to the social value of the enterprise, adheres to the fine public welfare tradition of "assisting students and respecting the elderly", while striving to develop its own business, it actively fulfils its social responsibilities and contributes to the society. Especially in the face of the sudden impact of the epidemic, Tinci Materials quickly responded by setting up a team of volunteers to fight the epidemic and donating anti-epidemic materials, which contributed a reliable force to curb the deterioration of the epidemic situation from the level of personnel and materials. It expounds the company's people-oriented corporate culture concept with actions, and strongly demonstrates the company's sense of social responsibility.



In terms of corporate governance, in order to ensure the legal compliance of the company's operation and management, improve operational efficiency, and promote the realization of development strategies, in accordance with the Ministry of Finance's "Basic Norms for Enterprise Internal Control" and its supporting guidelines and other internal control regulatory requirements, the company has established an internal control system, formulated internal control systems and evaluation methods, continuously improved the company's internal control system, fulfils information disclosure obligations. The company standardizes its operation level and takes effective

measures to safeguard the legitimate rights and interests of the company and all stakeholders.

Looking back on the development history of the company in recent years, we still maintain our original aspiration and forge ahead. With the core values of "customer first, keeping integrity and innovation, striving for progress, and creating perfect quality", we continue to focus on green and sustainable development, and strongly commit to customers, employees, and investment. At the same time, we will fulfil our responsibilities for the society and the environment, becoming an enterprise that is responsible to the industry and society.



The background of the slide is an aerial photograph of a large industrial complex. The facility is composed of many large, rectangular buildings with blue roofs, arranged in a grid-like pattern. There are also several large white storage tanks and various smaller structures. The complex is surrounded by lush green trees and a river flows along the bottom left edge. An orange circular graphic is overlaid on the left side of the image, containing the text for the slide.

## About Tinci Materials

Company Profile



Company Governance

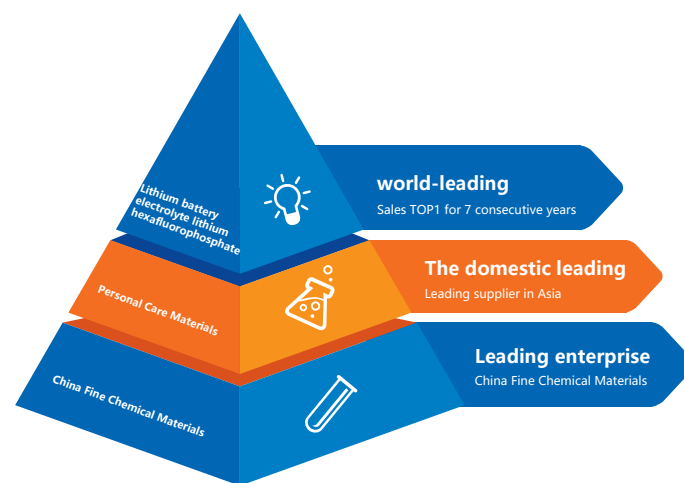


Company Operation



## COMPANY PROFILE

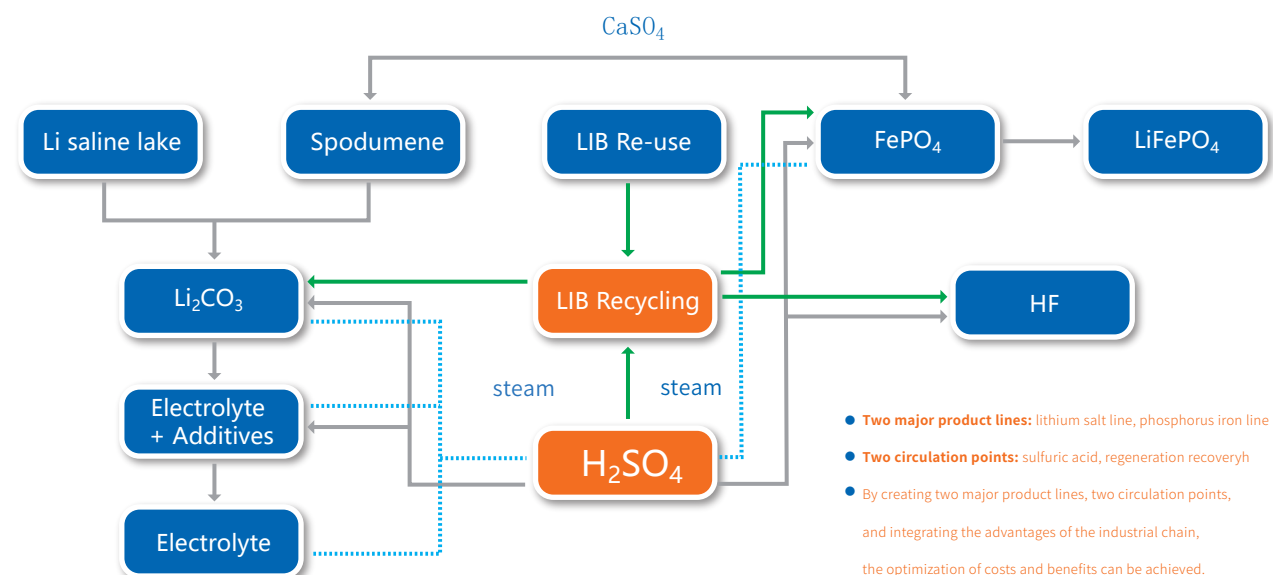
Guangzhou Tinci Materials Technology Co., Ltd. (stock code: 002709) was established in June 2000. Its main business is lithium-ion battery materials, daily chemical materials and specialty chemicals. Tinci Materials aims to provide the society with stable and reliable fine chemical products, and commit to becoming a world-class enterprise in the fine chemical industry.



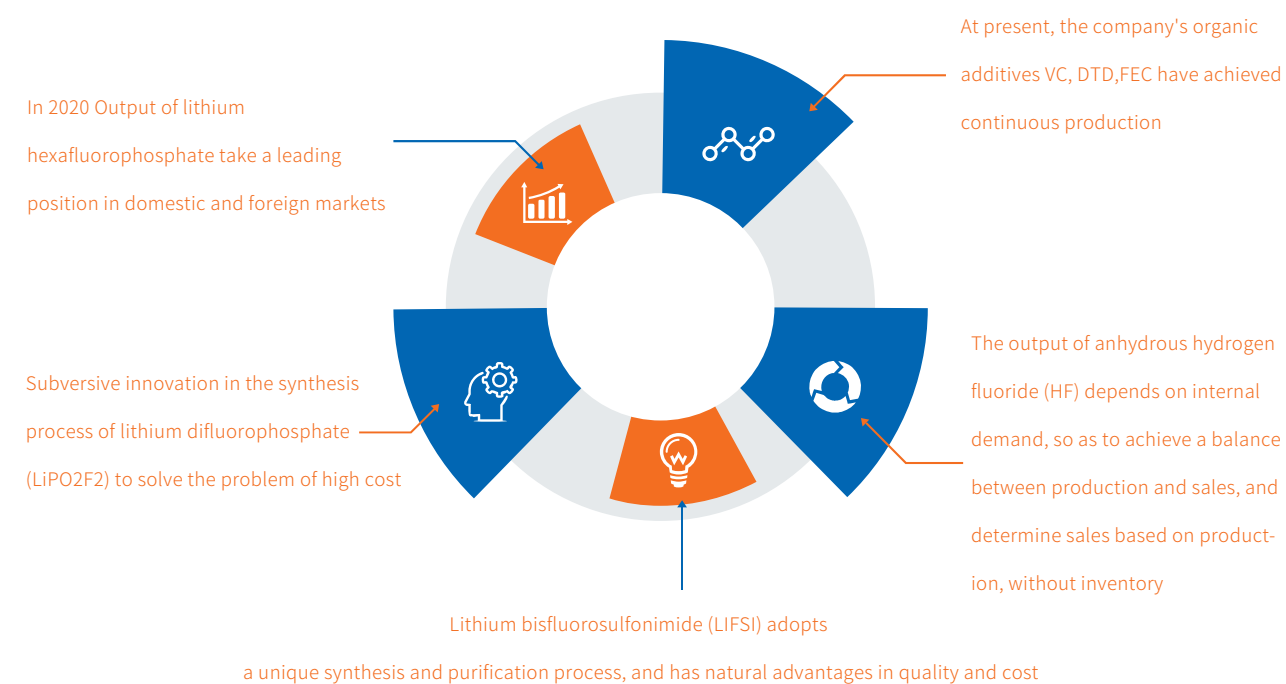
Since the company has joined lithium battery materials, it has successively developed and deployed core electrolyte raw materials and additives such as liquid lithium hexafluorophosphate, LiFSI, VC, DTD, lithium difluorophosphate, etc., forming an integrated layout strategy based on electrolyte raw materials. At the same time, for the lithium iron phosphate cathode material, the company has deployed the upstream raw material iron phosphate, and further reduces the cost through the circulation chain of by-products in the product.

In 2021, the company completed the non-public offering in 2020. In the fundraising project, by improving the industrial chain integration of "sulfuric acid-hydrofluoric acid-lithium fluoride/phosphorus pentafluoride-lithium hexafluorophosphate-electrolyte", it will comprehensively improve the self-production rate of raw materials, and continue to strengthen the company's core competitiveness.

### Industry chain layout disadvantages



### Advantages of industrial chain mapping:



The first liquid lithium hexafluorophosphate manufacturer in China:

Compared with solid lithium hexafluorophosphate, the advantages of liquid lithium hexafluorophosphate devices are mainly reflected in two aspects: 1. In terms of product quality: after liquefaction, the uniformity of the product is better, which is more conducive to the stability of customer product quality and improves the consistency of cell performance. The yield of raw materials is high. Compared with solid hexafluoro, the yield of liquid lithium hexafluorophosphate can reach more than 99%; 2. In terms of cost: the investment per ton of liquid lithium hexafluorophosphate is lower than that of solid products, and the conversion rate and yield are at the same time. also have significant comparative advantages;

In 2021, the market size of the new energy vehicle chain will usher in continuous and rapid growth due to the continuous promotion of the beneficiary policy, technological progress, cost reduction and other factors. Under the background that the delivery pressure of upstream materials such as lithium salts and additives in the new energy vehicle chain continues to be tight, the company has met the demand of order growth downstream customers through the advanced production capacity expansion mapping, contributing to the rapid development of the new energy vehicle industry. Electrolyte sales increased from 73,000 tons in 2020 to 144,000 tons in 2021, a year-on-year increase of nearly 200%.

COMPANY PROFILE

Tiacci Materials is headquartered at No. 8, Kangda Road, Dongcheng District, Yunpu Industrial Zone, Huangpu District, Guangzhou, Guangdong (Postal Code: 510760). It has established subsidiaries and production bases in many places across the country to meet the supply needs of customers.

The company currently has Guangzhou, Jiujiang, Tianjin, Ningde, Yichun, Chizhou, Taizhou, Liyang, Fuding (under construction), Fogang (under construction), Yichang (under construction), Sichuan (under construction), Zhaoqing (under construction), Europe (preparation) and other supply bases, built a national and key international regional strategic supply system, relying on the advantages of supply chain integration and integrated operation, through the flexible adjustment of production lines, the company's flexible delivery capabilities have been continuously improved.

Existing Sites Under Construction



Under the leadership of Chairman Mr. Xu Jinfu, in the process of enterprise development, a unique mission, vision and values have been formed and rooted in the hearts of every employee of the enterprise.



Tinci mission

Green chemistry leads to a low-carbon and beautiful life



Tinci vision

Providing systematic solutions, devoting to becoming the preferred partner of customers; providing competitive returns for employees and shareholders, creating a safe and healthy working environment; becoming a good corporate citizen, and grow together with the community



The core value of Tinci

Customer first; keeping upright and bring forth innovative ideas; striving for progress, and producing perfect quality



The culture view of Tinci

Humanistic view, benefit view, competition view, social view, learning view



Tinci employee spirit

Positioning should be accurate; mentality should be good; loyalty should be trusted, and efforts should be rewarded



The work style of Tinci

Acting and working together to achieve results; Only action to know whether it can succeed; Success can only be seen and felt by acting for results.

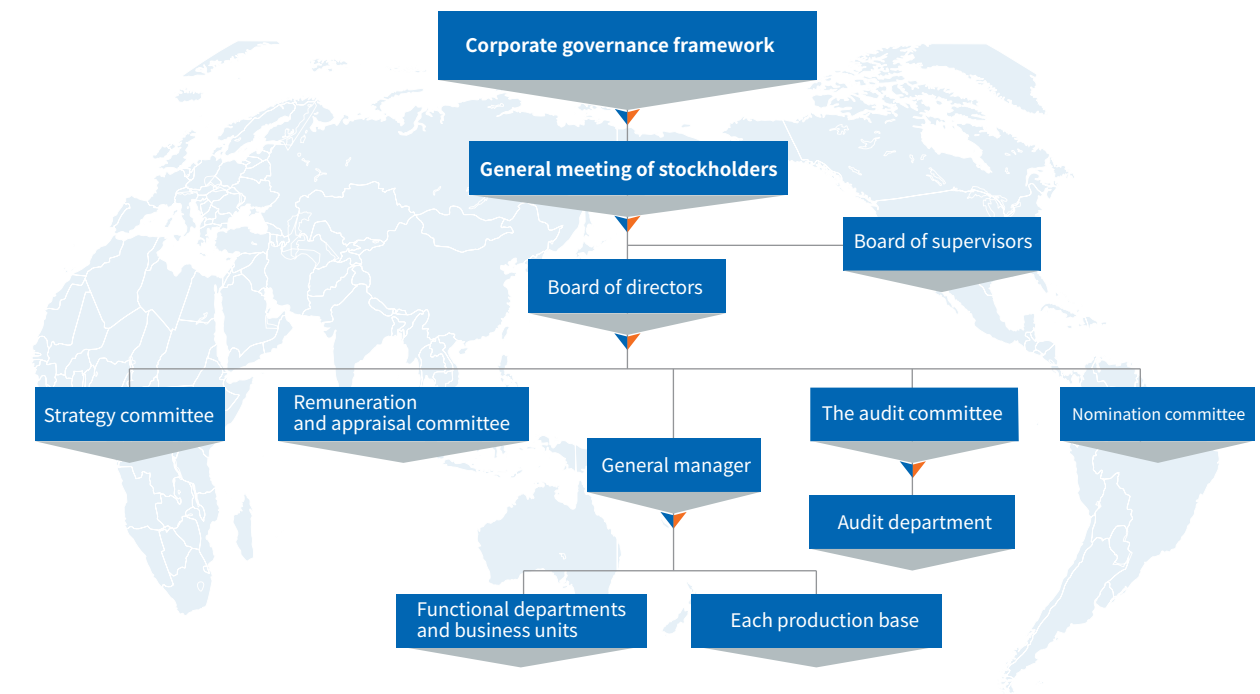


Tinci management system

Abiding strictly by laws and regulations and paying special attention to environmental benefits; devoting to clean and safe production, and people-oriented to prevent pollution; protecting the physical and mental health of employees, and resolutely preventing major casualties; striving to create perfect quality and providing good service support; striving for complete customer satisfaction, and continuous improvement and pursuit of excellence.

