

2023

SUSTAINABLE DEVELOPMENT REPORT



CONTENTS

01

ABOUT THIS REPORT 02

02

CHAIRMAN SPEECH 04

03

ABOUT TINCI MATERIALS 07

- 3.1 INTRODUCTION TO TINCI 08
- 3.2 COMPANY GOVERNANCE 14
- 3.3 COMPANY OPERATIONS 19

04

SUSTAINABLE
DEVELOPMENT
MANAGEMENT 23

- 4.1 RESPONSE TO THE UN
SUSTAINABLE DEVELOPMENT GOALS 24
- 4.2 STAKEHOLDER ENGAGEMENT 26
- 4.3 MATERIAL TOPIC IDENTIFICATION 28

05

PRODUCT
RESPONSIBILITY 31

- 5.1 INNOVATION MANAGEMENT 32
- 5.2 INTELLECTUAL PROPERTY PRO
TECTION 35
- 5.3 CRAFTSMANSHIP QUALITY 37
- 5. 4WIN-WIN COOPERATION 40

06

TINCI SAFETY 43

- 6.1 SAFETY MANAGEMENT 45
- 6.2 PROCESS SAFETY 47
- 6.3 PRODUCT SAFETY 50
- 6.4 ENVIRONMENTAL HAZARDOUS
SUBSTANCE CONTROL 52
- 6.5 OCCUPATIONAL HEALTH 53
- 6.6 INFORMATION SECURITY 56
- 6.7 EMERGENCY RESPONSE 58
- 6.8 SAFETY CULTURE 60

07

TINCI ENVIRONMENTAL
PROTECTION 65

- 7.1 WATER RESOURCE PROTECTION 68
- 7.2 ATMOSPHERIC ENVIRONMENTAL
PROTECTION AND MANAGEMENT 71
- 7.3 SOLID WASTE REDUCTION AND
RESOURCE UTILIZATION 72
- 7.4 PROACTIVE RESPONSE TO CLIMATE
CHANGE 74

08

SUSTAINABLE
PROCUREMENT 79

09

CARING FOR EMPLOYEES 83

- 9.1 FAIRNESS AND RESPECT 84
- 9.2 REMUNERATION AND BENEFITS 88
- 9.3 TALENT ATTRACTION AND RETENTION 90
- 9.4 EMPLOYEE TRAINING AND
DEVELOPMENT 91
- 9.5 EMPLOYEE CARE 94

10

COMMUNITY
ENGAGEMENT 99

11

FUTURE OUTLOOK 103

12

REPORT VALIDATION 108

INDEX OF INDICATORS 112

APPENDIX 117

● ABOUT THIS REPORT

CHAIRMAN SPEECH

ABOUT TINCI MATERIALS

SUSTAINABLE DEVELOPMENT
MANAGEMENT

PRODUCT RESPONSIBILITY

TINCI SAFETY

TINCI ENVIRONMENTAL

SUSTAINABLE PROCUREMENT
PROTECTION

CARING FOR EMPLOYEES

COMMUNITY ENGAGEMENT

FUTURE OUTLOOK

REPORT VALIDATION

INDEX OF INDICATORS

APPENDIX

ABOUT THIS REPORT

Guangzhou Tinci Materials Technology Co., Ltd. (hereinafter referred to as "Tinci Materials", "the company" or "we") would like to communicate our values, goals, actions and performance in the areas of company governance, economy, environment and society to our stakeholders through the sustainability report based on international standards, which is expected to be published once a year.

First release date: April 2018, Social Responsibility Report
Previous version release date: April 2023, Sustainability report
Current version release date: March 2024
Next version release date: April 2025

Report standards

We have set up a sustainability report preparation team, which consists of the company's senior management, heads of functional departments and business units. This report was prepared by an internal writing team and submitted to the Board of Directors and its subordinate Strategy and Sustainable Development Committee for review before its release, to ensure that the contents of this report do not contain any false records, misleading statements, or material omissions. This report is prepared with reference to the Sustainability Reporting Standards (GRI STANDARDS 2021) issued by the Global Reporting Initiative and in conjunction with the Shenzhen Stock Exchange's Guidelines on Social Responsibility of Listed Companies (2006) and the Measures for the Examination of Information Disclosure Work of Listed Companies on the Shenzhen Stock Exchange (revised in 2020).

Report scope

We provide our stakeholders with information on the sustainability of Tinci Materials for the period from January 1 to December 31, 2023, and some of the data exceeds the above scope for the consideration of the principles of continuity and comparability.

Data source

The economic performance data in this report is quoted from the annual report of Tinci Materials for 2023, which is consistent with the scope of the consolidated financial statements, and the annual report of Tinci Materials for 2023 has been independently audited by Grant Thornton CPA Firm (a special general partnership); all the amounts shown herein are in Chinese yuan, if not otherwise stated. Other non-financial information is provided by each functional department of Tinci Materials and its subsidiaries. The scope of the number of employees in this report is consistent with the scope of the consolidated financial statements, and the rest of the contents are related to the scope as shown in the table below, and the body of the report will explain the specific scope of the disclosed information in detail.

Company Name	Abbreviation
Guangzhou Tinci Materials Technology Co., Ltd.	TINCI Guangzhou
Jiujiang Tinci Materials Technology Co., Ltd.	TINCI Jiujiang
Jiangsu Tinci Materials Technology Co., Ltd.	TINCI Jiangsu
Fuding Kaixin Battery Material Co., Ltd.	KAIXIN Fuding
Ningde Kaixin Battery Material Co., Ltd.	KAIXIN Ningde
Yichang Tinci Materials Technology Co., Ltd.	TINCI Yichang
Yichun Tinci Materials Technology Co., Ltd.	TINCI Yichun
Chizhou Tinci Materials Technology Co., Ltd.	TINCI Chizhou
Zhejiang Tianshuo Fluorosilicon New Material Technology Co., Ltd.	TIANSHUO Zhejiang
Jiujiang Tinci Resource Recycling Technology Co., Ltd.	Resource Recycling Jiujiang
Qingyuan Tinci Materials Technology Co., Ltd.	TINCI Qingyuan

Restatement of information: The scope of this annual report has been increased by Resource Recycling Jiujiang and TINCI Qingyuan compared to the previous year.

External assurance

This report has been assured by an independent third party, SGS, and a statement of validation is attached.

Release channels

This report is released simultaneously in digital and paper versions in English and Chinese. If there is any slight difference between the Chinese and English versions, please refer to the Chinese version.

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

Feedback

We look forward to receiving comments and suggestions from readers after reading this report. Please follow the contact information below to provide feedback to help us further improve our sustainability strategy and pursue better sustainability performance.

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Zip code: 510760

The interpretation of various abbreviations mentioned in the report is consistent with the company's annual report, which is detailed in the company's annual report for 2023:

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

ABOUT THIS REPORT

CHAIRMAN SPEECH

ABOUT TINCI MATERIALS

SUSTAINABLE DEVELOPMENT
MANAGEMENT

PRODUCT RESPONSIBILITY

TINCI SAFETY

TINCI ENVIRONMENTAL

SUSTAINABLE PROCUREMENT
PROTECTION

CARING FOR EMPLOYEES

COMMUNITY ENGAGEMENT

FUTURE OUTLOOK

REPORT VALIDATION

INDEX OF INDICATORS

APPENDIX

CHAIRMAN SPEECH



Chairman of Tinci Materials : Jinfu Xu

Dear Investors, Thank you for your interest in Tinci Materials' Sustainable Development Report 2023 and for your continued interest in the company.

In 2023, the new energy industry chain's supply and demand pattern of staged imbalance, superimposed on the significant fluctuations in the price of lithium carbonate and other raw materials during the same period, the electrolyte market price continued to decline, plate profitability was squeezed, but in terms of product sales, the company's production and sales of electrolyte products grew normally, and the company continued to build its product competitiveness by continuously improving the core raw materials such as Lithium hexafluorophosphate (LiPF₆), Lithium bis(fluorosulfonyl) imide (LiFSI), Lithium difluoro(oxalato) borate (LiODFB) and additives to build up the competitiveness of the products, and still maintains a leading market share. Under the rapid development of the industry and drastic changes in the competitive landscape, the company has paid more attention to the benign development of the enterprise and contributed to the green ecological construction through its own technology and green manufacturing. In the aspect of green manufacturing, the company will continue to cultivate the development of clean technology through various practices such as the construction of circular industry chain, development system construction, process safety, and intrinsic safety. As one of the strategic focuses for the company's future development, the company will also continue to increase investment in clean technology research. In 2023, Resource Recycling Jiujiang recycled 2,400 tons of used batteries and recycled 350 tons of lithium carbonate, advocating the development of green manufacturing for enterprises. During the reporting period, the company resolved through relevant procedures to add the function of sustainable development to the Strategy Committee under the Board of Directors and renamed it as the Strategy and Sustainable Development Committee, so as to optimize the company's Environmental, Social and Governance ("ESG") management structure, enhance the level of the company's ESG management, and give full play to the Board of Directors' decision-making and supervisory role in relation to ESG matters, with a view to realizing the company's sustainable development.

In terms of company governance, this year, focusing on advocating anti-corruption and integrity, the Audit

Department of the Group increased its monitoring functions and was renamed as the Audit and Monitoring Department, which is responsible for establishing and perfecting the relevant management system and anti-fraud mechanism, optimizing the company's authority control, process control, etc. and organizing training on business ethics to strengthen the construction of anti-corruption and integrity and to create a clean culture of purity and righteousness; During the reporting period, the Audit and Supervision Department conducted multiple business ethics trainings, as well as offline integrity trainings and online integrity promotion courses internally. In 2023, four offline integrity trainings were completed, focusing on real-life cases to build a joint defense against corruption. At the same time, in order to continue to regulate the company's governance structure and to strengthen the company's governance system, supplemented and revised the Subsidiary Management System, the Related Transaction Management System, and the Remuneration and Performance Assessment Management System for Directors, Supervisors and Senior Management Personnel. It will improve the standardized management of the company, strengthen the management of compliance and internal control, and fully protect the legitimate rights and interests of shareholders.

In terms of environmental protection, the EHS department and production sequences have carried out thematic improvements in leakage prevention, waste liquid collection and utilization, optimization of processes and exhaust systems, as well as the transformation and standardized management of sewage systems, comprehensively enhancing environmental operations. Among them, several wastewater treatment projects have made substantial progress, and multiple production bases under the Group have achieved the target of reducing unit product waste by $\geq 20\%$ compared to 2022. Additionally, in 2023, the environmental department conducted carbon emission verification at various production bases under the Group. Subsidiary TINCI Jiujiang passed the ISO 14064-1:2018 greenhouse gas verification declaration system certification for 2022, and promoted the verification method to production bases including Guangzhou, Qingyuan, Ningde, Chizhou, Yichun, Yichang, Jiangsu, etc. In 2023, the statistics for carbon emission data for 2022 were completed, providing important basis for the company to set scientific emission reduction targets and assisting in achieving the company's energy-saving and emission reduction goals. Against the backdrop of China's dual carbon targets of achieving carbon peak by 2030 and carbon neutrality by 2060, green manufacturing has become an important proposition for the transformation

of China's industrial development. Tinci Materials practices high-end, intelligent, and green development in manufacturing, accelerating the construction of a green manufacturing and service system. In 2023, the company's main production base, TINCI Jiujiang, was designated as a national-level green factory. Next, the company will continue to improve the green manufacturing system, playing a driving and leading role in green demonstration.

In terms of social responsibility, the company continues to engage in discussions with downstream customers regarding safety issues related to personal care products and battery material products, seeking alternative production schemes and process improvements to reduce the use of toxic substances. The company's developed amino acid products possess mild properties and non-irritating characteristics, aligning with the future direction and trends of personal care product development and the era. 2023 was an important year for the company to promote safety leadership, with general managers and management teams of various bases actively participating in various safety management measures, taking solid steps towards the strategic goal of "management leading safety". In terms of occupational health management, the goal of having zero occupational illnesses was also achieved.

As a corporate citizen, the company actively participates in social welfare activities, fulfilling its corporate citizenship responsibilities and fostering a positive corporate culture and atmosphere. The company actively participates in various social welfare activities including education, health, community development, donations for education, poverty alleviation, and assistance to the needy, striving to be a model of harmonious social enterprise. The company establishes a precision poverty alleviation mechanism, focusing on supporting the bean industry in Liufang Village, Hukou County, by donating special funds. Additionally, the company sponsors the Hukou County Volunteer Police Assistance Association for their drug prevention and anti-fraud campaigns and other public welfare activities. The cumulative donations during the reporting period over 1.89 million yuan.

In 2023, the company made new progress in sustainable development governance. Looking ahead, we will continue to uphold the mission of "Green Chemistry Achieves a Low-Carbon and Beautiful Life". We will persist in building a comprehensive, fair, and transparent company governance system, continually strengthening environmental protection and social responsibility awareness, fully protecting the rights and interests of shareholders and investors. We will also research and develop more sustainable development and green technologies to achieve comprehensive sustainable development and contribute to green ecological construction.



ABOUT TINCI MATERIALS

Circular economy model

Internal circulation- **recycling and reducing emissions**
of fluorine, sulfur, chlorine elements

External circulation- **Regeneration and utilization**
of lithium, iron and phosphorus elements

Information Disclosure

Received the highest rating of "A" in the Shenzhen Stock Exchange's
information for **three** consecutive years

Received the excellent Practice Award of the Board of Directors of Listed
Companies by China Association of Listed Companies

Anti-corruption construction

offline integrity training

4 games

Number of people covered on site

132 people

3.1 INTRODUCTION TO TINCI

Tinci Mission

Green Chemistry Achieves a Low-Carbon and Beautiful Life



Tinci Vision

To provide systematic solutions, to be the preferred partner of our customers, to provide competitive returns for our employees and shareholders, to create a safe and healthy work environment, to be a good corporate citizen, and to grow together with the community.

Tinci Value

Customer First, Inherit Integrity
and Innovation, Strive for Progress,
Create Perfect Quality

Guangzhou Tinci Materials Technology Co., Ltd. (stock code: 002709) was established in June 2000, with two main business segments: lithium-ion battery materials, personal care materials and specialty chemicals. The company has been deeply involved in the lithium battery electrolyte business for over a decade. Leveraging its strong foundation in chemistry and accumulated technological expertise, it has seized opportunities along the lithium battery industry chain. Following a strategy of integrated layout, the company has also expanded into the field of lithium iron phosphate cathode materials and battery material recycling. There is a strong synergy among the various business segments, particularly in platform research and development and circular economy practices, leading to significant cost control effects. Additionally, the company's battery material recycling business currently focuses on the recovery of lithium iron phosphate batteries, achieving substantial elemental recovery of lithium, iron, phosphorus, fluorine, nickel, cobalt, and manganese from lithium iron phosphate batteries.

With the mission of Green Chemistry Achieves a Low-Carbon and Beautiful Life, Tinci Materials provides the society with fine chemical products of stable and reliable quality and is committed to become an international first-class green chemistry operation enterprise.



Integrated layout strategy

The company implements a vertical integration concept in its production and operations, focusing on the research, development, and production layout of core upstream raw materials for its products. Since entering the lithium battery materials industry, the company has independently developed and deployed core electrolyte raw materials and additives, including lithium hexafluorophosphate (LiPF₆), lithium bis(fluorosulfonyl)imide (LiFSI), vinylene carbonate (VC), ethylene sulfate (DTD), lithium bis(oxalato)borate (LiODFB), among others. This has formed an integrated layout strategy primarily centered around electrolyte raw materials.

The company has deeply integrated the upstream electrolyte industry chain, achieving full coverage of electrolytes (LiPF₆ and LiFSI), solvents, and additives through in-house production. It has also achieved a high proportion of self-supply for core electrolyte raw materials, with electrolyte costs accounting for over 50% of the total, including the market's most mainstream electrolyte, lithium hexafluorophosphate (LiPF₆), and its alternative, lithium bis(fluorosulfonyl)imide (LiFSI). In 2023, the self-supply ratios for both exceeded 93%, establishing a solid cost advantage while enhancing supply stability.

Full category coverage of core raw materials



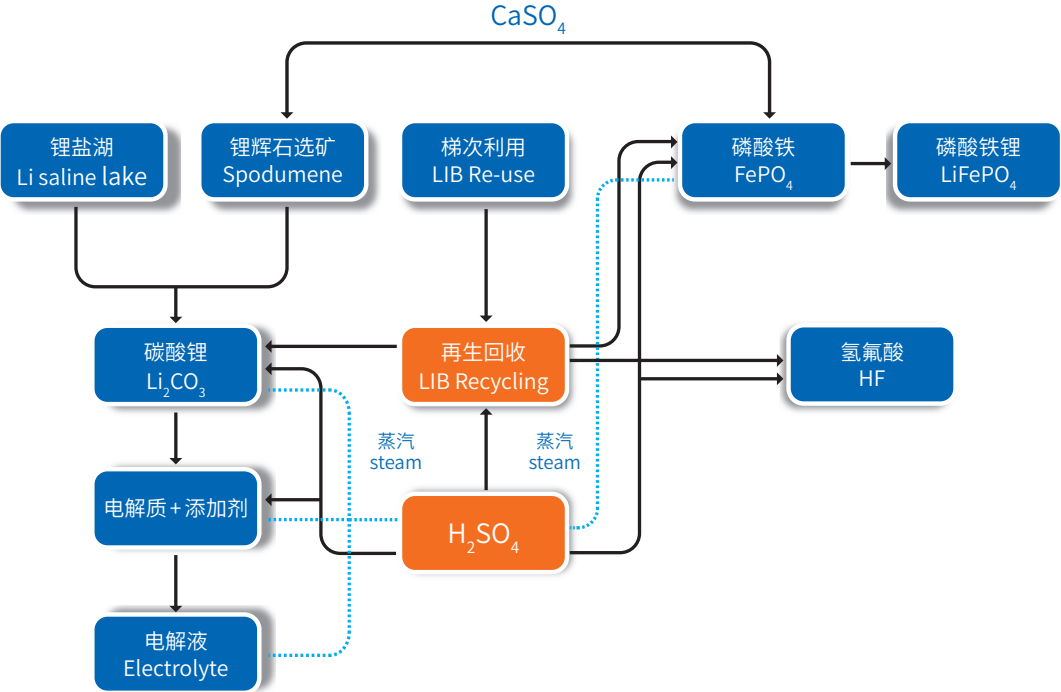
Circular economy model

Relying on the company's strong fundamental chemical capabilities, it has built a circular economy model on the foundation of integration. This model involves reusing by-products generated in one process as raw materials in another process. This approach not only effectively addresses the handling of by-products classified as hazardous chemicals during the production process but also significantly reduces the costs associated with raw material procurement and hazardous chemical disposal.

The company's circular model is divided into internal circulation and external circulation. Internal circulation involves the recycling of by-products between the electrolyte, cathode materials, and resource recycling businesses within the lithium battery materials sector. By utilizing by-products from the production process as raw materials for other products, it achieves the recycling of fluorine, sulfur, and chlorine elements, reducing emissions. External circulation, on the other hand, is formed as the lithium battery materials business connects with external battery customers through resource recycling. This external system enables the regeneration and utilization of elements such as lithium, iron, and phosphorus.

Circular economy advantage :

Industrial chain layout advantage



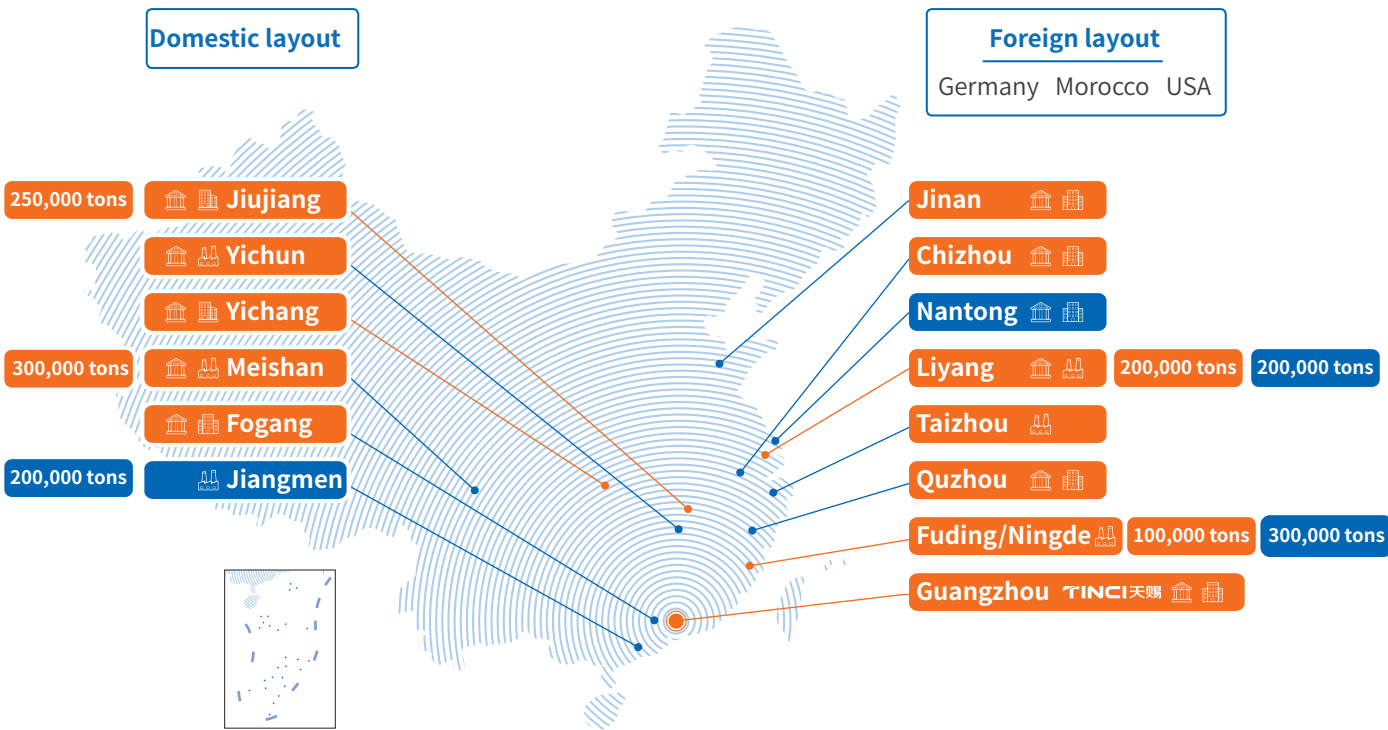
Resource regeneration saves costs

- Extracting lithium carbonate, iron carbonate, and other elements from discarded batteries obtained at low cost
- Acquiring lithium metal as raw material at below-market prices