CORPORATE GOVERNANCE

The company strictly follows the regulations and rules, such as "Company Law", "Securities Law", "Governance Guidelines for Listed Companies", "Shenzhen Stock Exchange Listing Rules", "Articles of Association" and so on, continuing to standardize the corporate governance structure, and improve the company's internal control system, performing information disclosure obligations, improving the company's standard operation level, and taking effective measures to safeguard the legitimate rights and interests of the company and all shareholders. The company has formed a decision-making, execution and supervision system based on the general meeting of shareholders, the board of directors, the board of supervisors and the management.



The board of directors consists of nine directors, including four independent directors and one chairperson. The Board of Directors consists of the Audit Committee, the Strategy Committee, the Nomination Committee and the Remuneration and Appraisal Committee. The special committee is responsible to the board of directors, performing its duties in accordance with the company's articles of association and the authorization of the board of directors, and submitting proposals to the board of directors for deliberation and decision. The board of directors holds at least two meetings a year, which are convened by the chairman. A total of 17 board meetings had been held by 2021.

Board Member List in 2021

Name	Gender	Role	Education and professional background
Xu Jinfu	Male	Non-independent director	Master's degree in Chemistry, Chinese Academy of Sciences, EMBA of China Europe International Business School
Gu Bi	Male	Non-independent director	Bachelor of Accounting, Zhongnan University of Finance and Economics
Xu Sanshan	Male	Non-independent director	Master of Business Administration degree from Zhejiang University
han Heng	Male	Non-independent director	Jiangnan University Master's Degree in Applied Chemistry
Zhao jingwe	Male	Non-independent director	Jointly trained by Shanghai Institute of Organic Chemistry, Chinese Academy of Sciences and Qingdao University of Science and Technology, Ph.D. in Applied Chemistry
Chen limei	Female	Independent director	Bachelor's degree in Applied Chemistry from South China University of Technology
Zhang Mingqiu	Male	Independent director	Sun Yat-Sen University in-service doctoral degree in polymer chemistry and physics, doctor of science
Nan Junmin	Male	Independent director	Doctor of Science, Xiamen University
Li zhijuan	Female	Independent director	Master of Laws, Wuhan University Law School



## CORPORATE GOVERNANCE

- © "Best Listed Company Board of Directors"  
(Daily Economic News)
- © "2021 Excellent Practice Case of Listed Company Board Management" (China Association of Listed Companies)
- © 2021 Annual Investment Value Outstanding Company  
(China Fund News and the authoritative investment platform Opportunity Treasure)

In order to ensure legal compliance of business management, asset safety, and improving business efficiency and effectiveness, and promoting the realization of development strategies, the company has established an internal control system and formulated internal control system and evaluation methods, according to the "Basic Norms for Enterprise Internal Control", its supporting guidelines and other internal supervision requirements.

For business ethics, the company has formulated the Anti-Fraud Management System, prohibiting commercial fraud such as bribery and tax evasion, and has established procedures for reporting, receiving and investigating fraudulent acts. The company also implements the concept and system of sunshine procurement by signing the "Sunshine Agreement". In 2021, a total of 1,206 suppliers or partners signed the "Sunshine Agreement" with the company.

The company should strictly abide by the "Anti-Unfair Competition Law" and other relevant laws and regulations in the operation process, establish its own brand, register trademark and apply for patent protection in a timely manner, so as to avoid being infringed by unfair competition. In case of unfair competition behaviors to enterprises, legal measures shall be taken in a timely manner to avoid unfair competition behaviors. During the reporting period, the Company did not have any legal cases concerning unfair



competition and violation of antitrust and antitrust laws. High fines and non-monetary sanctions for violations of laws or regulations in the social and economic fields have not occurred.

The internal audit department audits and supervises the implementation of the company's internal control system and the progress of the company's projects in accordance with the "Internal Audit System", which effectively strengthens the company's standardized operation. In 2021, no major deficiencies in internal control were found by the internal audit.

The company has a board secretary, who is responsible for the preparation of the company's shareholders meeting and board meeting, management of company shareholders' information, information disclosure, investor relationships and other relevant matters. During the reporting period, the company fulfilled its information disclosure obligations in



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accordance with the Company Law, the Securities Law, the Shenzhen Stock Exchange Listing Rules, the Articles of Association, and the Information Disclosure Management System to ensure the authenticity, accuracy and completion of the information was disclosed timely and fairly to the outside word, increasing the openness and transparency of corporate governance.

The company conducts information disclosure and builds an interactive platform for investor relationships on Juchao.com (<http://www.cninfo.com.cn/new/index>) and Panorama.com (<https://ir.p5w.net/>), disclosing company announcements, research reports, investment ratings, financial indicators, periodic reports, company profiles, company systems and other related information. A total of 285 external disclosure announcements were made in 2021. In 2021, it won the "Best Listed Company Board of Directors" (Daily Economic News), "2021 Excellent Practice Case of Listed Company Board Management" (China Association of Listed Companies), "Annual Investment Value Outstanding Company" (China Fund News Joint Authority Investment platform opportunity treasure) and other honors.

The manager is responsible for organizing and leading the daily operation of the internal control of the enterprise. The company's managers and other senior management personnel perform their duties in strict accordance with the "Articles of Association", "General Manager's Work Rules" and other management systems, and are fully responsible for the company's production and operation management, organizing the implementation of the company's annual business plan and investment plan, and formulating the company's basic management system and the company's specific regulations, etc. They are diligent and responsible, implementing the resolutions of the board.

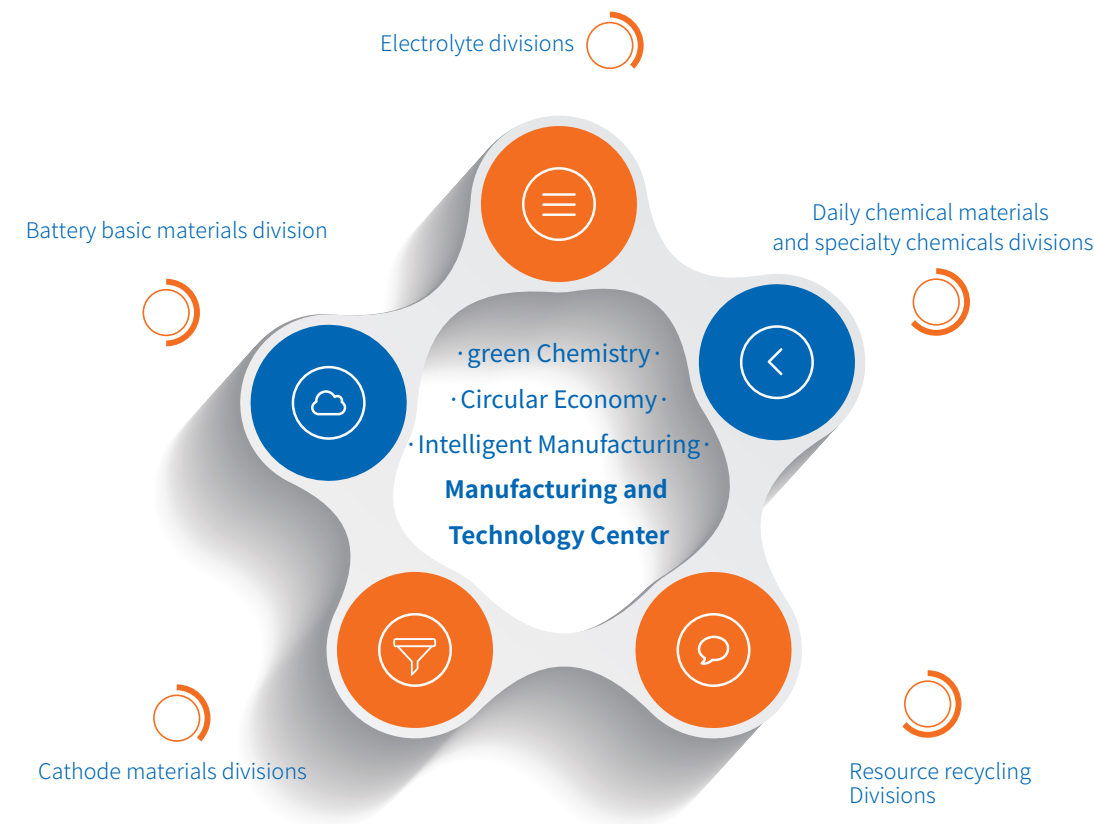
The company currently formulates sustainable development goals at the operational level, and will decompose these goals into various functional departments and subsidiaries for regular assessment. During the reporting period, the company regularly convened the manager-level meetings to review the company's production and operation, internal management organization and other matters. From company's business development, marketing, product development, organizational construction, talent management and other aspects to comprehensively enhance the company's competitiveness, and promote the company's all-round development. In 2022, the company will continue to improve its governance and management structure, and strengthen systemic risk management. At the same time, the company will comply with the requirements of the China Securities Regulatory Commission and the exchange, learn from the best practices of industry, and further improve in environmental, social and governance (ESG).



## COMPANY OPERATION

The company's product strategy is to focus on daily chemical materials and specialty chemicals, lithium-ion battery materials as the main business for long-term, and gradually expand into the fields of electronic chemicals and high-performance materials, through continuous innovation and development, value chain integration, platform extension and investment mergers and other strategies to promote the company's development and growth.

Based on the construction of an advanced manufacturing and technology center of "green chemistry, circular economy, and intelligent manufacturing", the company have established research institutes, electrolyte divisions, daily chemical materials and specialty chemicals divisions, cathode materials divisions, and resource recycling divisions to ensure international competitiveness in terms of product quality and operational level. In terms of technology, we lead the business with innovation, win customers with high-grade quality, and gain market trust with meticulous and reliable services.



The main taxpayers within the company include the parent company, Jiujiang Tinci, Tinci Silicone (which will no longer exist in 2022), Tianjin Tinci, Jiujiang Tianqi, Ningde Kaixin, Zhangjiagang Jimut, Jiangxi Tinci Innovation Center, Yichunci, Chizhou Tianci, Jiujiang Mining, Jiangsu Tianci, Tianci Zhongniang, Zhongtian Hongli, Zhejiang Tianshuo, Anhui Tianfu, Qingyuan Tianci, Fuding Kaixin, Tianci Electrolyte, Tianci New Power and Zhejiang Aide, the main taxes include Value-added tax, urban maintenance and construction tax and corporate income tax; overseas taxpayers include Hong Kong Tinci, Czech Tinci and American Tiaci, and the profit tax rate of the region is applicable.

The Company's Anti-Fraud Management System prohibits the falsification or alteration of accounting records or vouchers, the provision of false financial reports and tax evasion. In order to ensure tax compliance, the company has also formulated the "Tax Declaration Risk Management System", "Tax Self-Inspection Mechanism Management System", "Invoice Management System" and "Export Tax Refund Risk Management System". It clarifies the tax policies and principles applicable to Guangzhou Tinci High-tech Materials Co., Ltd. and its wholly-owned and holding subsidiaries and branches, and encourages its subordinate enterprises to base on local tax policy shall formulate corresponding implementation rules. Accounts receivable and tax accountants are responsible for checking accounts on a monthly basis. The Group Finance Department is responsible for organizing subordinate companies to conduct tax self-examinations, including daily tax self-examinations, tax self-examinations before special audits, and tax self-examinations during settlement and payment. All financial data, including tax data, is authenticated by an external independent third party prior to publication.

Tinci Materials Economic Performance

	2019Year	2020Year	2021Year
Total revenue (yuan)	2,754,589,624.70	4,119,046,395.55	11,090,801,692.82
Tax (yuan)	143,288,500.17	232,327,881.36	678,460,731.59
Operating cost (yuan)	2,048,297,313.75	2,678,492,400.44	7,210,975,942.25
Total operating cost (yuan)	2,603,463,185.75	3,266,516,669.34	8,136,938,848.23
Net profit attributable to shareholders of listed companies (yuan)	16,319,676.03	532,871,488.0	2,208,337,176.26
Total operating cost (yuan)	0.02	0.98	2.35
R&D investment (yuan)	125,898,957.54	168,356,667.90	378,171,883.04
Environmental investment (yuan)	15,266,772.46	27,247,581.80	58,486,619.64
Charitable donation (yuan)	168,467.20	71,600.00	850,000.00

Note: The economic performance data is derived from the company's 2019-2021 annual report. Annual report download address:

Annual report in 2019:<http://static.cninfo.com.cn/finalpage/2020-04-28/1207637749.PDF>

Annual report in 2020:<http://static.cninfo.com.cn/finalpage/2021-03-25/1209445678.PDF>

Annual report in 2021:<http://static.cninfo.com.cn/>



A large, semi-transparent blue circle is positioned on the left side of the image, serving as a background for the text. Inside this circle, there is a smaller, solid blue circle to the right of the main text.

## Sustainable Management

Key Stakeholders Engagement  
|  
Material Topics Confirm





SUSTAINABILITY MANAGEMENT

The stakeholders of the sustainable development of Tinci Materials include employees, shareholders, investor, communities, customers, suppliers, contractors, government, financial institutions, industry associations, competitors, media, NGOs, etc. Different business departments of the company are responsible for communication and exchanges with various stakeholders, and keep written records when necessary. Based on the frequency of day-to-day interactions and economic, environmental and social interactions with Tinci Materials, we have identified employees, shareholders, communities, customers, suppliers, contractors and government departments as our key stakeholders.

Key Stakeholders Engagement

Stakeholders	Content	Communicating	Frequency	Relevant Departmen
Employee	Occupational health and safety, benefits, training and career development, business ethics, intellectual property, technical confidentiality and non-compete requirements	Induction training, annual training programs, regular and irregular meetings, information board, company Intranet, company email, company social media, employee representative conference, annual duty reporting	Regular: employee representative meeting, annual debriefing, annual training and weekly, monthly, quarterly and annual regular meetings Irregular: letters from employees, WeChat platform, irregular meetings	Administration of the parent company and its subsidiaries
Shareholders and investors	Occupational health and safety, benefits, training and career development, business ethics, intellectual property, technical confidentiality and non-compete requirements	Occupational health and safety, benefits, training and career development, business ethics, intellectual property, technical confidentiality and non-compete requirements	Regular and ad hoc meetings	the Board of Directors office
Community	Social public welfare Environmental protection	Volunteer Service and Public Welfare Activities Promote environmental education Participate in activities of neighboring residents from time to time	irregularly	Administration of the parent company and its subsidiaries
Customer	social responsibility customer service Product Liability Product quality and technology research and development The concept of sustainable development, management methods and actual performance are in line with its requirements	Annual Customer Satisfaction Survey Quality certification customer review Order or contract response Regular/irregular visits to customers by phone or e-mail to communicate feedback	Regular: Annual Customer Satisfaction Survey Occasional: Order or contract terms and conditions, customer reviews, visits and phone/email communications	Market Development Department Each business unit Research Institute Quality Operation Department Corresponding departments of each subsidiary company
Suppliers and contractors	Company sustainable development strategy Supply chain management The anti-corruption	Supplier evaluation Telephone or email communication feedback	Periodically: Annual Supplier Evaluation Occasional: telephone and email communication	Purchasing Department Quality Operation Departmentcommunication
Government	Regulatory compliance Information disclosure The consistency of sustainable development strategy and government policy orientation	Government official website policy acquisition Receive government documents Compliance supervision and inspection of environmental protection, safety production, fire protection, employment, taxation, etc. Participate in regulatory briefings, seminars or symposia regular/irregular visits	irregularlycommunication	Administration of the parent company and its subsidiaries

MATERIAL TOPICS CONFIRM

In the process of determining the material topics of this report, we conducted interviews with various functional departments, summarized and analyzed the concerns and requirements put forward by stakeholders in recent years, and combined the important impacts of main business process in economic, environmental and social categories. Through the analysis of these two dimensions, determining the material topics that need to be disclosed in the 2021 Sustainability Report and the scope of this report.