Upstream raw material circulation reduces costs

- In the company's internal circulation system, by-products such as HCl, HF, H₂SO₄, etc., can be utilized as raw materials for other processes
- By employing the Fluid/Solid/Chlorine (F/S/Cl) three-loop system, we reduce the costs associated with hazardous material disposal

Tinci Materials is headquartered at 8 Kangda Road, Yunpu Industrial Park, Huangpu District, Guangzhou City, Guangdong Province. It has established subsidiaries and production bases in many parts of the country to meet customer supply needs. The company currently owns multiple supply bases including Guangzhou, Jiujiang, Tianjin, Ningde, Yichun, Chizhou, Taizhou, Liyang, Fuding, Fogan, Yichang, Sichuan, Nantong (under construction), Jiangmen (under construction), Germany, the United States (under planning), Morocco (under planning), etc. It has established a nationwide and key international regional strategic supply system, and also set up several electrolyte customer service bases strategically located around customers to quickly respond to their needs and provide continuous electrolyte solutions. Leveraging its advantages in supply chain integration and integrated operations, the company continuously improves its flexibility in delivery through flexible adjustments to production lines.



Note: ■ Has been put into production ■ In building
Numbers represent the designed capacity of lithium ion electrolyte, and others do not belong to the electrolyte production plant.

ABOUT THIS REPORT

CHAIRMAN SPEECH

ABOUT TINCI MATERIALS

SUSTAINABLE DEVELOPMENT MANAGEMENT

PRODUCT RESPONSIBILITY

TINCI SAFETY

TINCI ENVIRONMENTAL

SUSTAINABLE PROCUREMENT PROTECTION

CARING FOR EMPLOYEES

COMMUNITY ENGAGEMENT

FUTURE OUTLOOK

REPORT VALIDATION

INDEX OF INDICATORS

APPENDIX

Honors and industry status

Award-winning unit	Time of award	Award name	Issuing body
TINCI Guangzhou	2023	Corporate Governance Compliance Demonstration Enterprise	Southern Metropolis Daily
TINCI Guangzhou	2023	Good Practice Award for Sustainable Development	SGS
TINCI Guangzhou	2023	New Energy Materials Most Growing Listed Company	National Business Daily
TINCI Guangzhou	2023	2023 Best Practices Creation Campaign for Boards of Directors of Listed Companies - Examples of Excellent Practices	China Association for Public Companies
TINCI Guangzhou	2023	2023 Enterprise of the Year - Gaogong Golden Globe Award	Shenzhen Gaogong Industry Research Co., Ltd.
TINCI Guangzhou	2023	2023 Zero Carbon Transition Pioneer - Gaogong Golden Globe Award	Shenzhen Gaogong Industry Research Co., Ltd.
TINCI Guangzhou	2023	2023 China Top 100 Fine Chemical Enterprises	China Chemical Industry Information Association
TINCI Guangzhou	2023	2023 China Top Ten Fine Chemical Innovation and Development Enterprises	China Chemical Industry Information Association
TINCI Guangzhou	2023	2023 Forbes China Lithium Industry Chain Top 100	Forbes China Xinyu Municipal Government
TINCI Guangzhou	2023	2023 Forbes China Lithium Industry Chain Innovation Award	Forbes China Xinyu Municipal Government
TINCI Guangzhou	2023	National Intellectual Property Demonstration Enterprises (newly identified in 2023)	China National Intellectual Property Administration
TINCI Jiujiang	2023	National Intellectual Property Advantageous Enterprises (newly determined in 2023)	China National Intellectual Property Administration
TINCI Guangzhou	2023	Typical Cases of Quality Change and Innovation by Chief Quality Officers of Guangdong Enterprises	Guangdong Administration for Market Regulation
TINCI Guangzhou	2023	Guangzhou Green Supply Chain Management Enterprises	Guangzhou Bureau of Industry and Information Technology
Resource Recycling Jiujiang	2023	2023 Wangcai Material Lithium "Golden Plume Award" Best Green Material Enterprise	Wangcai New Media Wangcai Lithium Battery
Resource Recycling Jiujiang	2023	2023 Global Lithium Resource Exploitation Awards	Fubao New Energy Lithium
Resource Recycling Jiujiang	2023	2023 Outstanding Battery Recycling and Recovery Company	Shanghai Ganglian E-Commerce Holdings Co.,Ltd.

Company name	Joining time	Associations joined	Membership status
TINCI Guangzhou	2023	Guangdong High-tech Enterprise Association	The Fourth Member of the Council
TINCI Guangzhou	2023	Guangzhou Association of Science and Technology Innovation Enterprises	Vice President Unit
TINCI Guangzhou	2023	Guangdong Manufacturers Association	The Third Member of the Council
TINCI Guangzhou	2023	Guangzhou Chemical Industry Association	The Sixth Director Unit
TINCI Guangzhou	2023	Guangzhou Development District IP Protection Association	Member Unit



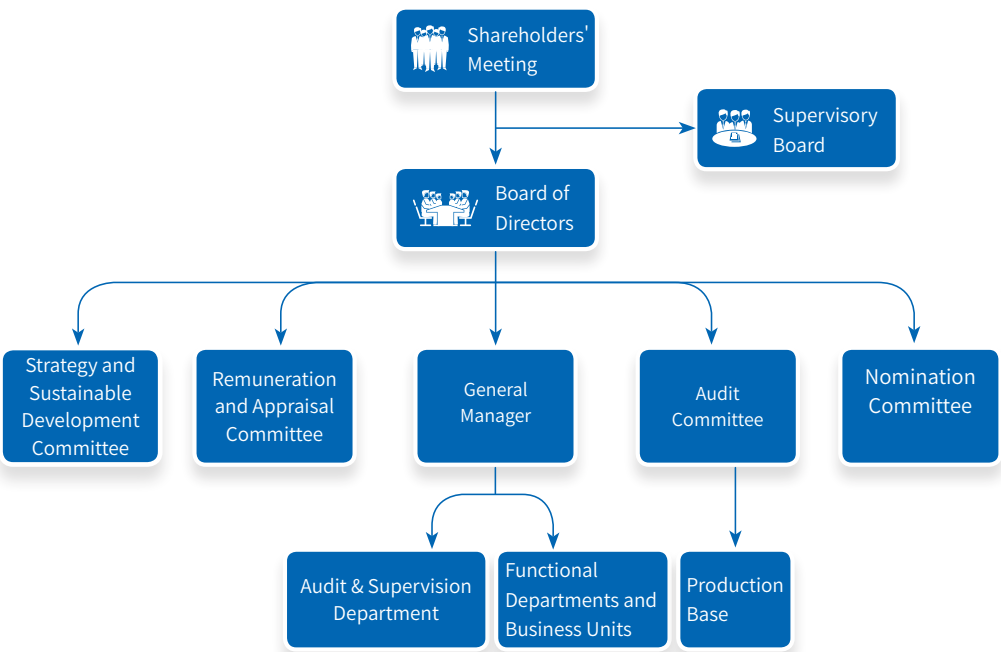
3.2 COMPANY GOVERNANCE

Standardized Governance Structure

The company strictly adheres to the requirements of "Company Law of the People's Republic of China", the latest version of the "Securities Law of the People's Republic of China," the "Essential Clauses for Articles of Association of Companies Listed Overseas," the "Special Provisions of the State Council on Overseas Issuance of Shares and Listing by Companies Limited by Shares," the "Corporate Governance Guidelines for Listed Companies," the "Stock Listing Rules of the Shenzhen Stock Exchange," and the "Articles of Association" disclosed on the Cninfo, as well as other relevant laws, regulations, and regulatory requirements. Internally, the company conducts research and interpretation of the latest version of "Company Law of the People's Republic of China" and revises relevant documents accordingly. It continuously standardizes the corporate governance structure, improves the internal control system, fulfills disclosure obligations, enhances the level of standardized operation, and takes effective measures to safeguard the legitimate rights and interests of the company and all shareholders. The company has established a decision-making, execution, and supervision system based on the structure of the shareholders' meeting, the board of directors, the supervisory board, and management.

In 2023, the company's Board of Directors' Strategy Committee was renamed the Strategy and Sustainable Development Committee, with the addition of ESG management functions. This move aimed to optimize the company's environmental, social, and governance management structure, enhance the company's ESG management level, and fully leverage the board's decision-making and supervisory role in ESG matters to achieve sustainable development.

Company Governance Structure



According to the company's "Articles of Association," the Board of Directors consists of nine directors, including four independent directors and five non-independent directors. The number, composition, and selection process of the Board of Directors comply with relevant laws and regulations, the "Articles of Association," and the "Rules of Procedure of the Board of Directors." The Board of Directors establishes the Audit Committee, the Strategy and Sustainable Development Committee, the Nomination Committee, and the Remuneration and Appraisal Committee. These specialized committees are responsible to the Board of Directors, performing their duties according to the Articles of Association and the authorization of the Board of Directors, and submitting proposals for the Board of Directors' deliberation and decision-making. The Board of Directors convenes meetings at least twice a year, chaired by the Chairman of the Board. In 2023, a total of 18 Board of Directors' meetings were held.

2023 Board of Directors membership list

Name	Gender	Role	Membership in subordinate committees	Academic and professional background
Xu Jinfu	Male	Non-Independent Director	Strategy and Sustainable Development Committee Chairman	Master's degree in Chemistry from the Chinese Academy of Sciences, Executive MBA from China Europe International Business School (CEIBS).
Gu Bin	Male	Non-Independent Director	Strategy and Sustainable Development Committee Member Remuneration and Appraisal Committee Member	Master's degree in Accounting from Zhongnan University of Economics and Law
Xu Sanshan	Male	Non-Independent Director	Strategy and Sustainable Development Committee Member	Master's degree in Business Administration from Zhejiang University
Han Heng	Male	Non-Independent Director	Strategy and Sustainable Development Committee Member Nomination Committee Member	Master's degree in Applied Chemistry from Jiangnan University
Zhao Jingwei	Male	Non-Independent Director	-	Doctoral degree in Applied Chemistry, jointly cultivated by the Shanghai Institute of Organic Chemistry, Chinese Academy of Sciences and Qingdao University of Science and Technology
Chen Limei	Female	Independent Director	Remuneration and Appraisal Committee Chairman Audit Committee Chairman	Bachelor's degree in Applied Chemistry from South China University of Technology
Zhang Mingqiu	Male	Independent Director	Strategy and Sustainable Development Committee Nomination Committee Chairman	Doctoral degree in Polymer Chemistry and Physics from Sun Yat-sen University
Nan Junmin	Male	Independent Director	Remuneration and Appraisal Committee Member Audit Committee Member	Doctoral degree in Science from Xiamen University
Li Zhijuan	Female	Independent Director	Nomination Committee Member Audit Committee Member	Master's degree in Law from Wuhan University

The "Rules of Procedure for the Board of Directors" stipulate that the Nomination Committee, in accordance with relevant laws, regulations, and the company's "Articles of Association," and considering the company's actual situation, shall study the election criteria, selection procedures, and terms of office for the directors and managers of the company. After forming a resolution, it shall submit it to the Board of Directors for approval and implement it accordingly. Nominees for directors and supervisors should possess relevant professional knowledge, as well as decision-making and supervisory capabilities. The controlling shareholders are separate from the company's executives, assets, and finances. Institutions and operations are independent, with separate accounting and individual responsibility and risk-bearing.