Material Topics And Scope Of Disclosure In This Report

Category	Material topics	Disclosing Scope
Governance	1. Governance structure and investor rights protection	The whole company
	2. Compliance management	The whole company
	3. Anti-corruption	The whole company
Economics	4. Financial performance	The whole company
	5. Economic impact	The whole company
Environment	6. Energy management	Parent company and some subsidiaries
	7. Water resource and wastewater	Parent company and some subsidiaries
	8. Waste gas emission	Parent company and some subsidiaries
	9. Waste managemen	Parent company and some subsidiaries
	10. GHG Emission	Parent company and some subsidiaries
	11. Environmental compliance	The whole company
Society	12. Intellectual property protection	The whole company
	13. Technology innovation	The whole company
	14. Product safety	The whole company
	15. Customer health and safety	Parent company, some subsidiaries and customers
	16. Customer relationship management	Parent company, some subsidiaries and customers
	17. Production safety	Parent company, some subsidiaries and supplychian
	18. Sustainable procurement	Parent company and some subsidiaries
	19. Diversity and equal opportunity	Parent company and some subsidiaries
	20. Employee welfare	Parent company and some subsidiaries
	21.Occupational health and safety	Parent company and some subsidiaries
	22. Training and Education	Parent company and some subsidiaries
	23. Community	Parent company and some subsidiaries

## Product Liability

Innovation Management



Product Quality



Intellectual Property Protection

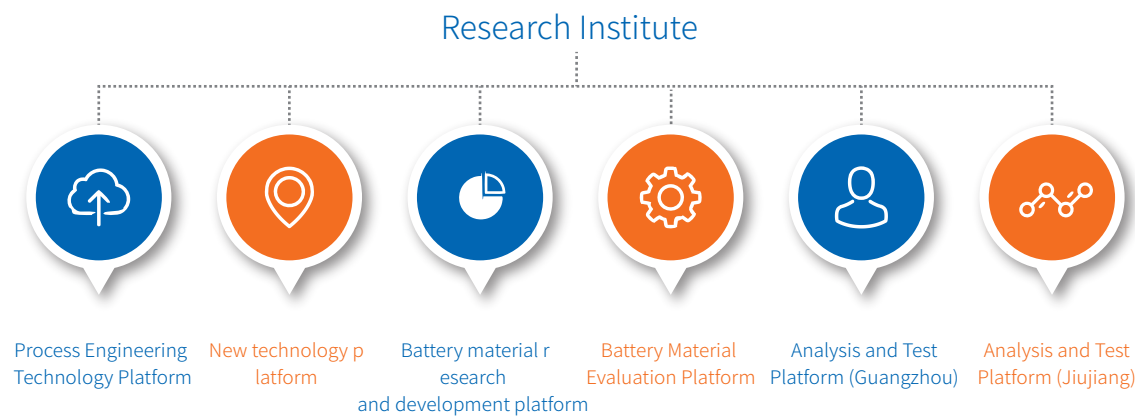


Customer Relations



INNOVATION MANAGEMENT

Tinci Materials has always attached importance to independent research and development and innovation. The research and development system includes the research institute and its six research and development platforms:

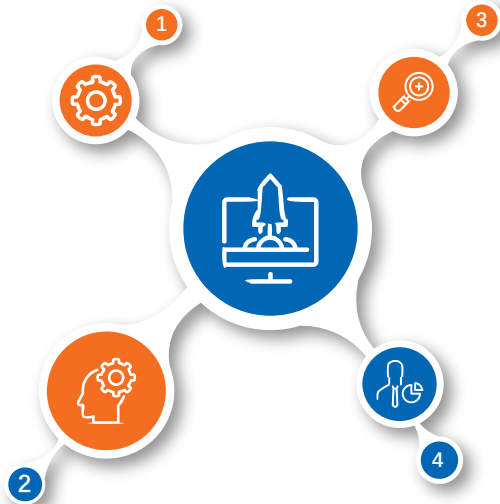


The research institute is responsible for coordinating the 531 strategic planning, project planning of IPD (Integrated Product Development), and intellectual property mapping strategy of the Group and each business unit, effectively ensuring that the mutual matched and mutual support. Among them, the IPD project is the cornerstone of strategy realization; intellectual property is a favorable weapon for strategy realization. When developing products, we adhere to the concept of "the patent prior to product", pay attention to the mapping of patents in advance, and integrate patents into the whole stage of project management: in the stage of project establishment, we conduct preliminary investigation of patent risks to understand market trends, clarify the project goals and fundamentally eliminate the risk of infringement; in the process of project development, we develop and map for the patent of core products and technologies; In the project acceptance stage, we analysis patent risk on project results, understand patent risks, and effectively control risks.

Tinci Materials has profound scientific research strength, which is embodied in the following four aspects:

1、There is a group pilot test base, collecting and enlarging data, and greatly improving the success rate of large-scale manufacturing;

2、Have multiple research platforms to fully study the chemical process;



3、Establish multiple joint laboratories with universities and research institutes to jointly develop or introduce new materials and innovative technologies;

4、Always attaching importance to independent research、development and innovation, it has a national enterprise technology center, academician workstation, postdoctoral research station, Guangdong fine chemical materials engineering technology research and development center, Guangdong enterprise technology center, Jiangxi enterprise

The company's specific achievements in the field of industry technological innovation include AI deep learning aided function and structural modeling, and guiding material design. Through this working mode, a series of lithium-ion battery electrolyte additive structures have been designed, and got good application. The company invests resources in chemical industry process research, building high walls for its major business, and conducting external cooperation to further improve the company's technology and industrial chain, and explore emerging markets, such as photovoltaics and wind energy.

In addition, the company has built joint laboratories with several universities and research institutes to introduce new materials and innovative technologies at the forefront of scientific research into the company for incubation. Through IPD reform, the marketing, technology and product are connected, and the high sensitivity to the market is maintained at any time; A high-level production team ensures product updates and iterations. In this process, technology reuse and knowledge precipitation are used as means to assist in the design of product material structure with AI to shorten the development cycle, and ensure the leading performance of the product and the controllable cost.

The Company's R&d Investment In The Past Three Years Is Shown In The Table Below

Project	2019Year	2020Year	2021Year
Number of R&D Employee	310	312	380
Ratio of R&D Employee	11.91%	10.64%	9.45%
R&D Investment/ Revenue	125,898,957.54	168,356,667.90	378,171,883.04
R&D Investment	4.57%	4.09%	3.41%



## PRODUCT QUALITY

Tinci Materials promotes the quality control process in four aspects: quality design input, infrastructure improvement, process standardization management and improvement of system operation mechanism. External introduction of professional consultants, and internal formation of multi-functional teams to improve the overall quality management level efficiently and effectively. The company was issued the IATF16949 and ISO9001 certification and continues to maintain the certificate, systematically manages the production process, introduces online testing equipment, such as nuclear magnetic, gas, liquid, ICP, electron microscopy, liquid phase, gas phase, infrared, etc., by practicing SPC, Six Sigma management, QC team, product consistency review, lean production and other tools and methods to optimize and improve the production process.

During the reporting period, under the internal drive of "pursuing perfect quality", the company continued to innovate the process, actively promoted the implementation of QCC (Quality Control Circle) and TPM (Total Productive Maintenance) to improve product quality with multi-dimensional.

The company formulates the "QCC (Quality Control Circle,) Improvement Management System", establishes a QCC committee to review QCC projects. The project teams and individuals who pass the review will receive awards. In the past three years, the company has reviewed and approved

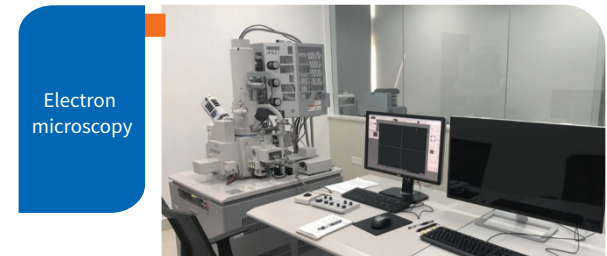
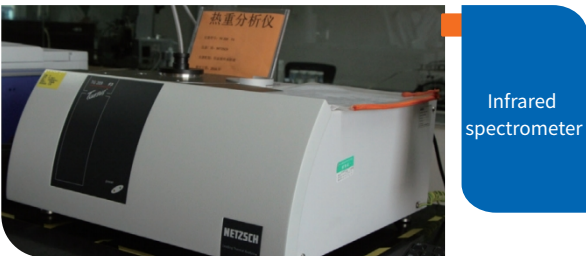
1,139 QCC projects, including safety and environmental protection (204), on-site (468), management (87), service (28), energy-saving and consumption-reducing (203) and innovation and tackling (149), the cumulative saving amount is about 5.94 million per year.

The main promotion work of TPM includes statistics on the comprehensive efficiency of equipment operation, self-inspection and maintenance of equipment by employees, self-improvement of workshop 6S, improvement of workshop equipment (TPM improvement), workshop OPL training (One Point Lesson) and Workshop routine inspection and periodic professional inspection.

The annual quality targets set by the company and its subsidiaries include the first-time pass rate RFT, major quality accidents, the costs of inferior quality, customer approval rate, and customer complaints. During the reporting period, the company and its subsidiaries have all achieved their goals, with 0 major quality accidents, a 100% approval rate for each management system, and a 100% approval rate for customers.

The company established the "Quality Management Assessment and Rewards and Punishments Management Measures" to encourage technicians to solve technical problems by setting up project teams. For example, in 2021, the problem of yellowing caking of amino acid powder was solved.

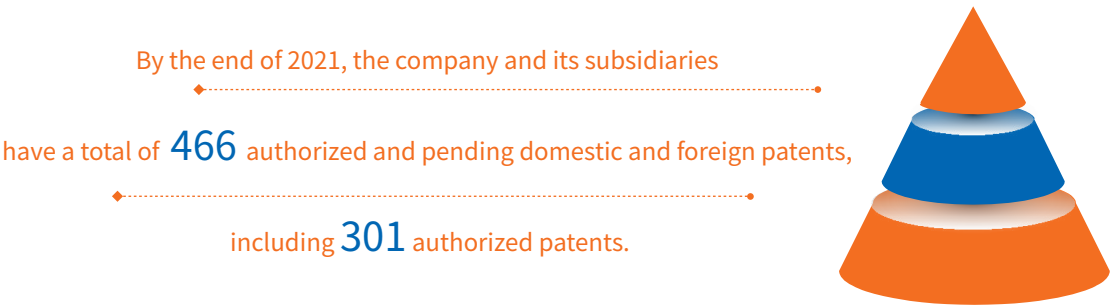
The company and its subsidiaries have formulated a complete "Laboratory Management System", equipped with professional testing personnel and equipment, and continued to maintain the advanced laboratory testing capabilities. Jiujiang Tinci Analytical Experiment Center obtained the laboratory accreditation certificate of China National Accreditation Service for Conformity Assessment in 2018. By the end of 2021, the laboratory has developed more than 300 detection methods.





INTELLECTUAL PROPERTY PROTECTION

To standardize the company's intellectual property work, facilitate the company's technological innovation, build the company's independent intellectual property rights system, promote the company's management, protection and application of patents, we encourage and mobilize the enthusiasm of the company's employees for invention and creation to enhance the company's technological innovation, production and operation. To maximize the key role of the patent management system in the company's development, Tinci Materials has formulated the "Patent Management System".



In order to help employees better understand patent-related policies and regulations, the institute holds a training plan every year. The training topics include patent writing skills, invention disclosure, patent infringement, high-quality patent exploring and patent mapping strategies, etc. The training involves R&D directors, R&D engineers, analytical engineers, process engineers, project managers and operation managers, etc. In 2021, the institute held 4 training sessions, involving more than 100 employees. In 2018, Guangzhou Tinci Materials Technology Co., Ltd. passed the intellectual property management system certification and obtained the certificate.



In addition to protecting intellectual property rights through patent applications, the company resolutely cracks down on all acts that infringe the company's intellectual property rights. In 2021, the company won the case of infringement of technical secrets through criminal and civil rights protection. This case is the first case of punitive damages for intellectual property infringement by the Supreme Court of China, and was selected as one of the top ten typical cases in the Supreme Court of Intellectual Property. It shows the company's attitude towards severely cracking down on malicious infringement, and shows the company's firm position to actively preserve its own interests and protect trade secrets.

CUSTOMER RELATIONS

The company adheres to the concept of "Benchmarking, Building the Ingenious Brand", based on multi-dimensional market segmentation, through market research and client-visiting, customer group training and technical exchanges, manufacturer visiting training, global customer meetings and seminars, and financial summits, industry exhibitions, services return visits, customer satisfaction survey, etc., We dedicate to listen to the voices from customers, identify customer needs and expectations, and build good interactive relationship by establishing domestic and foreign marketing centers (including key account departments), business departments, professional service companies, etc., which continuous improvement of product and service quality, and improve the degree of customer satisfaction and loyalty.

The company has formulated "Customer Satisfaction Investigation Control Procedure" and "Customer Complaint Control Procedure" to manage customer review and customer complaints on product quality, packaging, service, etc. When a customer complaint occurs, each business unit initiates an internal complaint investigation process as soon as possible, and the business department QA is responsible for investigating the customer complaint, confirming the what type of the problem, determining which unit is responsible for the problem, and assisting to analyze the root cause and propose corrections and preventive measures requirements and follow-up verification of measures; other relevant departments help to issue a complaint report and feedback to the client.

Business Department	2019Year	2020Year	2021Year
Electrolyte Business	91.15	95.86	92.07
Daily Chemical	90.1	90.6	92.8

The satisfaction survey of electrolyte Business Unit mainly focuses on the satisfaction of supply chain, business and market, R&D and overall impression. The customer satisfaction survey of daily Chemical Business Division mainly focuses on product quality, delivery service, technical service, daily communication and service awareness of salesmen, handling of anomalies and complaints, safety and environmental protection, occupational safety and health management, social responsibility and business ethics.



A large blue circle on the left side of the image contains the text "Safe Production" and a vertical list of five safety-related terms. To the right of this circle is a smaller blue circle. The background of the entire image is a blurred photograph of a person in a blue uniform holding a white hard hat.

## Safe Production

Process Safety

|

Product Safety

|

Health and Safety

|

Information Security

|

Emergency Response



SAFE PRODUCTION

Tinci Materials and its subsidiaries have established occupational health and safety management systems and have obtained ISO45001:2018 certification. At the same time, the company has clarified the EHS manageme policy internally, and elevated EHS management to the key content of the company's management

**Policy**

**Mission**

**Vision**

**01 EHS Policy**

" The company's EHS policy is "strict compliance with laws and regulations, with special attention to process safety; dedicated to clean and safe production, people-oriented to prevent accidents; safeguarding the physical and mental health of employees, continuous improvement and pursuit of excellence."