In 2023, the company continues to improve its governance and management structure, enhance systematic risk management, and comply with the requirements of the China Securities Regulatory Commission and the Shenzhen Stock Exchange. It will draw on industry best practices to further improve environmental, social, and governance (ESG) aspects.

The decision-making process, determination basis, and actual payment details of compensation for directors, supervisors, and senior management personnel are detailed in the annual report.

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

Enhanced Risk Control and Compliance Management

To ensure the legality and compliance of operational management, asset security, and to enhance operational efficiency and effectiveness, and to promote the realization of development strategies, the company establishes an internal control system and formulates internal control regulations and evaluation methods in accordance with the "Basic Standards for Enterprise Internal Control" and its supporting guidelines, as well as other internal control regulatory requirements.

The company clearly stipulates in its "Anti-Fraud and Whistleblower Management System" that it prohibits financial fraud, concealment or deletion of important information intended for external disclosure, tax evasion, and other fraudulent activities aimed at obtaining undue benefits for the company. To ensure tax compliance, the company has also established the "Tax Declaration Risk Management System," "Tax Self-Inspection Mechanism Management System," "Invoice Management System," and "Export Tax Rebate Risk Management System." These systems specify

the tax policies and principles applicable to Guangzhou Tinci Materials Technology Co., Ltd. and its wholly-owned, controlling subsidiaries, and branch offices, encouraging each local subsidiary to formulate corresponding implementation rules based on local tax policies. The Accounts Receivable and Tax Accounting departments are responsible for monthly account reconciliation, while the Group Finance Department organizes subordinate companies to conduct tax self-inspections, including routine tax self-inspections, self-inspections prior to special inspections, and self-inspections during final tax settlement.

The internal audit department conducts audits and supervision on the implementation of the company's internal control system, as well as the progress of company projects, in accordance with the provisions of the "Internal Audit System," effectively strengthening the company's standardized operations. In 2023, internal audits did not uncover any significant deficiencies in internal controls outside of financial reporting.

Transparent Information Disclosure

The company appoints a Board Secretary who is responsible for preparing the company's shareholder meetings and board meetings, managing documents, maintaining shareholder records, handling information disclosure matters, investor relations, and other related tasks. During the reporting period, the company has consistently fulfilled its disclosure obligations in accordance with the requirements of the "Company Law," "Securities Law," "Shenzhen Stock Exchange Listing Rules," "Articles of Association," and "Information Disclosure Management System." This ensures that the company discloses information to the public truthfully, accurately, completely, timely, and fairly, thereby enhancing the transparency and openness of company governance.

The company discloses information to investors through the Cninfo (<http://www.cninfo.com.cn/new/index>) and Quanjing (<https://ir.p5w.net/>). The disclosed information includes company announcements, research reports, investment ratings, financial indicators, periodic reports,

company profiles, corporate systems, and other relevant information. In the fiscal year 2023, a total of 312 announcements were disclosed to the public. The board of directors diligently reviews all disclosure announcements to ensure that the content of the company's information disclosure is truthful, accurate, and complete, without false records, misleading statements, or major omissions. Directors pay close attention to the company's information disclosure and supervise the company to fulfill its information disclosure obligations in accordance with the requirements of the Shenzhen Stock Exchange Listing Rules, relevant laws and regulations, the company's "Articles of Association," and the "Information Disclosure Management System." For three consecutive years, the company has received the highest rating of "A" in the Shenzhen Stock Exchange's information disclosure evaluation. Additionally, the company was honoured as the "Annual Innovation Enterprise" on the 2023 First Financial Capital Market Value List.

Investor Relations Management

Since its listing in 2014, Tinci Materials has placed great emphasis on investor relations management, considering it a focal point of its daily operations. The company's investor relations team diligently explores the business value of the company in the secondary market and showcases its core business advantages. Through regularly hosting performance briefings, providing easily understandable performance snapshots, conducting both forward and reverse roadshows, welcoming visits from investors and analysts, participating in domestic and international investor conferences, and earnestly maintaining communication channels such as the Shenzhen Stock Exchange's Interactive Easy Platform, online investor receptions, investor hotlines, and investor email, Tinci Materials engages in comprehensive and multidimensional communication with the market. Consequently, it has gained recognition from a wide range of institutional and retail investors.

The company's investor relations team responded investor inquiries through the Interactive Easy Platform

115 items

Response rate is

100%



Institutional investors participated in on-site research at Tinci Jiujiang.

Since 2023, the company's investor relations team has responded to 115 investor inquiries through the Interactive Easy Platform, achieving a response rate of 100%. Apart from promptly addressing inquiries on the Shenzhen Stock Exchange's Interactive Easy Platform, the team also ensures timely publication of communication summaries following interactions with institutional investors in the secondary market, thus guaranteeing the timely dissemination of information.

The company's investor relations team actively builds diverse communication channels, exploring various means to engage in extensive and in-depth exchanges with investors. They listen to investors' opinions, accurately convey the company's information, and uphold long-term trust relationships between investors and the company.

Practicing Business Ethics

In response to business ethics, the company has established multiple management systems such as the "Anti-Fraud and Whistleblower Management System" and the "Internal Supervision Management System." These systems prohibit bribery, tax evasion, and other forms of commercial fraud. Additionally, they establish procedures for reporting, receiving, and investigating fraudulent activities.

In 2023, the Group Audit Department incorporated supervisory functions and was renamed the Audit and Supervision Department. It is responsible for establishing and improving relevant management systems and anti-fraud mechanisms, optimizing company authority control and process control, and strengthening anti-corruption efforts to foster a culture of integrity and honesty. During the reporting period, the department released the "Internal Supervision Management System" and the "Audit and Supervision Accountability Management System," outlining the basis for handling fraudulent issues, investigation processes for fraudulent issues, authorized permissions, and measures that can be employed. The supervisory function conducts routine inspections and gradually establishes a mechanism for real-time supervision to prevent fraud risks.

The Audit and Supervision Department has established a dedicated hotline and email address for reporting complaints, accepting reports and complaints of various violations, breaches, and illegal activities. The dedicated hotline and email address for reporting complaints have been published on the company's official website and notice boards.

Reporting hotline | Reporting E-mail

13422286620 | tousujubao@tinci.com

According to the "Anti-Fraud and Whistleblower Management System" and the "Internal Supervision Management System," the company implements confidentiality measures for any complaints or

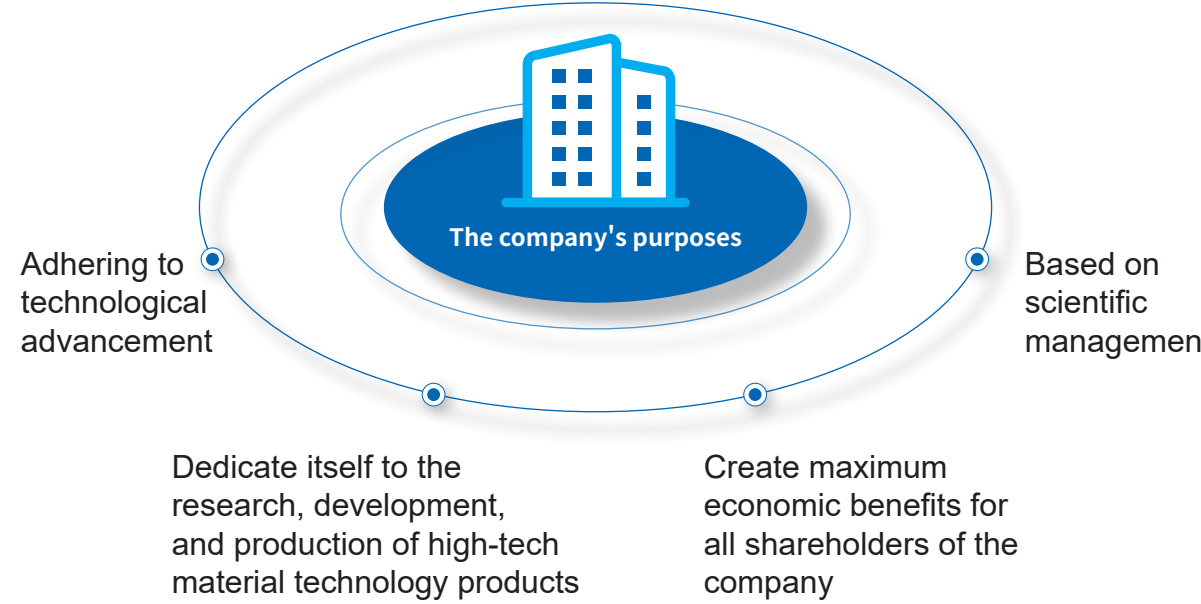
reports. It strictly maintains confidentiality regarding the complainant's name, department, and the content of the complaint or report. When receiving complaints or verifying information from the complainant, the company ensures confidentiality and does not disclose the identity of the complainant, safeguarding their personal interests and preventing.

During the reporting period, in accordance with the "Audit and Supervision Accountability Management System," the company completed accountability for 14 individuals through audit and supervision, all of which were handled in accordance with the company's established procedures.

In 2023, the Audit and Supervision Department conducted offline integrity training sessions and online integrity dissemination courses within the company. Four offline integrity training sessions were completed, covering a total of 132 participants on-site. Additionally, integrity courses were launched on the Tinci Lecture Hall online platform, with approximately 349 individuals trained during the reporting period, totalling approximately 108 hours of training.

In addition, the company emphasizes the protection of trade secrets and has established a project team for building a trade secret protection system. This initiative strengthens the company's protection of trade secrets to ensure its core competitiveness and sustainable development. The goal is to establish a comprehensive mechanism for protecting trade secrets, ensuring the confidentiality and security of proprietary information. In 2023, the company collaborated with the Guangzhou Development District Intellectual Property Bureau to organize exchanges and discussions on trade secret protection with public security, procuratorial, and judicial authorities, as well as enterprises within the district. This effort aims to promote the establishment of innovative pilot projects for trade secret protection. Furthermore, the subsidiary Tinci Jiujiang has been designated as the "Hukou County Trade Secret Protection Contact Point" in Jiujiang City, enhancing its role in safeguarding trade secrets.

3.3 COMPANY OPERATIONS



The company's product strategy focuses on long-term development in lithium-ion battery materials and personal care materials. It revolves around the vertical and horizontal expansion of existing product lines, driven by strategies such as continuous innovation, value chain integration, platform extension, and investment mergers and acquisitions, aimed at advancing the company's growth and expansion.