**02 EHS Mission**

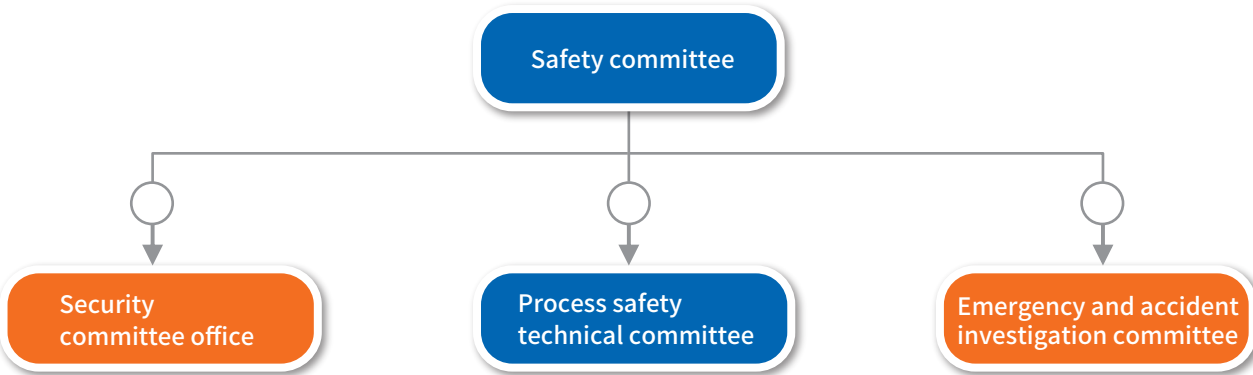
The company's EHS mission is to create a green, healthy, and safe production and operation environment.

**03 EHS Vision**

The company's EHS vision is "zero" accidents, "zero" violations, and "zero" injuries.

The company's EHS management system framework covers the entire process including hazard identification, risk assessment, accident investigation, process safety management, and audit. Through the establishment and implementation of a completed safety management system, the company strictly and efficiently implements environmental protection, health and safety management in all aspects of production and operation.

The company has established a safety production committee. In 2021, the company has adjusted some members of the safety production committee, and incorporate information security into the management of the company's safety committee. The department of process and information has increased the management responsibilities related to information security.



The Company's Key Safety Performance In 2021

Main Safety Target Indicators	Safety Performance In 2021
Major security incident	0
Number of safety emergency drills	246

Note:  
Major safety accident: a safety accident with serious injury or more (loss of more than 105 working days) or direct economic loss of more than 1 million yuan occurred in the company.



PROCESS SAFETY

In order to ensure the safety and operation of the process facilities, the company has established a process safety management system (PSM), which includes a total of 14 management elements. This system help identify, understand and control process hazards and prevent accidents or injuries caused by the release of potentially hazardous substances or energy from the plant. According to the requirements of AQ3034-2010 "Implementation Guidelines for Process Safety Management of Chemical Enterprises", the company started process safety management in the design stage of new projects, and this work runs through the entire project life cycle. Process safety management is crucial to preven major and catastrophic accidents in an enterprise. The management of the company attaches significant importance to the construc-tion of process safety management systems in each production sites and factories. The company has invited many experts in process safety management in the industry to give lectures on site to learn the relevant domestic and foreign knowledge, concepts and good practices of advanced process

safety management .Furthermore, the company's executives also personally trained the general managers of each produc-tion sites and department heads on the relevant knowledge of process safety modules

The Group's EHS organizes annual EHS audits, which is to review the compliance of the process safety management system ofeach production sites and factory, pointing out the management loopholes in the system, and guiding them to optimize and improve performance. At the same time, we also reward model employees. In 2021, Jiujiang Daily Chemical Plant was selected as the Best Process Safety Management Team of the Year in recognition of the remarkable progress made by its management team in implementing 14 manage-ment elements from top to bottom. The plant implemented strict change management system,initially established the factory's process safety information database, and formed itsown analysis team for process hazard. The number of process accidents decreased significantly throughout the year.



● The chairman of the group gives change management training for the general manager of the base and the head of the department



● External experts to conduct process safety management training

Safety Management Performance in 2021	2021 Safety Management Performance
Major process safety incident	0
MOC (Management of Change) Coverage	100%

PRODUCT SAFETY

Product safety is one of the important parts of Tinci material quality control. The company's research institute is responsible for formulating "Technical Specifications for Restriction of Environmentally Hazardous Substances" and "Environmental Substances Management Standards", and the procurement department is responsible for the management of green suppliers, raw material procure-ment and information feedback. The company strictly tests and controls the environmental management substances contained in the raw materials and auxiliary materials of battery materials and silicone-enhanced electronic potting compounds. All products developed by the company are strictly tested for safety and harmful substance content.

The company has formulated the "Harmful Substances Correspondence Table" to regulate and control the

content of harmful substances such as heavy metals, organic bromine compounds, organic chlorine compounds, organic tin compounds, polyvinyl chloride (PVC) and polyvinyl chloride mixtures.

In November 2021, Tinci Materials obtained the COMOS Natural and Organic Cosmetics (Third Edition Standard) certification, which is involved whether the 5 raw materi-als contain physical/chemically processed agricultural product ingredients, petrochemical ingredients, and whether the raw materials come from certified sustainable palm oil/palm kernel oil and whether it come from animal . In December 2021, Tinci Materials (The Group, Jiujiang Tinci and Tianjin Tinci) obtained the RSPO Sustainable Palm Oil Supply Chain Certification System Certificate to prove that the supply chain of products produced using palm oil which meets sustainable certification standards.



RSPOcertificate

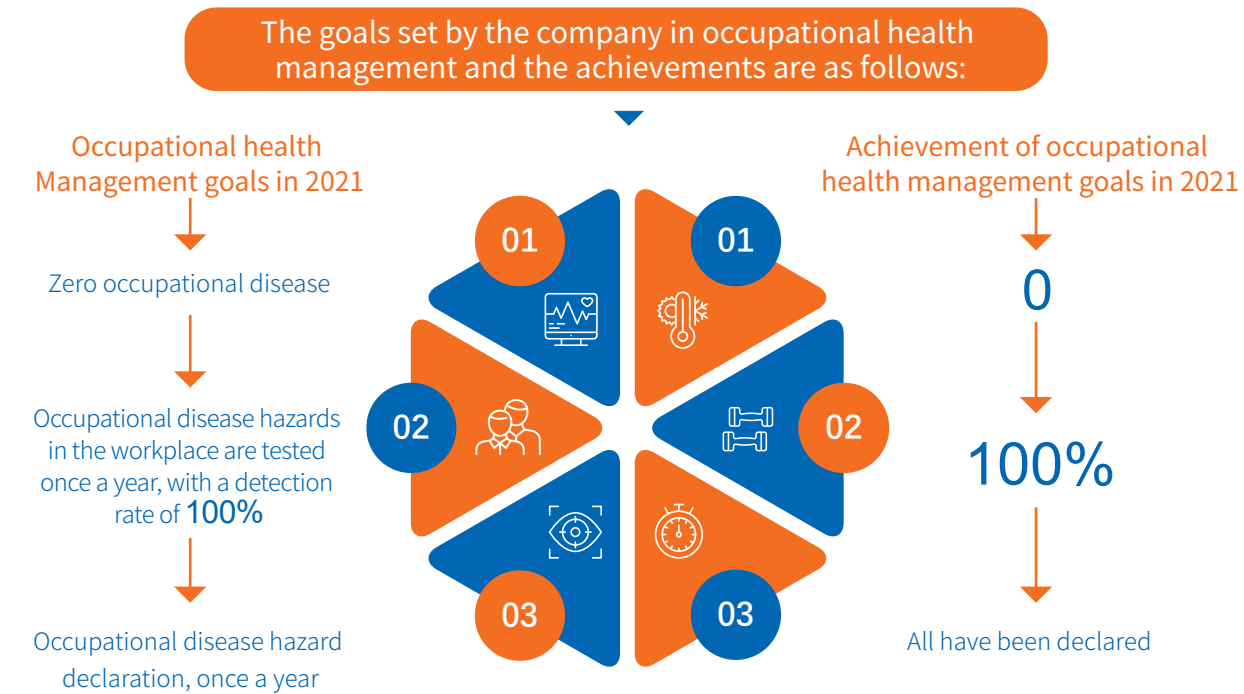
RSPOcertificate



HEALTH AND SAFETY

The company attaches great importance to occupational health and safety management. Strengthening occupational health management is conducive to improving employees' health awareness, reducing the possibility of occupational diseases, making the company's occupational health management legal and compliant, reducing risks of operation, and improving the company's market competitiveness. As the company's business develops towards globalization, actively carrying out occupational health management can help to bridge trade barriers. The company has formulated management systems such as "Occupational Hygiene Management System", "Management Regulations on the Use of Labor Protection Products (Tools) and Health Products",

and "Occupational Disease Hazard Accident Handling and Reporting System". The company's occupational health management measures include notification of occupational hazards, three-level occupational health and safety education and training, setting up warning signs, annual occupational hazard factor detection and three-year occupational hazard status evaluation, occupational hazard declaration, occupational disease protection facilities maintenance, personal protection configuration, occupational health monitoring, annual special inspection of dust and gas, heatstroke prevention and cooling inspection, and emergency drills for occupational disease hazards.



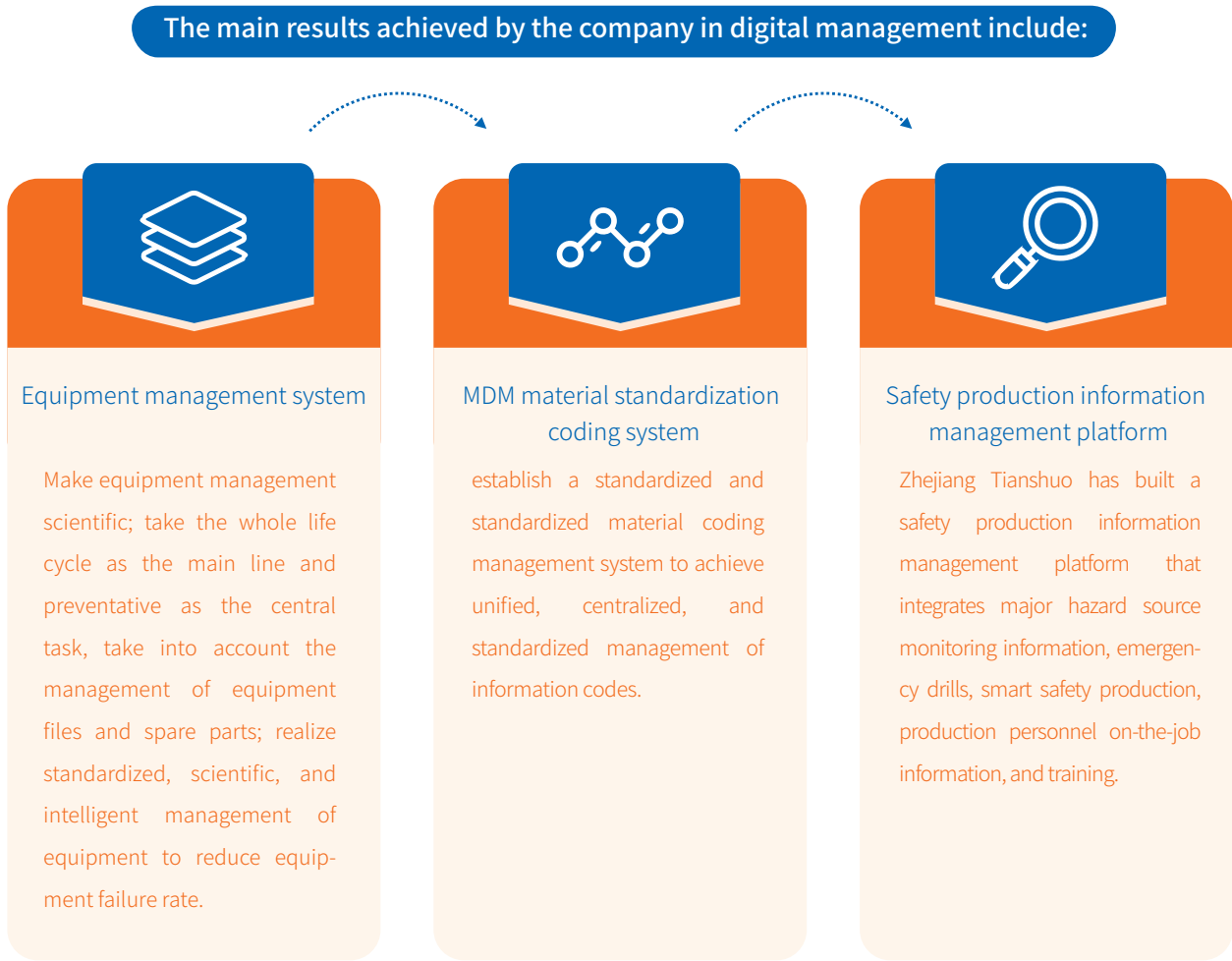
The occupational health and safety management system pays attention to the full participation of all employees, and all employees is arranged training of awareness and ability for occupational health and safety according to their positions characteristics. The Human Resources Department formulates training objectives and training plans at the beginning of each year, and implements monthly and monitors the implementation of the training plan and the

achievement of training objectives. Common training content includes fire safety, electricity safety, traffic safety, office safety, fraud prevention, and travel safety. In addition, it also includes three-level safety education for new employees, occupational health and safety training for special positions, and fire training for all personnel twice a year. Each subsidiary achieve 100% accomplishment rate of EHS training.

INFORMATION SECURITY

In order to enhance information security management, the company introduced the ISO/IEC 27001 information security management system of the International Organization for Standardization in 2020, and formulated or revised the 29 Items related management system, including information security management manual, asset control procedures, and safety behavior management system, etc., identify and focus on protecting related core technologies and patents. Adopting methods such as encryption, permission control, authorized access, and core equipment redundancy solutions lower the risks and enhance business connectivity. At the same time, it pays attention to personnel information security awareness, introduces the information security system to study, and

organizes the "ISMS information security knowledge contest", promoting the company's information security management to a new level. During the reporting period, the company set 18 goals in terms of confidentiality, integrity, and availability, covering major business departments, and all of them were successfully achieved in 2021. The measures taken include account use authority control, signing confidentiality agreements, scanning data into electronic encrypted backups, formulating information security code of conduct, job descriptions, setting up access control management in accordance with the "Security Management System", and conducting inspections on external suppliers, etc.



EMERGENCY RESPONSE

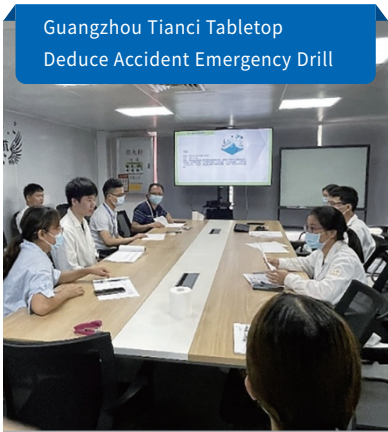
In order to strengthen the company's fire safety management, implement the fire protection work policy of focusing on prevention and combining prevention and fire protection, prevent and reduce fire hazards, perform fire safety responsibilities, and ensure fire safety, the company has formulated " Fire Safety Management System, Fire Safety Procedures, Fire and Explosion Prevention Management System, Fire Safety Education and Training System, Fire Inspection, and Inspection System, etc. The Group and its subsidiaries are equipped with complete firefighting equipment and personnel. Among them, Guangzhou Huangpu Base is equipped with 36 volunteer firefighters. All volunteer firefighters are

organized to carry out firefighting knowledge, firefighting drills, and physical training twice a month. According to the workshop arrangement, it need to make sure there are at least 7 volunteer firefighters on duty per shift. Jiujiang Tianci is equipped with 2 groups of full-time fire brigade, with a total of 27, owned with a 3+1 foam water tanker, a 12+2 high jet fire truck, dry powder fire extinguisher, carbon dioxide fire extinguisher, foam fire extinguisher, heavy chemical protective clothing, fire-fighting clothing and helmets, air masks, positive pressure air respirators, anti-bee suits, gas masks, fire ropes and other equipment. Also we signed a mutual assistance agreement for safety emergency rescue with neighboring enterprises.



Guangzhou Tinci Fire Safety Management Performance:

- At the factory-level, comprehensive fire evacuation drills were carried out 3 times in total and 2 times at night. Each department held 61 table-top exercises and 40 on-site actual drills.
- The responsibilities of the voluntary fire brigade are formulated, and the work of voluntary fire brigade is carried out twice a month. A total of more than 20 emergency capacity trainings are carried out in the factory area, including emergency drills of practical skills, strengthening of theoretical knowledge and ability, skills training in the use of fire equipment, and physical training.



The community fire rescues that Jiujiang Tinci Fire Brigade will participate in in 2021 include Fangda Pingxiang Steel Plant Fire Assistance, Sateri Factory Warehouse Rescue and Fidelity Factory Rescue.



On August 4, 2021, at 12:40 a.m. a fire broke out in Yejiasheng Community in Jiujiang. Our employee Zhang Xin used the fire protection knowledge he received in the company to put out the fire before the fire fighter came.

Strengthening emergency management and improving the ability to prevent and deal with emergencies is a major event related to the overall development of Tinci Materials and the safety of employees' lives and property, and it is an important part of building a harmonious development of the enterprise, and an important embodiment of adhering to people-oriented value; it is an important aspect of a comprehensive performance of EHS management functions and further improving executive capacity. The company adopts the emergency management

strategy of unified leadership, comprehensive coordination, classified management, hierarchical responsibility, and territorial management. Regular inspection of emergency supplies. All staff sign the responsibility letter for the goals of safety and environmental, prepare and implement the annual emergency plan and emergency drill annual audit plan, and set up a special emergency team to conduct regular inspections of emergency materials. From 2016 to 2021, there was no work-related production accident, and no accident expansion due to improper emergency response.

Emergency Management Goals in 2021	Achievement of emergency management goals in 2021
Number of emergency drills ≥ 1 time/quarter/production line	completed
The investigation rate of first aid and above safety accidents, process safety accidents, and environmental protection accidents: 100%. Accident investigation express report will be issued within 8 hours, and formal investigation report (PPT) will be issued within 48 hours. The cumulative rectification rate of accident rectification measures is 100%.	Accident investigation timeliness rate of 100% The cumulative rectification rate of rectification measures is 100%

The seven production bases in the report have been filed with the relevant government departments for emergency plans for environmental emergencies and safe production, which have obtained filing certificates.



A large orange circle on the left side of the image contains the text "Environmental protection" and a list of four environmental initiatives. The circle is partially overlapping with a smaller orange circle above it and another one to its left. A small orange circle is also positioned to the right of the main circle.

## Environmental protection

Water Conservation



Atmospheric Environmental Protection and Governance



Solid Waste Reduction and Recyclin



Actively Combat Climate Change





WATER CONSERVATION

The water resources consumed by Tianci Materials mainly come from municipal water supply, and there are no other sources of water intake and affected by it. Wastewater is divided into domestic wastewater and industrial wastewater. The wastewater is discharged into the municipal pipe network after reaching discharging the standard. The discharge standard is the national and local standard or industry standard of each production base. For example, Guangzhou Tinci implements the second-phase and third-level standards "Water Pollutant Discharge Limits" (DB44/26-2001), "Water Quality Standard for Wastewater Discharged into Urban Sewers" (GB/T31962-2015)), Jiujiang Tinci implements "Inorganic Chemical Industry" » Pollutant emission standard (GB31573-2015). In order to save water, the company formulates a water management system for production workshops, and conducts statistics and analysis on water consumption every month, and formulates special water-saving measures.

。In order to improve environmental performance, improve environmental competitiveness, promote sustainable development, and achieve clean production, Tinci Materials has formulated the "Water Pollution Prevention and Control Management System", and "Water Pollution Diversion Management System" to prevent and control water pollution, strengthen the management and control of water pollutant discharge in the company's production process, according to "Water Pollution Prevention and Control Law of the People's Republic of China" and relevant laws and regulations. Each production base shall follow the principles of diversion of pollution and cleanup, pollution separation, classification, controlling, and utilization, discharge standard, total amount control, and entire process management, optimizing process , reducing the amount of wastewater produced, carrying out resource reusing and wastewater pollution prevention work.

2019-2021 Water Consumption(Ton)

Production base	2019Year	2020Year	2021Year
Guangzhou Tinc	83,763	91,947	84,937
Jiujiang Tinci	528,917.5	563,734	692,138
Yichun Tinci	/	99,825	424,789
Chizhou Tinci	35,312	43,448	53,282
Anhui Tianfu	25,982	29,822	37,584
Sum	673,974.5	828,776	1,292,730

Note: (1)Yichun Tinci and Zhejiang Tianshuo are newly acquired subsidiaries. The data in 2019 cannot be collected due to the incomplete handover of data and related information. In 2020, Yichunci's products are still in a state of ramping production capacity, and the water consumption is relatively lower; in 2021, due to the heat of the new energy market, the production capacity was released, and the total water consumption was greatly increased

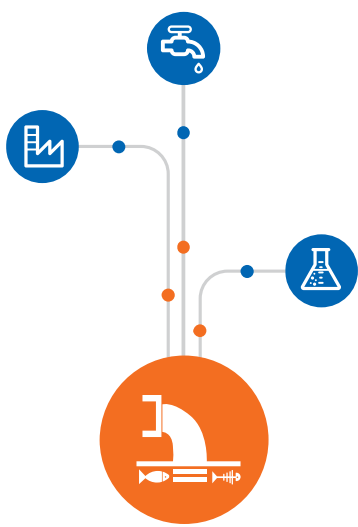


Environmental Protection

The company has formulated the "Environmental Protection Management System", "Water Pollution Prevention and Control Management System", "Air Pollution Prevention and Control Management System", etc., and strictly abides by relevant laws and regulations on environmental protection. During the reporting period, none of the subsidiaries mentioned in this report violated environmental laws and regulations. condition.



● In response to the national carbon neutrality strategy and AWS (International Sustainable Water Management Standard) requirements, Guangzhou Tinci has implemented a comprehensive water resource utilization project at the base. Through the investigation and analysis of the current situation of water use in the factory, it is found that the water wasting such as the direct discharge of steam condensate water in the production system, the direct discharge of the cooling water in the production system, the direct discharge of the concentrated water in the water production system and the direct discharge of the circulating water pool full of water, etc. A series of management methods and countermeasures have finally realized the saving of about 40,000 tons/year of tap water, about 100 tons/year of steam, and about 210,000 yuan/year of economic benefits.



Case Study


● In 2021, Chizhou Tinci wastewater treatment system will treat about 300 tons of wastewater per day. The high-salt wastewater generated by its MOCA workshop will pass through the MVR distillation system, enter the No. 2 sewage collection tank and is mixed with OCA wastewater, and then enter the ozone system and biochemically Sewage, the comprehensive adjustment tank and the biochemical tank by turn.



WATER CONSERVATION

Guangzhou Tinci (Non-key Sewage) Wastewater Discharge From 2019 To 2021

长江东逝水

Names of main pollutants and characteristic pollutants	Average emission concentration (mg/l)				Total emission (Ton)			
	Emission limit	2019Year	2020Year	2021Year	Total approved emission	2019Year	2020Year	2021Year
Cod	500	115	6	23		No total requirement		
PH ( dimensionless )	6~9	7.9	6.93	7.33				
bod5	300	-	3.2	5.9				
Suspended solid	400	30	8	15				
Ammonia nitrogen		-	9	0.19				
Otal organophosphorus	45	-	-	7.5				


Jiujiang Tinci Wastewater Discharge 2019-2021

Names of main pollutants and characteristic pollutants	Average emission concentration ( mg/l)				Total emission (Ton)			
	Emission limit	2019Year	2020Year	2021Year	Total approved emission	2019Year	2020Year	2021Year
Cod	200	27.9	17.01	18.17	66	4.9679	4.3619	7.8239
Ammonia nitrogen	40	2.15	0.95	1.8	13.2	0.383	0.2424	0.7758
Total phosphorus	2	0.65	0.41	0.76	0.66	0.12	0.11	0.33


Yichun Tinci Wastewater Discharge In 2019-2021

Names of main pollutants and characteristic pollutants	Average emission concentration ( mg/l)				Total emission (Ton)			
	Emission limit	2019Year	2020Year	2021Year	Total approved emission	2019Year	2020Year	2021Year
Cod	500	-	58.8	87.5	5.65	-	1.5	2.273
Total phosphorus	4	-	0.5656	0.32	/	/	/	/
Total nitrogen	50	-	11.3	10.3	/	/	/	/
PH ( dimensionless )	6~9	-	7.8	8	/	/	/	/
Ammonia nitrogen	40	-	2.86	6.86	0.468	-	0.08	0.0256

Chizhou Tinci Wastewater Discharge 2019-2021

Names of main pollutants and characteristic pollutants	Verage emission concentration (mg/l)				Total emission (Ton)			
	Emission limit	2019Year	2020Year	2021Year	Total approved emission	2019Year	2020Year	2021Year
Total nitrogen(in n)	60	/	/	2.68		No total requirement		
Anilines	5	/	0.52	0.54				
Suspended solid	300	/	21	34				
Total salinity	5,000	/	616	1,568				
Ph value	6-9	/	6.84	7.4				
Bod5	300	/	/	41.1				
Total phosphorus(in p)	1	/	/	0.55	3.826	/	0.68345	1.0167
Cod	500	314	64	64.04				
Ammonia nitrogen	25	8.35	12.93	4.8				

Anhui Tianfu(Non-key Sewage) Wastewater Discharge

Names of main pollutants and characteristic pollutants	Average emission concentration (mg/l)				Total emission (Ton)			
	Emission limit	2019Year	2020Year	2021Year	Total approved emission	2019Year	2020Year	2021Year
PH value	6-9	/	6.85	7.5		No total requirement		
Total phosphorus(in p)	/	/	/	0.14				
Suspended solid	300	/	/	11				
Bod5	/	/	/	26.2				
Total nitrogen(in n)	60	/	/	8.64	4.09	/	0.3606	0.3471
Cod	500	231.85	156	66.29				
Ammonia nitrogen	25	15.76	19.2	5.16				

Note : ND means not detected; "/" means no control requirements; "-" means data cannot be collected/undetected.



ATMOSPHERIC ENVIRONMENTAL PROTECTION AND GOVERNANCE

In accordance with the governance policy of "source reduction, process control, and end-point treatment", we carry out one strategy for one enterprise, establish a special team for leak detection and repair (hereinafter referred to as "LDAR"), and comprehensively implement exhaust gas detection. In 2021, Jiujiang Tinci inspected a total of 49668 points and found 40 leak point with a leak rate of 0.0805%, and successfully built a complete exhaust gas database management system. To ensure the stable operation of the LDAR project, the special team conducts periodic inspections, effectively maintain and manage on-site leakage signs and follow-up waste gas anti-pollution projects. Taking "not up to standard, no emission" as the bottom line of waste gas treatment, we realized that the waste gas in the factory area does not exceed the standard and the park has no peculiar smell, implementing the anti-pollution control work of the atmospheric environment.



In 2019, Jiujiang Tinci invested more than 16 million CNY to build a new regenerative thermal oxidation furnace (RTO), which adopts the treatment process of pretreatment + water/alkali absorption + high temperature incineration + alkali absorption to centrally treat the volatile gases in the factory and achieve VOCs emission standards, which greatly eliminates odor and significantly improves air quality.



In 2020, Jiujiang Tinci conducted dynamic and static sealing point leakage (LDAR) inspection for equipment, with a total of 44,870 inspection points. All leak points were repaired in the first round. The repair implementation rate was 100%, and the repair success rate was 100%.




In 2020, liquid salt workshop of Jiujiang Tinci has divided raw material/finished product tank areas, and most of the storage tanks are directly discharged with breathing exhaust gas. The breathing exhaust gas is collected by adopting measures such as gas phase balance system in order to reduce the emission of VOCs. The loading and unloading of each storage tank adopt the method of submerged loading. By adopting a sealed circulation system equipped with a gas-phase balance tube, the large breathing exhaust gas forms a closed-circuit circulation and eliminates the unorganized discharge during loading, unloading and tank transfer.



In 2021, Jiujiang Tinci covered and enclosed the wastewater treatment unit of the sewage station. Most of the waste gas from the sewage station of the enterprise is collected and discharged at high altitude after first-level alkali spraying + biological filter bed deodorization. The exhaust gas of individual oxidation tanks is collected and entered RTO for incineration system to reduce the escape of waste gas during the collection, transportation, storage, disposal of wastewater.

Exhaust Emissions 2019-2021

Company/ Subsidiary	Main pollutants discharge organized and its name	Average emission concentration (mg/m3)				Total emission (Ton)			
		Emission limit	2019Year	2020Year	2021Year	Total approved emission	2019Year	2020Year	2021Year
Guangzhou Tinci	Particulate matter (silicon dust)	30	<20	4.2	1.71	No total requirement			
	NOx (boiler exhaust)	200	105	48	78				
	SO2 (boiler exhaust)	100	7	20	22				
Jiujiang Tinci	SO2	300	28.57	23.7	22.21	121.102	6.024	4.689	4.727
	NOx	300	79.3	95.16	85.36	79.12	16.591	19.768	18.340
	Particulate matter	50	8.2	12.34	12.35	4.17	0.698	2.584	2.642
	VOCs	120	/	/	18.27	45.792	/	/	3.7
Yichun Tinci	SO2	1.2	/	/	0.12	 No total requirement			
	NOx	1.5	/	/	0.16				
	VOCs	0.06	/	/	<0.01				
Chizhou Tinci	HCl	30	/	0.97	0.99				
	NH3(ammoni gas)	/	/	2.36	2.36				
	Anilines	20	0.033	2.76	1.56				
	Odor concentration	6,000	/	1,318	977				
	MeOH	50	/	9.55	9.55				
	Nitroaniline	16	/	0.002	0.002				
	H2S	/	/	0.11	0.014				
	HCHO	5	/	0.912	0.7				
	VOCs	120	3.21	21.5	45.61	13.13	0.006	1.678	3.18
	Hg	0.01	/	/	1.27×10 <sup>-4</sup>	No total requirement			
Anhui Tianfu	sulfuric acid mist	10	/	/	8.75				
	Ringelman emittance	level 1	/	/	<1				
	Fluoride	3	/	2.19	2.2				
	SO2	100	25.13	8	0.07	8	/	/	0.39
	Particulate matter	10	1.76	3.8	0.128	0.8	/	/	0.35
	NOx	100	53.30	27.00	0.052	8	/	/	2.38

Note: "/" means that there is no control requirement; "-" means that data cannot be collected/undetected

SOLID WASTE REDUCTION AND RECYCLING



The parent company has formulated the "Solid Waste Management System" to manage the solid waste generated in the production and operation process. Each base has formulated a base-level solid waste environmental pollution prevention and control responsibility system, clarified the responsibilities of management personnel in the entire process of production, collection, storage, transportation, utilization, and disposal. On the other hand, it established a ledger for solid waste management to truthfully record the type, quantity, flow direction, storage, utilization, disposal and other information of the solid waste generated, so as to realize the solid waste management can be traced and queried, and "three preventions" measures are established in solid waste storage sites in strict accordance with regulations, eye-catching warning signs are set up outside the site. The solid waste are strictly classified and temporarily stored in accordance with the principle of classified storage.