The company has established seven major product units: Electrolyte Business Unit, Battery Basic Materials Unit, Personal Care Materials Business Unit, Specialty Chemicals Business Unit, Cathode Materials Business Unit, Cathode Precursor Materials Business Unit, and Resource Recycling Business Unit. It aims to build an advanced manufacturing and technology center focusing on "green chemistry, circular economy, and intelligent manufacturing," ensuring international competitiveness in product quality and operational standards. Technologically, the company leads its business with innovation, strives to win customers with high-quality products, and earns market trust through meticulous and reliable service.

The company's main tax entities within China include the parent company, TINCI Jiujiang, Resource Recycling Jiujiang, TINCI Chizhou, KAIXIN Ningde, KAIXIN Fuding, TINCI Yichun, TINCI Yichang, TINCI Jiangsu, TINCI Qingyuan, TINCI Zhejiang, TINCI Jiangmen, TINCI Sichuan, and 43 wholly-owned or partially-owned subsidiaries. The main tax items include value-added tax, urban maintenance and construction tax, and corporate income tax. The company's overseas tax entities include Tinci Hong Kong, Tinci USA, Tinci Germany, Tinci Morocco, Tinci Zimbabwe, and 13 subsidiary companies, which are subject to the applicable local profit tax rates.

ABOUT THIS REPORT

CHAIRMAN SPEECH

ABOUT TINCI MATERIALS	During its operations, the company must strictly adhere to relevant laws and regulations such as the "Anti-Unfair Competition Law of the People's Republic of China" and the "Anti-Monopoly Law of the People's Republic of China. " It should establish its brand, promptly register trademarks, and apply for patent protection to avoid unfair competition infringements. If any other company is found to engage in unfair competition against the company, legal measures should be taken promptly to prevent such behaviour. During the reporting period, the company did not encounter any legal lawsuits related to unfair competition or anti-monopoly laws.
SUSTAINABLE DEVELOPMENT MANAGEMENT	
PRODUCT RESPONSIBILITY	
TINCI SAFETY	
TINCI ENVIRONMENTAL	
SUSTAINABLE PROCUREMENT PROTECTION	Based on the company's operational situation, in 2023, the company initially formulated sustainable development goals at the operational level. These goals are planned to be further decomposed to various functional departments and subsidiary companies in the first half of 2024. The objectives cover three main areas: company governance, environment, and society. Specific target requirements for each functional department are defined to collectively promote the company's sustainable development.
CARING FOR EMPLOYEES	
COMMUNITY ENGAGEMENT	
FUTURE OUTLOOK	During the reporting period, the company regularly convened executive meetings chaired by the general manager to review operational matters, internal organizational structure proposals, and other related issues. From various aspects including business development, marketing, product innovation, organizational development, talent management, safety production, and environmental protection management, the company strengthened its management practices to comprehensively enhance its competitive capabilities and facilitate overall growth.
REPORT VALIDATION	
INDEX OF INDICATORS	
APPENDIX	

Tinci materials economic performance

Project	2021	2022	2023
Total revenue (yuan)	11,090,801,692.82	22,316,935,603.86	15,404,639,485.24
Tax paid (yuan)	678,460,731.59	1,996,788,936.98	1,466,888,870.36
Operating costs (yuan)	7,210,975,942.25	13,843,385,622.32	11,411,598,928.41
Total operating costs (yuan)	8,136,938,848.23	15,572,673,677.45	13,048,760,088.59
Net profit attributable to shareholders of the listed company (yuan)	2,208,337,176.26	5,714,438,026.64	1,890,621,314.16
EPS (yuan)	2.35	2.99	0.99
R&D expenditure (yuan)	378,171,883.04	893,920,706.90	645,542,164.91
Safety and environmental protection expenditure (yuan)	58,486,619.64	87,087,145.44	78,227,406.31
Charitable donations (yuan)	850,000.00	4,110,141.38	1,897,147.10

Note: All financial data, including tax data, is verified by an external independent third party before publication.

The economic performance data is sourced from the company's annual reports from 2021 to 2023. Annual report download address:

2021 Annual Report:<http://www.cninfo.com.cn/new/disclosure/detail?plate=szse&orgId=9900022986&stockCode=002709&announcementId=1212635843&announcementTime=2022-03-22>

2022 Annual Report:<http://www.cninfo.com.cn/new/disclosure/detail?plate=szse&orgId=9900022986&stockCode=002709&announcementId=1216373040&announcementTime=2023-04-11>

2023 Annual Report:<http://www.cninfo.com.cn/new/disclosure/stock?stockCode=002709&orgId=9900022986#periodicReport>



SUSTAINABLE DEVELOPMENT MANAGEMENT

- 4.1 RESPONSE TO THE UN SUSTAINABLE DEVELOPMENT GOALS
- 4.2 STAKEHOLDER ENGAGEMENT
- 4.3 MATERIAL TOPIC IDENTIFICATION

ABOUT THIS REPORT

CHAIRMAN SPEECH

ABOUT TINCI MATERIALS

● SUSTAINABLE DEVELOPMENT MANAGEMENT

PRODUCT RESPONSIBILITY

TINCI SAFETY

TINCI ENVIRONMENTAL

SUSTAINABLE PROCUREMENT PROTECTION

CARING FOR EMPLOYEES

COMMUNITY ENGAGEMENT

FUTURE OUTLOOK

REPORT VALIDATION

INDEX OF INDICATORS

APPENDIX

4.1

RESPONSE TO THE UN SUSTAINABLE DEVELOPMENT GOALS



The company highly focuses on global sustainable development and actively responds to the United Nations Sustainable Development Goals (SDGs). It consistently follows the path of sustainable development and showcases its positive contributions to global sustainable development goals by disclosing its actual actions in operation.



Goal 1: No Poverty

- Actively participating in provincial, municipal, and district-level organizations, community construction, donating to education, poverty alleviation, and other social welfare activities, deeply engaging with poverty-alleviation partner schools and impoverished families.
- Promoting rural revitalization, assisting rural enterprises in building platforms, widening roads, and engaging in other public welfare activities.
- The cumulative public welfare expenditure for the year 2023 amounted to 1.897 million yuan.



Goal 4: Quality Education

- Long-term support for local public welfare and educational assistance activities, providing targeted support and donations to Hukou County Middle School.
- Establishing joint laboratories with major universities and actively promoting talent cultivation efforts.
- Organizing chemistry popular science activities for young people in collaboration with the joint party branch and public relations department to cultivate innovation awareness among teenagers.



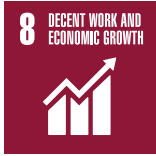
Goal 5: Gender Equality

- Adhering to equal pay for equal work between male and female employees, and promoting gender equality.
- The proportion of female directors is 22.2%.
- In 2023, female employees accounted for 27.50% of the total company workforce. Among them, there were 131 female managers, accounting for 23.91% of the total management staff.



Goal 7: Affordable and Clean Energy

- Creating an industrial circular economy to enhance the effective recycling and reuse of production materials.
- Actively seeking renewable alternative energy sources and increasing the use of clean energy.
- Setting sustainable clean energy usage targets: By 2025, the company aims for 30% coverage of green electricity.



Goal 8: Decent Work and Economic Growth

- The company adheres to an open, fair, and equal employment policy. During the recruitment process, strict scrutiny and control are exercised to ensure that child labour is not employed, thereby guaranteeing equal employment rights and opportunities for all employees.
- All regular employees are provided with formal labour contracts in accordance with legal requirements, ensuring social security benefits.
- Competitive remuneration and benefits are offered to employees, following a "salary + bonus" strategy. Additionally, employees are provided with stock options and equity allocation, allowing them to benefit from the company's growth dividends.



Goal 9: Industry, Innovation and Infrastructure

- Possessing a National Enterprise Technology Centre, an Academician Workstation, a Postdoctoral Research Workstation, and a Guangdong Provincial Engineering and Technology Research Centre.
- Establishing multiple joint laboratories with various universities and research institutes to introduce cutting-edge materials and technologies into the company for incubation.



Goal 12: Responsible Consumption and Production

- Imposing sustainable development requirements on the key raw material suppliers, requiring them to sign a "Social and Environmental Responsibility Commitment" to promote mutual sustainable development.
- Regularly publishing ESG (Environmental, Social, and Governance) reports annually, communicating with stakeholders about the progress of the company's sustainable development actions.



Goal 13: Climate Action

- Actively aligning with the global trend of energy conservation and low-carbon initiatives, responding to the national 30-60 decarbonization policy, vigorously advocating for the concept of energy conservation and steadily promoting energy-saving efforts.
- Initiating a carbon emission audit across the group, setting scientifically grounded carbon reduction targets, thereby promoting green ecological development.
- The QCC energy-saving and consumption-reduction projects have reached 140 items, marking a 30% increase compared to 2022.

ABOUT THIS REPORT

CHAIRMAN SPEECH

ABOUT TINCI MATERIALS

SUSTAINABLE DEVELOPMENT MANAGEMENT

PRODUCT RESPONSIBILITY

TINCI SAFETY

TINCI ENVIRONMENTAL

SUSTAINABLE PROCUREMENT PROTECTION

CARING FOR EMPLOYEES

COMMUNITY ENGAGEMENT

FUTURE OUTLOOK

REPORT VALIDATION

INDEX OF INDICATORS

APPENDIX

4.2 STAKEHOLDER ENGAGEMENT



The stakeholders of Tinci Materials' sustainable development include employees, shareholders and investors, communities, customers, suppliers, contractors, government departments, financial institutions, industry associations, competitors, media, and non-governmental organizations (NGOs). The company's various business departments are responsible for communicating and interacting with these stakeholders, and textual records are maintained when necessary. Based on the frequency of daily interactions, the degree of mutual impact between Tinci Materials and stakeholders in economic, environmental, and social aspects, as well as referring to the five principles of the AA1000 Stakeholder Engagement Standard (SES): Dependence, Responsibility, Influence, Diverse Perspectives, and Attention, we have identified employees, shareholders, communities, customers, suppliers, contractors, and government departments as our key stakeholders.