According to relevant requirements, before entrusting a third-party company for disposal or utilization, the company organizes a review of the third-party's disposal or utilization qualifications, transportation qualifications, etc., and It is strictly forbidden to entrust solid waste to a third party without relevant qualifications or incomplete qualifications for disposal or utilization; based on the actual situation of solid waste. In addition, based on the actual situation of solid waste, each base formulates an emergency plan for solid waste, clarifying the duties of managers and responsible personnel, filing with the environmental protection department in a timely manner, improving emergency treatment measures, and preparing emergency materials and drill equipment. In the annual emergency drill, strictly follow the drill plan to organize the emergency drill. After the drill, we carry out drill summary and evaluation, improving the emergency response ability of employees to solid waste emergencies, and reducing its impact on the ecological environment. On the other hand, each base regularly holds training for solid waste management personnel of the corporate to ensure that management personnel accurately grasp various environmental protection regulations and new policies, improving their comprehensive ability. At the same time, the operation training is provided for the specific staff of solid waste collection, transportation and storage to ensure that the staff are proficient in various regulations, specific work procedures, and operation methods for the management of solid waste in the corporate. In addition, the company's key pollutant discharge units will regularly disclose the situation of waste disposal to the public.

Jiujiang Tinci General Waste Disposal Amount

Subsidiary	Name/Category of solid waste	General waste (Ton)			Final disposal method
		2019Year	2020Year	2021Year	
Jiujiang Tinci	Desulfurized gypsum	615	600	710	Recycling
	Coal ash	446.44	310.5	310	Recycling
	Slag	2,602.87	3,730.12	3,730	Recycling

ACTIVELY MEETING CLIMATE CHANGE



Tinci actively responds to the global trend of energy conservation and low carbon, responds to the national 3060 dual carbon policy and the requirements of local authorities of climate, vigorously advocating and publicizing the concept of energy conservation, steadily promoting energy conservation work. By continuously improving the energy management system, strengthening the leadership of energy management organizations, strengthening the effective control of all aspects of production, we established a quota assessment mechanism for energy consumption, and implemented a reward-based economic responsibility assessment system that rewards the good and punishes the deficient performance, which fully mobilized all employees to participate in energy conservation.

The main energy consumption of Tinci comes from coal, fuel oil, steam, natural gas, electricity, etc. that used in the production process. In order to further improve energy efficiency and reduce energy consumption, Tinci has formulated the "Energy Conservation Management Measures", established energy cost assessment, new project energy conservation assessment, promoting energy conservation and consumption reduction project activities, and holding related publicity and training activities.

Energy Consumption Guangzhou Tinci In The Past Three Years

Subsidiary	Diesel (L)	Outsourced Steam(t)	Electricity (kWh)	Liquid-nitrogen (kg)
2019Year	75,790	24,798	7,686,188	1,205,862
2020Year	68,780	20,300	6,466,034	869,212
2021Year	73,320	20,881	5,802,892	682,189

Energy Consumption Jiujiang Tinci In The Past Three Years

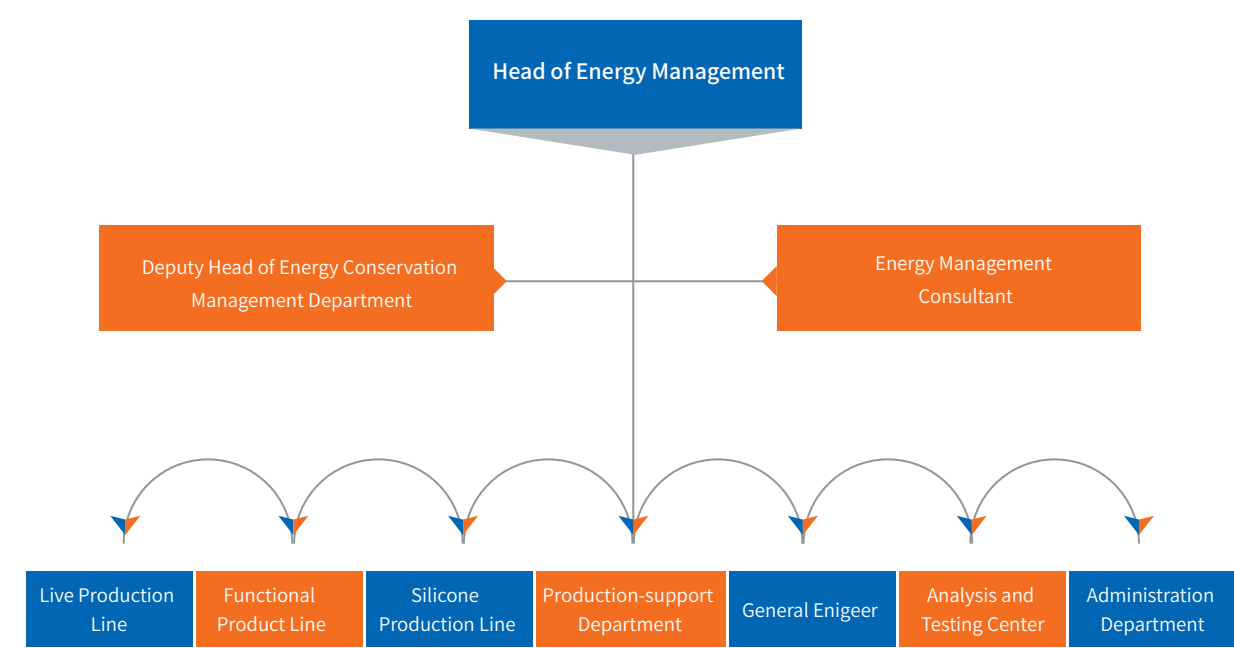
Subsidiary	Coal(t)	Natural gas (m3)	Outsourced Steam(t)	Electricity (kWh)	N <sub>2</sub> (Nm3)	Compressed air (Nm3)
2019Year	21,218	929,060	XXX	71,558,830	16,762,573	34,650,967
2020Year	20,809	1,559,486	40,310	96,341,910	24,424,283	43,819,449
2021Year	18,022	3,491,014	138,908	121,771,423	39,892,164	106,022,755



ACTIVELY MEETING CLIMATE CHANGE

Guangzhou Tinci launched the POI-EMS energy information system management platform in 2019, and installed energy monitoring and measuring instruments to realize online collection and real-time monitoring of water, electricity, steam, and fuel energy consumption data, which can meet the requirements of relevant technical standards and specifications for on-line monitoring of energy consumption of key energy-consuming units in Guangzhou, and can formulate energy conservation plans at the same time. Through an effective energy management system, we monitor changes in energy consumption in a timely manner and optimize energy operation in time; through benchmarking, we identify gaps in device operation and formulate measures to eliminate them to improve energy efficiency.

Energy Management Team Of Guangzhou Tinci



In May 2021, Guangzhou Tinci conducted a self-inspection on energy conservation for 2020. The company's total energy consumption in 2020 was **H2,684** tons of standard coal, and the energy intensity was **0.0272** tons of standard coal/ton. The comprehensive energy consumption reduction rate was **13%**, which achieve annual energy saving goals. In the past three years, the comprehensive energy consumption per unit product has shown a downward trend.

Year	Total energy consumption (TCE)	Total production (T)	Energy Intensity control target (TCE)
2018Year	3,115	104,869	0.030
2019Year	3,037	106,961	0.0284
2020Year	2,684	98,680	0.0272



In October 2021, Jiujiang Tinci calculated partial greenhouse gas emissions from chemical production in the base in 2020 according to the "Accounting Methods and Reporting Guidelines for Greenhouse Gas Emissions of Chemical Production Enterprises in China (Trial)" issued by the National Development and Reform Commission, with a total of 135126 tons of CO<sub>2</sub>e. Jiujiang Tinci has carried out product carbon footprint accounting for lithium-ion battery electrolyte (specification type E0001), according to standards "Greenhouse Gas Product Carbon Footprint Quantification Requirements and Guidelines" (ISO 14067:2018), that is, the production of 1 t lithium-ion battery electrolyte (specification model E0001), the carbon footprint of the process from resource extraction to product delivery is 4872.87 kgCO<sub>2</sub>e.



Sustainable  
Procurement





SUSTAINABLE PROCUREMENT



★ The procurement strategy of the company is collective purchasing. Large quantities and key materials are controlled by the group procurement process. This procurement strategy can maximize the optimization and sharing of the company's resources, highly allocate material inter-group and obtain price advantages. The company's procurement is divided into material procurement, engineering construction project procurement and MRO (Maintenance, Repair, Operation) procurement. The procurement of materials and engineering construction projects is unified by the group, and the MRO is purchased by the procurement personnel configured of each base, which can achieve the closest communication on the site and purchase material efficiently and ensure production.

★ In order to better control the procurement business, the procurement department has established the "Supplier Management System", "Supplier Management Control Procedure" and "Supplier Second-Party Audit System" for raw material suppliers and stipulated the procurement process and supply chain management. To reflect the principles of transparent procurement, sunshine procurement and cost-effective procurement, the procurement system is planning to adopt SRM system for settlement. To better manage the qualified suppliers on the list, the suppliers are subdivided in supplier management, which are roughly divided into raw materials, packaging materials, various chemical equipment, mechanical accessories, engineering service suppliers. Different types of supply contact different procurement personnel to handle with business in order to improve procurement efficiency. The supply chain cluster is mainly based on manufacturing, which is basically distributed in the eastern coastal regions. All new suppliers has conducted environmental, occupational health and safety, labor issues and human rights assessments.



★ The new suppliers of raw materials is introduced according to "Supplier Development and Evaluation System", and the Purchasing Department organizes the Quality Operation Department, the Production Department and other departments to jointly review the supplier. The review content includes business legal qualifications, business strategy and target management, order management process, production On-site management, quality management, supply chain structure and delivery capabilities, and social responsibility issues such as environmental protection, safety management, hazardous substance management, and information security management. After screening and identifying potential suppliers, the Purchasing Department conducts preliminary investigations and qualification requests for the suppliers. After the Quality Operations Department tests and confirms the supplier's samples, the Production Department conducts small and pilot tests. The Purchasing Department leads the on-site audit in accordance with the "Supplier Second-Party Audit Operation Process", and the unqualified items audited during the on-site audit have been verified and closed before the suppliers can be included in the list of qualified suppliers, and suppliers need to sign "PCN Change Agreement", "Quality Agreement", "Confidentiality Agreement", "Environmental Management Hazardous Substances Non-Use Guarantee", "Environmental Protection Agreement", "Supplier Trade Safety Agreement" and "Sunshine Agreement".





The background of the entire slide is a high-angle, top-down photograph of seven business professionals (four men and three women) of diverse backgrounds. They are all smiling and looking towards the camera. Their hands are stacked on top of each other in the center of the group, symbolizing teamwork and unity. They are dressed in business attire, including suits, blouses, and a button-down shirt. The setting appears to be a modern office with large windows in the background, through which a cityscape is visible. Overlaid on the image are several glowing, interconnected nodes and lines, resembling a network or data visualization, in shades of blue and white. In the bottom left corner, there are three overlapping orange circles of varying sizes, which serve as a backdrop for the text.

## Caring for employee

Talent Attraction and Retention

|

Fairness and Respect

|

Compensation and Benifits

|

Staff Development

|

Employee Care



TALENT ATTRACTION AND RETENTION

The company mainly determines the type and quantity of employee needs based on four aspects: strategic needs, job needs, temporary needs, and implicit needs. Tinci Materials issued two phases of stock options and restricted stock incentive plans in 2019 and 2021, covering more than 1,000 employees, improving the company's performance and compensation system, balancing the company's short-term and long-term goals, and promoting the alignment of interests of shareholders, companies and employees, and effectively retain talents.



Enhance the capabilities of existing employees

For current employees, through MAP talent assessment, job analysis, performance evaluation, and manpower inventory methods, we can identify the gaps in the current and future capabilities of current employees and understand their shortcomings and advantages. The company has adopted different education, training and ability strengthening methods for different levels and positions to shorten the gap and improve the working capability.

Diversified talent training system

Tinci Materials has developed a diversified talent training system, providing employees with challenging work content, an open environment of mutual respect, and a variety of development and learning opportunities.



Total Number Of Regular Employees/dispatched Workers From 2020 To 2021

Company	2020Year			2021Year		
	Regular workers	Dispatched workers	Dispatched worker ratio	Regular workers	Dispatched workers	Dispatched worker ratio
Group (Total)	2,937	64	2.13%	4,020	83	2.02%

Note: The number of employees in 2021 is the number of employees until December 31, 2021.







By gender:

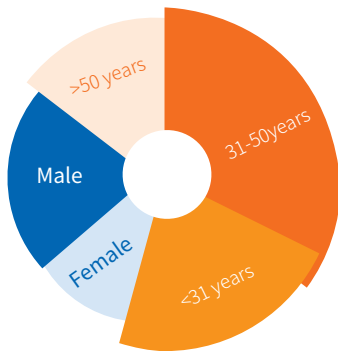
In the past three years, the number of female employees has been increasing, and the company attaches great importance to equal employment opportunities for men and women and puts an end to gender discrimination.

Type	2019Year		2020Year		2021Year	
	Male	Female	Male	Female	Male	Female
Regular Workers	1,834	789	2,071	866	2,855	1,165
Dispatched workers	36	7	55	9	74	9
Total	1,870	796	2,126	875	2,929	1,174

By gender:  
Dispatching male worker



By age:  
dispatching female worker



By age(<31 years)



By age(31-50 years)



By age(>50 years)



By age:

The company offers fair career opportunities to all age groups

2019Year			2020Year			2021Year		
<31 Years old	31-50 Years old	>50 Years old	<31 Years old	31-50 Years old	>50 Years old	<31 Years old	31-50 Years old	>50 Years old
753	1,711	159	748	2,012	177	1,019	2,773	228

Note: The statistics divided by age is regular workers.



By educational background

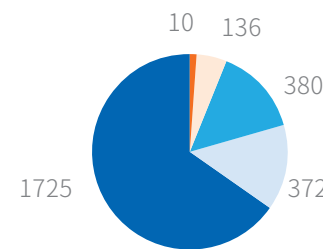
The number of doctors increased from 10 to 16, and the number of masters increased from 136 to 156. The company's attractiveness to knowledge-based employees has increased significantly.

Year	PhD	Master	Under graduate	Junior college student	Others
2019	10	136	380	372	1,725
2020	11	149	421	427	1,929
2021	16	156	567	617	2,664

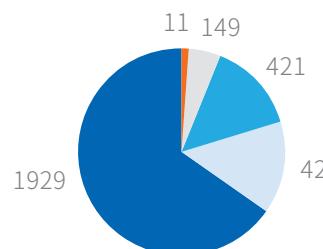
Note:The statistics divided by educational background is full time employment



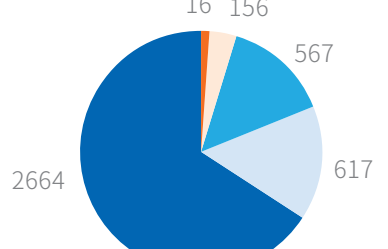
Phd Master Under graduate junior college student Others



2019Year



202Year



2021Year





By ethnicity

The number of minority employees in the company has grown continuously in the past three years

Type	2019Year	2020Year	2021Year
Han	2,571	2,884	3,958
Minority	52	53	62

Note: The statistics divided by ethnic group is full-time workers.