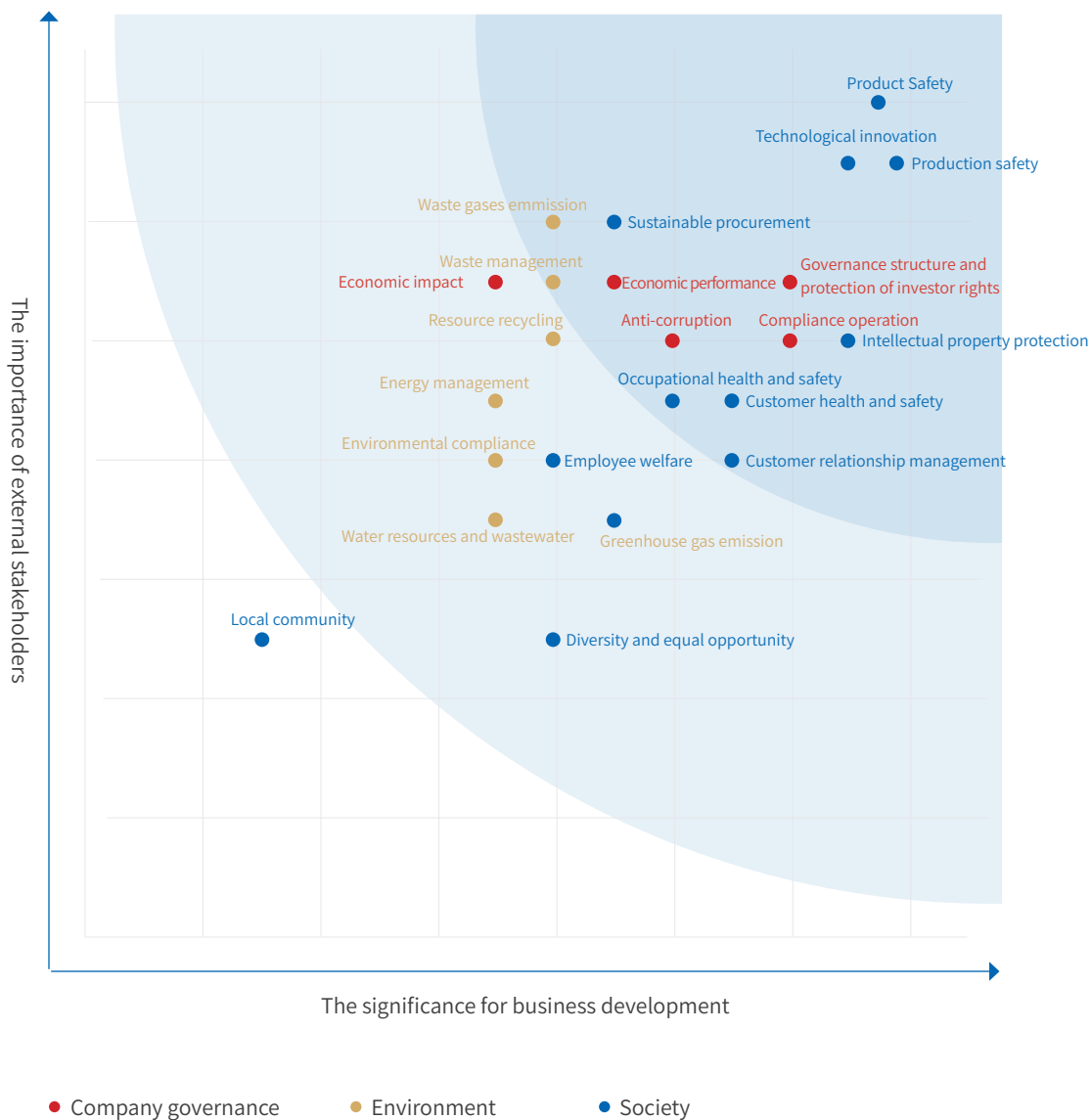
关键利益相关方参与

Stakeholder	Content	Method	Frequency	Docking department
 Employees	Occupational health and safety Welfare benefits, Training and career development, Business ethics, Intellectual property rights, Technology confidentiality, and Non-compete requirements.	Onboarding training Annual training programs Regular and ad-hoc meetings Information bulletin boards Company intranet Company email Corporate WeChat platform OA system complaint platform Internal employee communication platform KK Workers' congress Annual performance review	Regular: Staff representative congress Annual performance review Annual training and weekly, monthly, quarterly, and annual meetings Ad-hoc: Employee correspondence Internal employee communication platform kk Company WeChat platform Ad-hoc meetings OA system complaint platform	The administrative departments of the parent company and its subsidiaries.
 Shareholders and investors	ESG strategy, policies, and performance ESG rating results Financial performance Brand image Corporate governance Risk management	Board of directors Shareholders' meeting Investor relations day Performance briefing Announcements Investor relations interactive platform Telephone conference / offline institutional strategy meeting	Regular meetings and ad-hoc meetings	The board office.
 Local community	Social welfare Environmental protection	Notice board WeChat/QQ groups Employee services and public welfare activities Promotion of environmental education Occasional participation in community activities	Ad-hoc	The administrative departments of the parent company and its subsidiaries.
 Clients	Social responsibility Customer service Product responsibility Product quality and technology research and development Alignment of sustainable development concepts, management methods, and actual performance with their requirements	Annual customer satisfaction survey Quality certification Customer reviews Order or contract responses Regular/ad hoc customer visits Phone/email Service hotline	Regular: Annual customer satisfaction survey Ad-hoc: Order or contract requirements, Customer reviews, visits, Phone/email communication, Service hotline	Market Development Department Business Units Research Institute Quality Operations Department Corresponding departments in various subsidiaries
 Suppliers and contractors	Company's sustainable development strategy Supply chain management Anti-corruption	Supplier evaluation Company WeChat platform Communication feedback via phone or email Business visits	Regular: Annual supplier evaluation Ad-hoc: Phone/email communication	Procurement Department Quality Operations Department
 Government agencies	Compliance with regulations Information disclosure Consistency between sustainable development strategy and government policy guidance	Accessing government websites for policies Receiving government documents Compliance inspections for environmental protection, safety production, fire safety, labor, taxation, etc. Participating in regulatory department regulations seminars, workshops, or forums Regular/ad-hoc visits	Ad-hoc	The administrative departments of the parent company and its branches.

4.2 MATERIAL TOPIC IDENTIFICATION

In the process of identifying the material topics for this report, we conducted interviews with various functional departments. We compiled and analyzed the concerns and requests raised by stakeholders over the past few years, and we integrated them with the significant impacts of the company's main business processes on the economic, environmental, and social aspects. Through this analysis, we determined the material topics that need to be disclosed in the 2023 Sustainable Development Report and its scope.

Based on the overall business development this year, our work priorities, and the advanced ESG management practices of peer companies, we have comprehensively updated the topic database and prioritized the importance of topics. The company has constructed a material topic matrix based on two dimensions: the impact of the topics on the company's own sustainable development and their impact on external stakeholders. Through this process, we have determined the importance and ranking of topics.



Substantive topics and disclosure scope of this report

Category		Material topic	Disclosure scope
Governance	1	Governance structure and investor protection	Companywide
	2	Compliance operation	Companywide
	3	Anti-corruption	Companywide
Economy	4	Economic performance	Companywide
	5	Economic impact	Companywide
Environment	6	Energy management	Parent company and certain subsidiaries
	7	Recycling of resources	Parent company and certain subsidiaries
	8	Water resources and wastewater	Parent company and certain subsidiaries
	9	Waste gases emission	Parent company and certain subsidiaries
	10	Waste management	Parent company and certain subsidiaries
	11	Greenhouse gas emission	Parent company and certain subsidiaries
	12	Environmental compliance	Companywide
Society	13	Intellectual property protection	Companywide
	14	Technological innovation	Companywide
	15	Product safety	Companywide
	16	Customer health and safety	Companywide
	17	Customer relationship management	Companywide
	18	Production safety	Parent company and certain subsidiaries
	19	Sustainable procurement	Companywide
	20	Diversity and equal opportunity	Companywide
	21	Employee welfare	Companywide
	22	Occupational health and safety	Parent company and certain subsidiaries
	23	Training and education	Companywide
	24	Local community	Companywide

Note: The scope of this report has been expanded compared to 2023, mainly focusing on material topics: customer health and safety, sustainable procurement, diversity and equal opportunities, employee welfare, training and education, and local communities. The scope has expanded from "the parent company and some subsidiaries" to "the entire company."



PRODUCT RESPONSIBILITY

INNOVATION MANAGEMENT

R&D investment in 2023	Account for operating income
645.54 million yuan	4.19%
Proportion of Master+Doctor among R&D personnel	Guangdong Technological Invention Award
28.3%	second prize

INTELLECTUAL PROPERTY PROTECTION

Cumulative patent application	Growth year-on-year in 2023	Annual target achievement rate of patent application
827 items	34.91%	127%

CRAFTSMANSHIP QUALITY

80% of the stable operating production bases passed ISO 9001: 2015 Quality Management System Certification or IATF 16949: 2016 Automotive Industry Quality Management System Certification

7

AFFORDABLE AND CLEAN ENERGY

8

DECENT WORK AND ECONOMIC GROWTH

9

INDUSTRY, INNOVATION AND INFRASTRUCTURE

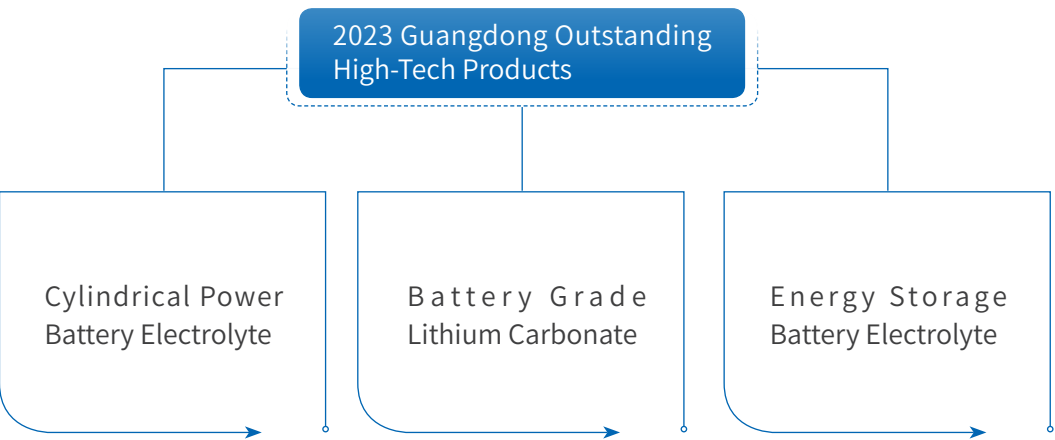
13

CLIMATE ACTION

5.1 INNOVATION MANAGEMENT

Tinci Materials focuses on independent research and innovation, with a well-established research and development organizational structure. The research institute comprises the New Energy Materials R&D Platform, Analytical Testing Platform, R&D Experiment Centre, Product Management Department, and Intellectual Property Department. These entities are responsible for cutting-edge development, mechanism research, product and technology platform construction and management. They engage in significant technical cooperation research, development, and design, while overseeing intellectual property management. Moreover, they organize participation in internal and external technical exchanges and cooperation initiatives.

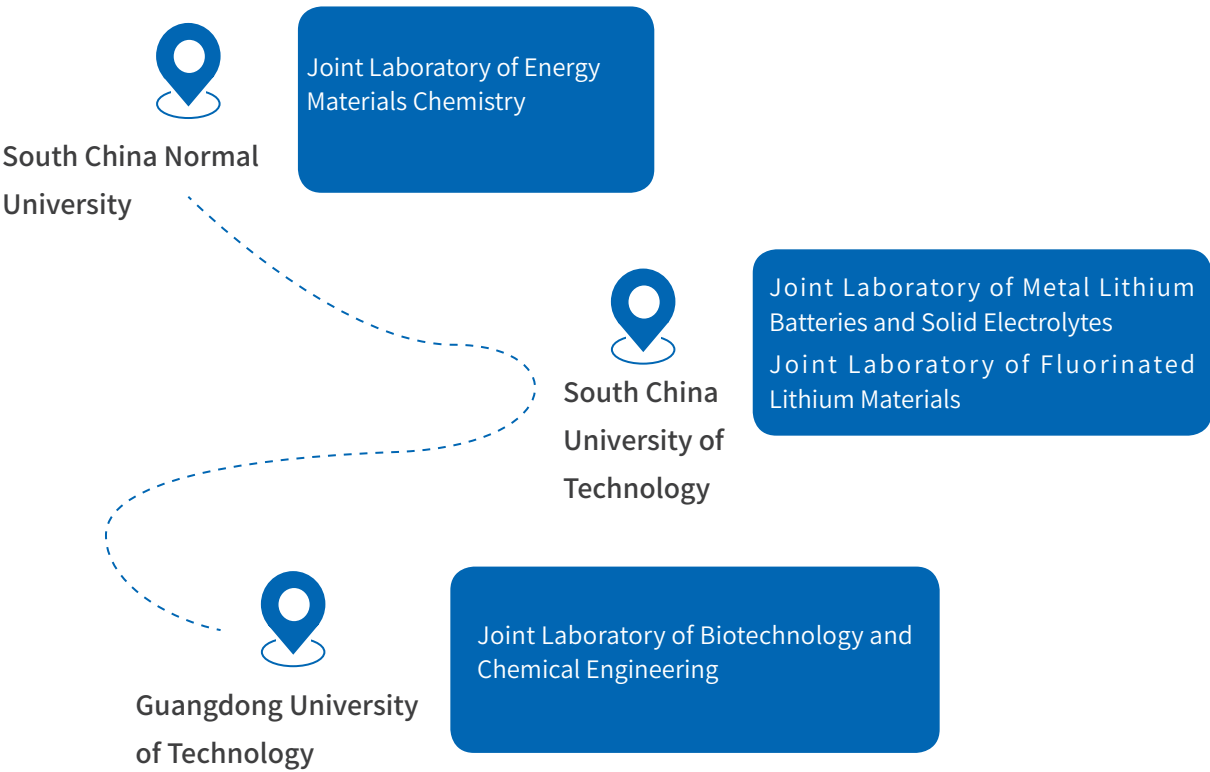
In 2023, the Guangdong High-Tech Enterprise Association announced the list of outstanding high-tech products in Guangdong Province. Three products from our company were awarded the title of Outstanding High-Tech Products of Guangdong Province in 2023. Additionally, our project "Development and Industrialization of New Organic Silicon Safe Electrolyte Materials for Potassium Batteries" received the second prize of the Guangdong Province Technology Invention Award.



The company has established multiple joint laboratories with various universities and research institutes to incubate cutting-edge materials and technologies within the company. In 2023, the research institute introduced 16 Ph.D. scholars from different research fields to conduct research on the development trends of industries such as perovskite batteries, semiconductor photolithography resists, and biogenic synthesis. Through project and product management, the company ensures seamless integration of market needs, technology advancements, and product development, maintaining sensitivity to market dynamics at all times.

As a company deeply rooted in the electrolyte industry, especially in the field of lithium hexafluorophosphate for over a decade, the company has long been attentive to the development of sodium-ion batteries. It participated in the National Key Research and Development Program during the 14th Five-Year Plan, specifically the Energy Storage and Smart Grid Key Special Project. The company is responsible for the sub-project "Optimization of High-Stability Electrolyte Materials and Mass Production Technology for Sodium-ion Batteries" led by the Institute of Physics of the Chinese Academy of Sciences. As the sole electrolyte manufacturer participating in this project, the company is making substantial preparations for the research and development of sodium-ion battery materials technology.

Currently, the company possesses several significant research and development facilities and collaborations: National Enterprise Technology Centre, Academician Workstation, Postdoctoral Research Workstation, Guangdong Provincial, Engineering Technology Research and Development Centre, Guangdong Provincial Enterprise Technology Centre, Jiangxi Provincial Enterprise Technology Center, Guangdong Provincial Lithium Battery Electrolyte Material Engineering Laboratory, Ministry of Education Engineering Technology Research and Development Center for Electrochemical Energy Storage Materials and Technology. In collaboration with universities: Joint Energy Materials Chemistry Laboratory with South China Normal University, Joint Laboratory for Metal Lithium Batteries and Solid Electrolytes with South China University of Technology, Joint Laboratory for Fluorinated Lithium Materials with South China University of Technology, Joint Laboratory for Biotechnology and Chemical Engineering with Guangdong University of Technology. These collaborations focus on the joint development and introduction of new materials and technologies, contributing significantly to the company's research and development efforts.



- ABOUT THIS REPORT
- CHAIRMAN SPEECH
- ABOUT TINCI MATERIALS
- SUSTAINABLE DEVELOPMENT MANAGEMENT

PRODUCT RESPONSIBILITY

- TINCI SAFETY
- TINCI ENVIRONMENTAL
- SUSTAINABLE PROCUREMENT PROTECTION
- CARING FOR EMPLOYEES
- COMMUNITY ENGAGEMENT
- FUTURE OUTLOOK
- REPORT VALIDATION
- INDEX OF INDICATORS
- APPENDIX

The company has consistently adhered to increasing investment in research and development (R&D) to enhance its R&D capabilities. During the reporting period, the company invested 645 million yuan in R&D expenses, accounting for 4.19% of the operating income. In terms of building the R&D team, as of this year, the number of R&D personnel has increased by 12.3% compared to the previous year. Among them, there are 128 individuals with master's degrees, 27 individuals with doctoral degrees, with the proportion of master's and doctoral degree holders accounting for 28.3%.

Project	2021 年	2022 年	2023 年
The number R&D personnel	380	487	547
The proportion of R&D personnel	9.45%	8.11%	7.98%
The amount of R&D investment(yuan)	378,171,883.04	893,920,706.90	645,542,164.91
R&D investment as a percentage of operating income	3.41%	4.01%	4.19%

In 2023, the company organized the 17th Tinci Innovation and Development Forum.Each year, guests gather to explore the innovative development path of new energy and new materials in the field of science and technology. In 2023, the theme was "Intelligence Initiates Dual Carbon, Energizes the World". Discussions revolved around carbon neutrality strategies, innovation in new energy technologies, green chemical production, talent development, and social responsibility. The forum aimed to explore global and Chinese trends and solutions in the green energy industry. It provided a new platform and opportunities for Tinci Materials as a technology incubator and for its collaborations with major universities and research institutes.



5.2 INTELLECTUAL PROPERTY PROTECTION

Tinci Materials places great importance on the protection of intellectual property rights, adhering to the principle of "products remain static, patents take precedence." Emphasizing early patent layout, the company integrates patent management into all stages of project management. Intellectual property protection is implemented throughout the project initiation, development, and acceptance processes. Continuous monitoring and iteration of patent risk information are conducted, followed by patent risk analysis for project outcomes to effectively control risks. Furthermore, the company has established a "Patent Management System" and set annual intellectual property management objectives to promote the management, protection, and utilization of patents. A comprehensive intellectual property management system has been established, with TINCI Guangzhou having already obtained certification for its Intellectual Property Management System.

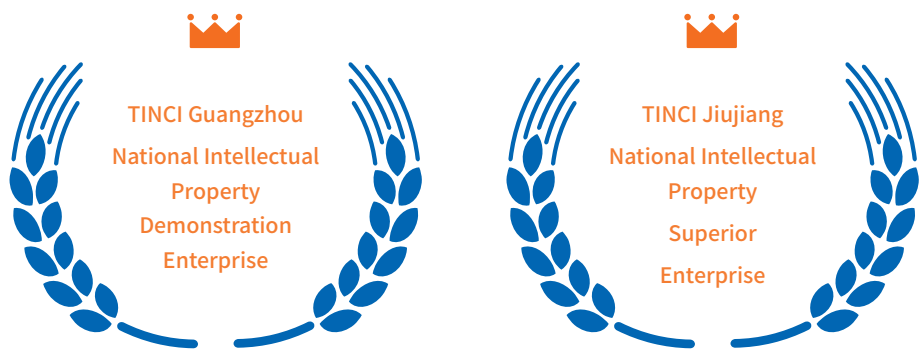
The branch office certified through the Intellectual Property Management System

Company name	Certified project	Third-party certification body
TINCI Guangzhou	GB/T 29490: 2013 Intellectual Property Management System	Zhonggui Certification



- ABOUT THIS REPORT
- CHAIRMAN SPEECH
- ABOUT TINCI MATERIALS
- SUSTAINABLE DEVELOPMENT MANAGEMENT
- PRODUCT RESPONSIBILITY
- TINCI SAFETY
- TINCI ENVIRONMENTAL
- SUSTAINABLE PROCUREMENT PROTECTION
- CARING FOR EMPLOYEES
- COMMUNITY ENGAGEMENT
- FUTURE OUTLOOK
- REPORT VALIDATION
- INDEX OF INDICATORS
- APPENDIX

2023 年获得荣誉



Intellectual Property training

In 2023, the Intellectual Property Center organized several patent training sessions, covering topics ranging from strategies in intellectual property management to the utilization of tools and analysis of specific cases. These sessions aimed to enhance the intellectual property protection capabilities of research and development personnel. By leveraging patent information to empower technological innovation, a total of 131 individuals participated in the training sessions, accumulating a total training duration of 196 hours.



To encourage employees to actively participate in patent protection efforts, Tinci Materials has established a patent acceptance reward application process. Based on the type of patent and the level of technological innovation, rewards are granted to inventors. In 2023, a total of 416,000 yuan in rewards were distributed. The total investment in patent management by the company in 2023 reached 2.56 million yuan.

In 2023, the Group Research Institute and various business units set annual goals for patent applications. As of the end of December 2023, the completion status is as follows:

Indicator	Target value	Completion status in 2023	Completion rate
Annual patent application goal	130	165	127%

The patent acquisition status of Tinci Materials and its subsidiaries

Types of patents	2021	2022	2023	Year-on-year growth rate in 2023
Cumulative number of patent applications	466	613	827	34.91%
Cumulative number of granted patents	301	318	449	41.19%

5.3 CRAFTSMANSHIP QUALITY

Quality Management System

Tinci Materials consistently adheres to the quality policy of "rigorous research and development, meticulous manufacturing, stability and reliability, continuous improvement, and leveraging high-quality industrial chains to assist customers." We are committed to providing customers with high-quality products and services. Simultaneously, we have also released the "Quality Incident Management System" to strengthen the company's quality management, improve the quality responsibility system, standardize the reporting, investigation, and handling of quality incidents, and enhance employees' quality awareness and sense of responsibility.

In 2023, the company intensified its system certification for major production bases. 80% of the stable operating production bases passed ISO 9001: 2015 Quality Management System Certification or IATF 16949: 2016 Automotive Industry Quality Management System Certification. Additionally, specific objectives and implementation plans were set, including goals such as "well-functioning systems, standardized management of abnormal raw material quality, and base quality audits." The targets for 2023 included achieving a 100% success rate in "no serious non-conformities found in external audits, successful implementation of new systems, and no major non-conformities found in government inspections."