Retention of parental leave

The company gives all employees entitled to parental leave parental leave.  
More than 97% of employees who took parental leave returned to work.

Parental leave	2019Year		2020Year		2021Year	
	Male (Paternity leave)	Female (Maternity leave)	Male (Paternity leave)	Female (Maternity leave)	Male (Paternity leave)	Female (Maternity leave)
Total number of employees entitled to parental leave during the reporting period	30	33	39	47	40	34
Total number of employees taking parental leave during the reporting period	30	33	39	47	40	34
The number of employees who should return to work during the reporting period after the end of parental leave	30	33	39	46	40	34
The total number of employees who actually returned to work after parental leave during the reporting period	30	33	39	46	40	33
Total number of employees who remain in work 12 months after returning from parental leave	28	27	35	38	32	28
Return rate of employees on parental leave	100%	100%	100%	100%	100%	97%
Retention rate of employees on parental leave	93%	82%	90%	83%	80%	85%

Note : The statistics of parental leave is for regular workers



By working years

The company attaches great importance to the retention rate of employees. Since the establishment of the company, there are 17 employees with more than 20 years of service and 191 employees with more than 10 years of service.

Working years	The number of people
More than 20years	17
10-20 years	191
5-9 years	640
3-4 years	731
Under 3 years	2,441
Total	4,020



Talent Attraction and Retention

By Ethnicity

The number of minority employees in the company has grown continuously in the past three years

Retention Of Parental Leave

The company provides parental leave to all employees who are entitled to parental leave. The return rate of employees on parental leave is over 97%

By Working Year

The company attaches great importance to the retention rate of employees. Since the establishment of the company, there are 17 employees with more than 20 years of service and 191 employees with more than 10 years of service.



## FAIRNESS AND RESPECT

The company strictly abides by the relevant laws and regulations of "Labor Law of the People's Republic of China", "Labor Contract Law of the People's Republic of China" to formulate a legal employment system. According to the company's Employee Handbook, the company does not allow or support the behavior of discrimination on the basis of race, ethnicity, social origin, social class, ancestry, religion, physical disability, gender, family responsibility, marital status, union membership, age or other discrimination in order to ensure employees have equal work rights and development opportunities.



### Solving the employment of the disabledh

The company pays the disabled security fund to the government every year, and actively solves the employment of disabled people to have equal work rights and development opportunities.



### Signing a formal labor contract

The company signs formal labour contracts with all regular employees and provides social security in accordance with the requirements of laws and regulations. When using dispatched workers, we require dispatching companies to operate legally, sign formal labour contracts with dispatched employees, provide dispatched employees with statutory benefits and guarantees, and conduct corresponding supervision and tracking management of dispatching compani



### No recruitment and employment of child labor

The company strictly abides by the relevant national laws and regulations. Does not recruit and employ child labor (under 16 years old), and the human resources department strictly screen and control the recruitment process to ensure the "zero child labour". The company has never used child labor since its establishme



### Eliminating discrimination and forced labor

The company eliminates discrimination and the behaviour of forcing labour. The company strictly follows national laws and regulations to review overtime applications and control overtime hours. There has never been any legal dispute with employees regarding forced labor.



### Join a union

The company encourages employees to join the labour union, and the Guangzhou labour union signed the "Guangzhou Collective Contract" and "Special Collective Contract for the Protection of Female Workers' Rights and Interests" on behalf of the employees. The protection and vocational training of workers and minor workers shall be agreed upon.



## COMPENSATION AND BENEFITS



The company strictly abides by labor laws and regulations and provides employees with competitive salaries and benefits. Its competitiveness is reflected in that the total compensation is above the average level of the relevant competitive market. The Human Resources Department of the Group and each subsidiary organizes a comprehensive evaluation of each department every year to adjust the salary level and salary structure.

In 2021, the special awards were approved by senior leaders after deliberation. The company awarded three awards, namely the Star Team Award, the Technological Innovation Award and the Outstanding Contribution Award, 10 individual awards including the Tinci Ingenuity Award, the Outstanding Youth Award, the Loyalty Persistence Award, and the Tinci Talent Award, etc. to encourage activities that achieve high performance.



2021 Guangzhou Tinci live production line team building



2021 HR Mid-term reporting and teambuilding activities



2021 Production Safety Trip of Daily Chemical Business annual team activity



The Trainees programs in 2021



Tinci Talent Award



The Outstanding Contribution Of 10 Year Award



Bole Award



The Star Team Award



In addition to purchasing five insurances and housing fund for employees in accordance with the law, the company also provides supplementary commercial insurance for employees, and provides holiday benefits, birthday benefits, free accommodation, free medical examinations, free commuter shuttles and other welfare measures.

In addition to national public holidays, employees are entitled to 3 days of leave, which extends the employees' vacation time

The company regularly organizes collective travel activities for all employees every year.



STAFF DEVELOPMENT

The company provides employees with two career development channels, which is management and professional. Employees can choose one to develop, or they can switch between the two channels. The company helps employees achieve career development through "mentor program", "trainee program" and "rotation system".



In addition to a perfect job rank development system, the company has also formulated a promotion management system to open up the internal vertical and horizontal interaction, cross-module, cross-sequence and multi-channel development mechanism of internal employees, and promote the improvement of employee ability and organizational vitality in both directions. There is no limit to employee development; Regularly carry out talent inventory, check the talent gap in each sequence, empower high-potential talents, and continue to build a continuous talent supply chain; build a competency model and a sparring plan for key sequence positions to provide assistance for employee ability improvement and job transformation.

The company conducts performance evaluations for all employees according to the relevant performance management system, and the annual performance evaluation results are one of the important reference items for employee promotion evaluation.

At the end of each year, the Human Resources Department organizes a training demand survey for the next year based on the company's development plan, employee skill differences and business needs, and completes the company-level annual training plan with reference to the survey results. According to the annual goals and functions of the department, the head of each department uses the training needs analysis model as a tool to formulate the next year's training plan for the department. After being reviewed by the head of the department, it will be submitted to the Human Resources Department and implemented as planned.

In 2021, a total of 280 personnel was promoted, including a total of 20 personnel at the ministerial level and above, a total of 113 personnel from the supervisor level to the manager level, and a total of 147 personnel from the main operator level to the monitor level.

Based on the mission, vision and core values, starting from the company's business model, value positioning and growth path, the company review R&D, process, safety, function departments and other sequence personnel, and selects sequence high-potential personnel based on the standard system. Through the company's ability assessment, talent interview and ability level definition to match the corresponding courses, supplemented by the whole process of development system empowerment guidance and the evaluation system as the training effect evaluation.

The Company's Achievements In Employee Training In 2021 Are Shown In The Table Below

Objective	Actions	Performance and Achievements
Improve the management skills of senior executive	Open TMT (Top Maneger Team) training course	Managerial personnel at minister And above positions were promoted
Improve the management skills of middle management	Set up production line manager training camp, EHS safety professional training camp, project management training camp (project manager), equipment management personnel training	In 2021, 47 managers and 66 supervisors have been promoted
Improve the executive ability of junior managers	Set up team leader training camp and DCS training camp	Team leader to complete QC project improvement; 79 team leaders were promoted
Establish an online learning platform	Introduce online training platform	The training platform was launched, and all staff opened accounts and used the training platform online

All employees of the company have received training on social responsibility. The company has a total of 84 security personnel. During the reporting period, all security personnel received training on policies or procedures related to social responsibility such as human rights and discrimination. During the reporting period, the company provided regular training and ability assessment for all employees in accordance with the "Training Management System" and "Tinci Professional and Technical Qualification Evaluation Management System".

The Company's Achievements In Employee Training In 2021 Are Shown In The Table Below

Content	Time	Male (FTE)	Feamle (FTE)	FTE	Dispatching Workers
The average number of hours of training per employee per year	2019Year	72	72	72	72
	2020Year	72	72	72	72
	2021Year	120	120	120	72

Note: With the promotion of online training platforms in 2021, the number of employee training hours has increased compared to previous years. At the same time, online courses have carried out multi-sequence and multi-level training programs for regular workers. The training that the dispatching company is responsible for is factory-level safety, 6S, rules and regulations, etc. The skills training is the responsibility of the labor dispatching company, so the training duration will remain unchanged for them in 2021.



## EMPLOYEE CARE

The company has taken various ways to care employees. Beyond the work, the company has organized activities such as evening party, 163 good habits, "bodybuilding activities" sports competitions, Tinci cultural activities, internal journal solicitation, tourism and other cultural activities to enrich employees' lives. At the same time, through employee discussions, QCC improvement rewards, and other methods to achieve democracy and harmony in employee management and enhance cohesion.



Safety Knowledge Contest



Guangzhou Tinci Marathon

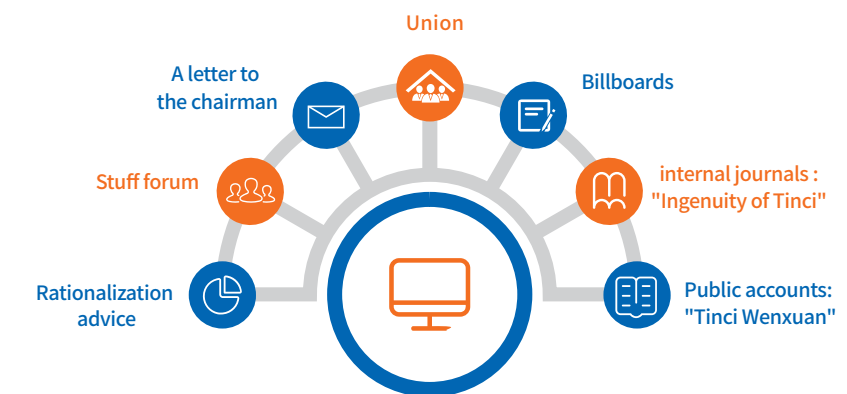


The 7th Tinci Cup Badminton Competition in 2021



2021 Birthday Party

Tinci Materials has a tradition of democratized and humanized management. It insists on wide-ranging opinions. Through high-level walking management and employee discussions, it insists on carrying out rationalization suggestion activities and lean improvement activities, and continuously improves rationalization suggestions and lean evaluation mechanisms. In the public accounts such as "Tinci Wenxuan" and internal journals such as "Ingenuity of Tinci", it planned activities or channels to interact with employees and support employees' participation in management.



### Forms of employee participation in enterprise democratic management



The company conducts in-depth communication with employees through regular forums, employee interviews, and employee satisfaction surveys. In 2021, 7 forums were organized within the group, and 169 feedback/suggestions from employees was received. Relevant departments improved or explained these opinions/suggestions respectively.



The company organizes an engagement survey every year, including employee engagement and employee satisfaction. The human resources department collects the engagement and satisfaction questionnaires from all level employees, and forms an investigation and analysis report through inspection, classification and statistics. The Human Resources Department reports to the heads of all first-level departments, and tracks and gives feedback to the heads of departments that need to be rectified. In response to the results of the engagement survey in 2021, various departments and production bases of the Group have formulated short-term, medium- and long-term rectification plans, and 80% of the rectifications have been completed.



So far, there has been no economic layoff or dissolution. According to the company's regulations, when a similar situation occurs, the company will notify employees at least one year in advance. During the reporting period, there were no complaints or appeals.



For the employees whose family have financial difficulties or are sick, the company will visit, understanding the needs of the employees and helping solve some of the difficulties. In 2021, the company and the labour union organized a total of 11 visits to solve problems such as shortage of funds for employee treatment and difficulty in finding job for their children.



# Community Involvement

Community Service  
|  
Anti-Epidemic





COMMUNITY SERVICE

The company pays attention to the embodiment of the social value of the enterprise, adhering to the fine public welfare tradition of "assisting students and respecting the elderly", while striving to develop its own business, it actively fulfills its social responsibilities and obliges to give back to the society. During the reporting period, the company participated in social welfare activities such as science and health education, community construction, donations for students, poverty alleviation and other social welfare activities organized by provinces, municipalities and districts level. Adhering to the social welfare concept of "respecting the elderly and helping students", the company has carried out a series of social activities with the party and league labour unions, including public welfare donations, in-depth poverty alleviation to counterpart schools and poor families, etc. The colleges and universities have cooperated to establish teaching practice bases; the in-depth development of cooperation has made positive contributions to promoting employment on the one hand, and more importantly, has laid a talent cornerstone for the company's sustainable and rapid development.

Tinci love and mutual aid foundation

On January 20, 2016, the company culture promotion committee organized and established the "Tinci Love and Mutual Aid Foundation". The foundation mainly provides special assistance to employees who suffer from major diseases, accidental injuries or family difficulties and aided their parents, spouses and children. As of 2021, during the six years since the foundation was established, it has appealed to Tinci employee and social partners to complete special assistance 6 times, with a total assistance amount exceeding 67,000.

Donate to school, warm students

In 2021, Guangzhou Tinci once again donated 50,000 yuan of materials to Longxiang Primary School in Qingyuan Centipede Tam Village. Jiujiang Tinci donated 1 million yuan to the Hukou County Red Cross Society, which will be used for public welfare scholarship and student aid activities in Hukou County Middle School and Hukou County No. 2 Middle

Targeted poverty alleviation, rural revitalization and other public welfare activities

In 2021, Tinci Materials donated 200,000 yuan to Qiannan Prefecture, Guizhou in cooperation with Guangzhou Development Zone Guangzhou-Hong Kong Science and Technology Cooperation Park Management Committee, Guangzhou Development Zone Changlingju Management Committee, Huangpu District Market Supervision Administration, and Huangpu District Yunpu Street. Building, and donated 300,000 yuan to the government of Hukou County, Jiujiang City, Jiangxi Province, and organized 1,500 people in Hukou County to watch the "Deng Xiaoping Trail" to learn the party history and do practical activities.

Volunteer activities

In 2021, the company's volunteers worked with a total of 612 hours, of which 20 volunteers from Guangzhou Tinci participated in 80 hours of volunteer activities for the new crown pneumonia epidemic in Yunpu Industrial Zone, Huangpu District, Guangzhou, 320 hours of volunteer associations to clean mountains and public welfare science, and love for the elderly. 12 hours of activities and 200 hours of donations for student activities.



Donation ceremony for Rural revitalization shiban village



Participated in the welfare education activity of Longxiang Primary School at Wugongtian Village in Qingyuan



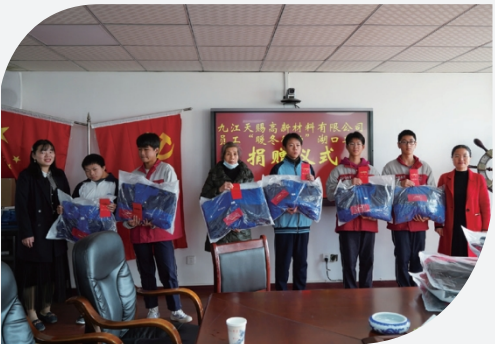
Jiujiang Tianci donation charity sale to raise sympathy for seriously ill students in Hukou County



Jiujiang Tianci donated 1 million yuan to the Red Cross Society of Hukou County



Volunteer Association conducts mountain cleaning activities



Volunteer associations organize participation in caring activities for the elderly





Anti-Epidemic

In June 2021, Guangzhou was hit by a new round of the new crown pneumonia epidemic. In the face of the sudden impact of the epidemic, Tianci Materials quickly responded to the government's request and formed a team of 20 Tianci volunteers to cooperate with Yunpu Industrial Zone to carry out 2 Day 2 night nucleic acid testing in the whole district, and donated 1,200 bottles of disinfectant gel, 1,500 bottles of alcohol, and 20 barrels of disinfectant in Yunpu Street, with a total value of nearly 100,000 yuan. During the epidemic prevention and control period, the company formulated and implemented various epidemic prevention and control measures. As of the reporting period, the company had zero infection, zero spread and zero accident. Under the professional guidance, Guangzhou Tianci volunteers carried out nucleic acid detection work for the personnel of Guangzhou Yunpu Industrial Park, expounding the company's people-oriented corporate culture concept, and strongly demonstrated the company's sense of social responsibility.



A team of volunteers composed of 20 volunteers from Guangzhou Tinci for the prevention and control of the Covid-19 pandemic



Guangzhou Tinci donated anti-epidemic materials to Yunpu Street, Huangpu District

Work together to fight the epidemic



Guangzhou Tianci volunteers are carrying out nucleic acid testing for personnel in Guangzhou Yunpu Industrial Park



Tianci Materials volunteers donated anti-epidemic materials to Yunpu Street Community



## ■ FUTURE PROSPECTS

### Taking "green chemistry" as the mission to become an international leading enterprise

The company takes "green chemistry to achieve low-carbon and beautiful life" as its own mission, and strives to achieve the vision of "becoming an international first-class green chemical operating enterprise". It has become an industry leader in the fields of electronic chemicals and high-performance materials, one of the representatives of China's green chemical operation brands, and a model of circular economy and low-energy intelligent manufacturing industry. The company will form a scale and capability with international competitiveness, and pursue to establish the company's international high-end brand image in the fine chemical industry.

### Pursue sustainable development based on safety and environmental protection

The company has always put safety and environmental protection at the height that affects the company's survival. Through strict management and implementation of full staff, systematization and institutionalization, it has continuously improved standards and codes of conduct. High-end fine chemical new material technology has made efforts to become an international green chemical operation enterprise with safe operation and advanced environmental protection. Through the continuous research and development of fine chemical materials with excellent performance and quality benchmarking against international standards, the product quality control system has been continuously optimized and improved, and the production equipment has been continuously technically and automated. The pursuit of scientific and rigorous production process control and technical services, To provide customers with stable quality of daily chemical materials and specialty chemicals, lithium-ion battery materials.



Honour  
and Status





HONOUR AND STATUS



QUALIFICATION  
ADN HONOR



Award-winning unit	Time	Material topic	Scope
Guangzhou Tinci	December 2021	Top 500 Manufacturing Enterprises in Guangdong Province	Jinan University Industrial Economics Research Institute, Guangdong Manufacturing Association, Guangdong Research Institute of Development and Reform
Guangzhou Tinci	November 2021	"Lithium-ion battery electrolyte" won the national manufacturing single champion product	Ministry of Industry and Information Technology of the People's Republic of China
Jiujiang Tinci	November 202	High-tech Enterprise Certificate	Jiangxi Provincial Department of Science and Technology, Jiangxi Provincial Department of Finance, State Administration of Taxation Jiangxi Provincial Taxation Bureau
Guangzhou Tinci	November 202	Guangzhou leading private enterprise	Guangzhou Federation of Industry and Commerce, Guangzhou Industry and Information Technology Bureau
Guangzhou Tinci	November 202	Guangzhou "specialized, refined and new" private enterprise support and excellent plan to cultivate enterprises	Guangzhou Bureau of Industry and Information Technology
Guangzhou Tinci	November 202	The 2nd Huangpu · Southern Beauty Valley International Cosmetics Technology Innovation Conference 2021 Top Ten Independent Research and Development Raw Materials Award	Huangpu · Southern Beauty Valley International Cosmetics Technology Innovation Conference Organizing Committee

Award-winning unit	Time	Material topic	Scope
Guangzhou Tinci	October 2021	Guangzhou "specialized, refined, and new" Cultivation Enterprise	Guangzhou Federation of Industry and Commerce, Guangzhou City Guangzhou Bureau of Industry and Information Technology
Guangzhou Tinci	September 2021	Guangzhou "specialized, refined, and new" Cultivation Enterprise	Guangzhou Invisible Champion Enterprise Selection Working Group, Guangzhou Industrial Investment Promotion Association
Guangzhou Tinci	September 2021	Huangpu District, Guangzhou Guangzhou Development Zone 2021 Quality Benchmark Enterprise	Guangzhou Huangpu District Market Supervision Administration, Guangzhou Development Zone Market Supervision Administration
Guangzhou Tinci	September 2021	Guangzhou Advanced Enterprise of New Material	China Electronic Materials Industry Association, Guangzhou New Materials Industry Development Promotion Association
Guangzhou Tinci	August 2021	Kapo-Adopting International Standard Product Marking Certificate, Kapo-Guangdong Province Adopting International Standard Product Confirmation Certificate	Guangdong Standardization Association
Jiujiang Tinci	June 2021	Advanced Unit of Safety Work in Jiangxi Province	People's Government of Jiangxi Province



Award-winning unit	Time	Material topic	Scope
Guangzhou Tinci	April 2021	Top 5 Brands of "Electrolyte Material Group" in Lithium Battery Industry in 2020	Mariana Lithium Battery
Ningde Kaixin	February 2021	Advanced Unit of Tax Contribution Award in 2020	CPC Ningde Jiaocheng District Committee, Ningde Jiaocheng District People's Government
Guangzhou Tinci	October 2021	2021 High-tech Golden Globe Award for Enterprise of the Year	High-tech lithium battery
Guangzhou Tinci	October 2021	2021 High-tech Golden Globe Award for Person of the Year	High-tech lithium battery
Ningde Kaixin	2021Year	Excellent Supplier in 2021	Ningde New Energy
Ningde Kaixin	2021Year	2021 Supplier Conference Ten-year Contribution Award	Ningde New Energy
Guangzhou Tinci	December 2020	National high-tech enterprise certificate	Guangdong Provincial Department of Science and Technology, Guangdong Provincial Department of Finance, State Administration of Taxation Guangdong Provincial Taxation Bureau
Guangzhou Tinci	December 2020	Electrolyte for Lithium Ion Batteries - Adopting International Standard Product Marking Certificate, Electrolyte for Lithium Ion Batteries - Guangdong Province Adopting International Standard Confirmation Certificate	Guangdong Standardization Association
Guangzhou Tinci	December 2020	National Intellectual Property Advantage Enterprise	State Intellectual Property Office
Guangzhou Tinci	September 2019	Guangdong Province Intellectual Property Demonstration Enterprise	Guangdong Intellectual Property Protection Association
Guangzhou Tinci	November 2018	Top 100 Private Enterprises in Guangdong Province	Guangdong Federation of Industry and Commerce
Guangzhou Tinci	August 2018	China's top 500 private manufacturing industries	All-China Federation of Industry and Commerce
Guangzhou Tinci	December 2017	2017 China Patent Excellence Award (2012103471430) - Tinci Hi-Tech	State Intellectual Property Office
Guangzhou Tinci	December 2017	China Excellence Award for Patent	State Intellectual Property Office of the P.R.C
Guangzhou Tinci	February 2017	Outstanding Contribution Enterprise	People's Government of Guangzhou Huangpu Management Committee of Guangzhou Development Zone
Guangzhou Tinci	January 2014	2014 Guangzhou Patent Excellence Award Certificate (2006101222620)-Tinci material	Guangzhou Municipal People's Government

company name	Time	Associations to join	Roles
Jiujiang Tinci	2020Year	Jiujiang Small and Medium Enterprise Development Promotion Association	Member Unit
Jiujiang Tinci	2020Year	Jiujiang City Industrial Economics Federation, Jiangxi Province	Jiujiang Federation of Industry and Economics: The first group membership card of director unit
Jiujiang Tinci	2020Year	Jiujiang Intelligent Manufacturing Industry Association	Vice President Unit
Jiujiang Tinci	2020Year	Jiangxi Petroleum and Chemical Industry Association	The 3rd Council (2016-2020) Executive Director Unit
Jiujiang Tinci	2020Year	Jiangxi Provincial Federation of Industrial Economics	2021-2022 Presidium Chairman Unit
Jiujiang Tinci	2020Year	Jiujiang Entrepreneurs Association	Vice President Unit
Jiujiang Tinci	2020Year	Jiangxi Emergency Management Association	Member unit (invited to become a director unit in 2022)
Guangzhou Tinci	2018Year	National Fine Chemical of Raw Materials and Intermediates Industry Cooperation Group	Vice president unit
Guangzhou Tinci	2018Year	New Energy Industry Association of Development Zone	Ordinary member
Guangzhou Tinci	2017Year	Guangdong Industrial New Materials Association	Vice president
Guangzhou Tinci	2017Year	Guangdong Daily Chemical Chamber of Commerce	Vice president
Guangzhou Tinci	2016Year	Guangzhou Science and Technology Innovation Enterprise Association	Vice president
Guangzhou Tinci	2016Year	Guangdong Huangpu Customs Brokers Association	Vice president
Guangzhou Tinci	2014Year	Guangzhou High-tech Enterprise Association	Vice president
Guangzhou Tinci	2014Year	Guangzhou Headquarters Economic Association	Ordinary member
Guangzhou Tinci	2014Year	China Fluorosilicone Organic Materials Industry Association	Standing director
Guangzhou Tinci	2013Year	Guangzhou Chemical Industry Association	Director
Guangzhou Tinci	2012Year	Guangdong Materials Research Society	Director





- Provide systematic solutions and become the preferred partner of customers;
- Provide competitive returns for employees and shareholders;
- Create a safe and healthy working environment;
- Become a good corporate citizen and grow together with the community.



ASSURANCE STATEMENT

SGS-CSTC’S REPORT ON SUSTAINABILITY ACTIVITIES IN THE GUANGZHOU TINCI MATETIALS TECHNOLOGY CO., LTD.’s SUSTAINABILITY REPORT FOR 2021

NATURE AND SCOPE OF THE ASSURANCE/VERIFICATION

SGS-CSTC STANDARDS TECHNICAL SERVICES CO., LTD. (hereafter as “SGS”) was commissioned by the Guangzhou Tinci Materials Technology Co., Ltd. (hereafter as “Tinci Materials”) to conduct an independent assurance of the Chinese version of Tinci Materials’ Sustainability Report for 2021 (hereafter as “the Report”). The scope of the assurance, based on the SGS Sustainability Report Assurance methodology, included the text, and data in accompanying tables, contained in the Report. Other data and information disclosed were not included in this assurance process. On-sit assurance process was executed at No. 8, Kangda Road, Dongcheng Pian, Yunpu Industrial Zone, Huangpu District, Guangzhou City, Guangdong Province, P.R. China.

The Tinci Materials’ management and relevant functional departments are responsible for the information contained in the Report.

Our responsibility is to express an opinion on the text, data, graphs and statements within the scope of verification with the intention to inform all Tinci Materials’ stakeholders.

The SGS protocols are based upon internationally recognized guidance, including the Principles contained within the GRI STANDARDS for accuracy and reliability and the guidance on levels of assurance contained within the AA1000 series of standards and guidance for Assurance Providers.

This report has been assured at a moderate level of scrutiny using our protocols for:

- evaluation of content veracity;
- evaluation of the report against the GRI STANDARDS.

The assurance comprised a combination of pre-assurance research, onsite interviews with relevant employees in the Tinci Materials headquarters, documentation and record online review and validation with affiliates bodies where relevant.

Financial data drawn directly from independently audited financial accounts has not been checked back to source as part of this assurance process.

STATEMENT OF INDEPENDENCE AND COMPETENCE

The SGS Group of companies is the world leader in inspection, testing and verification, operating more than 2,600 affiliates in more than 140 countries. SGS affirm our independence from Tinci Materials, being free from bias and conflicts of interest with the organization, its subsidiaries and stakeholders.

The assurance team was assembled based on their knowledge, experience and qualifications for this assignment.

VERIFICATION/ ASSURANCE OPINION

On the basis of the methodology described and the verification work performed, the information and data contained within the Report verified is accurate, reliable and provides a fair and balanced representation of Tinci Materials’ sustainability activities in 2021.

The assurance team is of the opinion that the Report can be used by the Reporting Organization’s Stakeholders.



GRI STANDARDS CONCLUSIONS, FINDINGS AND RECOMMENDATIONS

In our opinion the Report is presented in accordance with the core opinion for GRI STANSARDS and fulfils all the required content and quality criteria.

Principles

Stakeholder Engagement

Tinci Materials had identified its stakeholders who affected by its activities and considered the reasonable expectations and interests from stakeholders, and took some certain ways to communicate and exchange information with stakeholders.

Sustainability Context

Tinci Materials had presented the efforts on sustainability development related to economic, environmental and social aspects and combined the performance in the wide context as well.

Materiality

Based on the topics concerned by the stakeholders, Tinci Materials had considered reasonably disclosing issues and indicators with materiality, which substantively influencing the assessments and decisions of stakeholders, to reflect the organization's significant economic, environmental and social impacts. It is suggested that the level of detail of the information in the Report should be disclosed according to the results of materiality analysis.

Completeness

The Report included coverage of material aspects and boundaries, to reflect significant economic, environmental and social impacts and enable stakeholders to assess the organization's performance in the reporting period.

Balance

The Report followed the balance principle and truthfully disclosed the positive and negative information.

Comparability

Tinci Materials had disclosed performance indicators in 2021, previous data of key indicators were disclosed, which could help stakeholders to understand and compare the improved performance year by year.

Accuracy

Tinci Materials's information in the report was accurate, enable to release more qualitative and quantitative information with indicators for stakeholders.

Timeliness

This is the first time for Tinci Materials to disclosure the sustainability report and it will be regularly disclosed annually.

Clarity

The Report was presented different ways with words, charts, graphics and pictures, also described with actual cases to ensure the stakeholders understanding easily.

Reliability

The data and information can be traced and verified.

Management Approach

The Report had disclosed the management approach of identified material topics.

General Disclosures

The general disclosures were presented in accordance with the core option of GRI Standards.

Topic-Specific Disclosures

Tinci Materials' topic-specific disclosures related to the material topics in economic, environmental, and social areas were in accordance with the core option of GRI Standards.

Findings and recommendations

Good practices and recommendations for sustainability report and management process were described in the internal management report which has been submitted to the management of Tinci Materials for sustainable improvement.

Limitations of assurance

Data tracing on headquarters' level, not including original data of subsidiaries stated in the Report Scope.

The assurance process only involved interviews with the heads of relevant departments and certain employees of headquarters and consultation with relevant documents. No external stakeholder involved.

Signed:

For and on behalf of SGS-CSTC

David XIN Director  
Knowledge  
16/F Century Yuhui Mansion, No. 73, Fucheng Road, Beijing, P.R. China  
Mar. 14<sup>th</sup>, 2022

WWW.SGS.COM



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Contact: Han Heng Lu Xiaocui

Tel: +86(0)20 66608666

Fax: +86(0)20 66608666

Mail: [ir@tinci.com](mailto:ir@tinci.com)

Address: No. 8, Kangda Road, Dongcheng District, Yunpu Industrial Zone,  
Huangpu District, Guangzhou, Guangdong

Postal code: 510760-510760