ABOUT THIS REPORT

CHAIRMAN SPEECH

ABOUT TINCI MATERIALS

SUSTAINABLE DEVELOPMENT
MANAGEMENT

● PRODUCT RESPONSIBILITY

TINCI SAFETY

TINCI ENVIRONMENTAL

SUSTAINABLE PROCUREMENT
PROTECTION

CARING FOR EMPLOYEES

COMMUNITY ENGAGEMENT

FUTURE OUTLOOK

REPORT VALIDATION

INDEX OF INDICATORS

APPENDIX

Branches with quality-related certifications

Company name	Certified project	Third-party certification body
TINCI Guangzhou	ISO 9001: 2015 Quality Management System	SGS
TINCI Jiujiang	ISO 9001: 2015 Quality Management System	SGS
KAIXIN Ningde	ISO 9001: 2015 Quality Management System	Intertek
TINCI Chizhou	ISO 9001: 2015 Quality Management System	Kaixin Certification
TIANSHUO Zhejiang	ISO 9001: 2015 Quality Management System	Great Wall Certification
Resource Recycling Jiujiang	ISO 9001: 2015 Quality Management System	Shenzhen City Zhongsheng Certification
TINCI Qingyuan	ISO 9001: 2015 Quality Management System	SGS
TINCI Yichang	ISO 9001: 2015 Quality Management System	SGS
TINCI Jiujiang	IATF 16949: 2016 Automotive Industry Quality Management System	SGS
KAIXIN Ningde	IATF 16949: 2016 Automotive Industry Quality Management System	Intertek
TINCI Yichun	IATF 16949: 2016 Automotive Industry Quality Management System	NQA
TINCI Jiujiang	IPEC-PQG GMP: 2017 Good Manufacturing Practice for Pharmaceutical Excipients	DQS

The company has issued the "Six Sigma Project Management System" and the "QCC Improvement Management System," continuously promoting Quality Control Circle (QCC) improvement projects. Employees are encouraged to enhance their awareness of problem identification and resolution, fostering an environment of collective participation in self-improvement. This initiative aims to further enhance the company's product manufacturing efficiency, reduce production and operational costs. In 2023, a total of 1,245 improvement projects were approved through group audits, rewarding internal improvement personnel with a sum of 290,000 yuan. Additionally, the Guangzhou base participated in the Quality Management Group activities of the Huangpu Development Zone in Guangzhou, winning one third prize and two excellent prizes.



QCC improvement program types	Purpose	Number of projects in 2022	Number of projects in 2023
Safety and environmental protection	Mitigate safety and environmental risks	220	211
On-site	Stabilize process quality, improve product quality, reduce consumption, and improve production environment by focusing on shift and workshop operators	460	535
Management	Improve the quality of operational work, solve problems in management, and improve the management level	223	255
Service	Standardize, systemize, and streamline service operations to enhance service quality	46	45
Energy saving and consumption reduction	Reduce overall costs and consumption	108	140
Innovation and tackling key	Address technical issues	121	59

Product Testing

The company possesses comprehensive inspection capabilities in both laboratory testing equipment and personnel. It has state-of-the-art imported testing equipment such as Nuclear Magnetic Resonance (NMR), Gas Chromatography-Mass Spectrometry (GC-MS), Liquid Chromatography-Mass Spectrometry (LC-MS), Inductively Coupled Plasma Optical Emission Spectrometer (ICP-OES), and others. The laboratory is staffed with professional testing personnel. To continually enhance their abilities, the company conducts regular internal and external quality control training sessions. To ensure a safe and orderly laboratory environment, the company revises and improves various management systems including the "Analytical Testing Platform Laboratory Management System," "Laboratory Chemical Safety Management System," and "Non-Conforming Product Control Procedures." These revisions strengthen safety management in the laboratory, standardize the use of chemicals, and effectively control and manage non-conforming products. Furthermore, the laboratory develops "Testing Operation Manuals" tailored to the company's main products to standardize product testing processes and methods, thereby promoting the systematization and institutionalization of product testing procedures.

In 2023, the Electrolyte Business Unit took the lead in developing an online testing project to achieve direct online testing of finished products before shipment. This project integrated with the Manufacturing Execution System (MES) for intelligent control. Upper and lower reading limits were set in the MES system, and automatic cessation of filling occurred if any indicators exceeded the acceptable range. Additionally, online testing data were cross-validated with laboratory data, enhancing the accuracy of the testing results.



ABOUT THIS REPORT

CHAIRMAN SPEECH

ABOUT TINCI MATERIALS

SUSTAINABLE DEVELOPMENT MANAGEMENT

Currently, the company has two laboratories that have obtained the ISO/IEC 17025: 2017 Laboratory Accreditation Certificate from the China National Accreditation Service for Conformity Assessment (CNAS) for their analytical testing capabilities. Additionally, by the end of 2023, the Jiujiang base has planned to initiate an on-site assessment for the China Metrology Accreditation (CMA).

PRODUCT RESPONSIBILITY

Branches with laboratory-related accreditation

TINCI SAFETY	Company name	Certified project	Third-party certification body
TINCI ENVIRONMENTAL			
SUSTAINABLE PROCUREMENT PROTECTION	TINCI Guangzhou	ISO/IEC 17025 Laboratory Accreditation (CNAS)	China National Accreditation Service for Conformity Assessment
CARING FOR EMPLOYEES	TINCI Jiujiang	ISO/IEC 17025 Laboratory Accreditation (CNAS)	China National Accreditation Service for Conformity Assessment
COMMUNITY ENGAGEMENT	TINCI Guangzhou	ISO 10012: 2003 Measurement Management Systems	China Certification Centre for Metrology and Measurement

APPENDIX

5.4 WIN-WIN COOPERATION

The company adheres to the principle of customer supremacy, striving to become the preferred partner for customers. It has formulated the "Customer Service Management System" and "Customer Complaint Control Procedure," establishing high-quality customer service standards and complaint handling processes. During the reporting period, the "Customer Credit Management System" was updated to further enhance the customer credit system, strengthening credit management and risk control. The company has established an efficient response mechanism, with the Electrolyte Business Unit forming a customer service "three-person team" composed of sales, supply chain, and research and development personnel to promptly address the needs of major customers, thereby improving response efficiency. Additionally, each business unit has set up 8D teams to handle customer complaints based on the severity of the complaints. These teams track the status of complaints, proactively communicate and negotiate with customers to meet their needs, and continue engagement until the complaints are resolved to the satisfaction of the customers. During the reporting period, a total of 93 complaints were received across all business units, and the complaint handling rate was 100%.

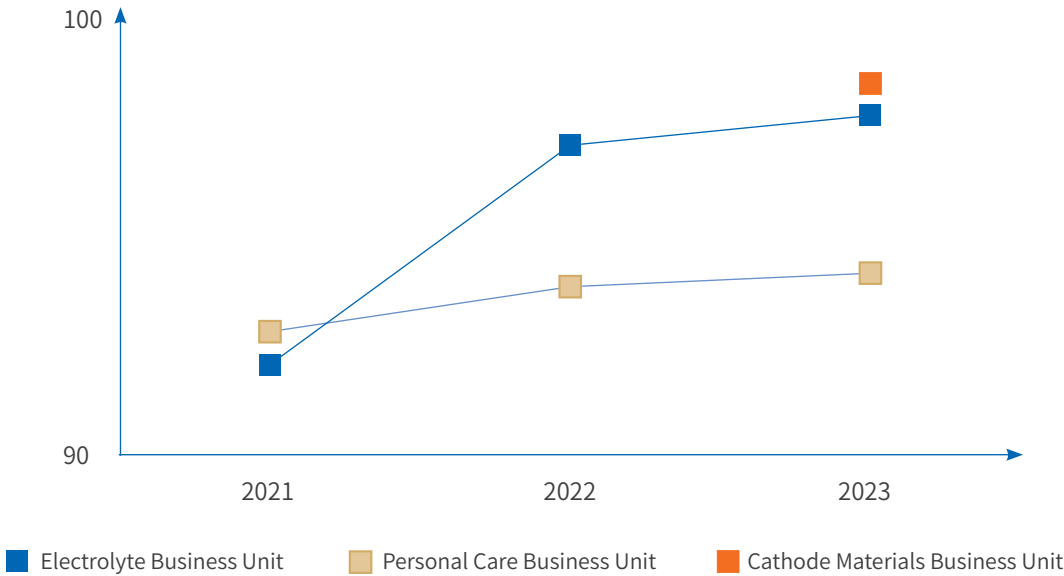
In terms of customer protection, in 2023, the company formulated the "Customer Data Confidentiality Management System" and the "Management System for Incoming Customer Documents and Requirements" to standardize the management of customer documents and confidential information.

Each business unit conducts an annual customer satisfaction survey, with the results serving as a crucial reference for the performance of relevant departments. These surveys culminate in a "Customer Satisfaction Survey Analysis Report." Based on areas where customers express dissatisfaction, corrective and preventive measures are organized by relevant departments to achieve the goals of satisfying customers and continually improving services.

Satisfaction survey rating

Business unit satisfaction rating	2021	2022	2023
Electrolyte Business Unit	92.07	96.94	97.6
Personal Care Business Unit	92.8	93.8	94.1
Cathode Materials Business Unit	-	-	98.31

Note: The Cathode Materials Business Unit started conducting satisfaction surveys from the 2023 fiscal year onwards; therefore, there are no satisfaction rating data available for the years 2021-2022.





TINCI SAFETY

SAFETY MANAGEMENT

Total of hazard inspections were organized

5296 items

Rectification rate of

96%

Safety investment

In 2023, the total investment in safety reached

74.12 million yuan

Safety training

Coverage of information security training for new employees

100%

Completion rate of EHS training plan at each base

100%

ENVIRONMENTAL HAZARDOUS SUBSTANCE CONTROL

Residue rate of silicone products D4, D5 and D6

<1% down to <0.1%



- ABOUT THIS REPORT
- CHAIRMAN SPEECH
- ABOUT TINCI MATERIALS
- SUSTAINABLE DEVELOPMENT MANAGEMENT
- PRODUCT RESPONSIBILITY
- TINCI SAFETY**
- TINCI ENVIRONMENTAL
- SUSTAINABLE PROCUREMENT PROTECTION
- CARING FOR EMPLOYEES
- COMMUNITY ENGAGEMENT
- FUTURE OUTLOOK
- REPORT VALIDATION
- INDEX OF INDICATORS
- APPENDIX

Safety is the prerequisite for all work. Tinci Materials always prioritizes safety in production, product safety, information security, and other safety-related tasks. We achieve this through establishing robust occupational health and safety management systems, information security management systems, and product safety management processes. Continuously, we engage in risk identification and assessment and implement various safety control measures to provide customers with safe and high-quality products and ensure a safe and healthy working environment for employees, thus guaranteeing the smooth operation of the company in terms of safety.

In 2023, it was a crucial year for the company's implementation of safety leadership. Each base's general managers and management teams were highly involved in accident retrospectives, on-site hazard inspections, emergency drills, and the dissemination of EHS knowledge. They took solid steps towards integrating safety into the strategic management of the company.

In 2023, the general managers/plant managers conducted on-site hazard inspections

367 times

The general managers/plant participated in accident retrospectives

27 times

Across all bases/factories, total of hazard inspections were organized

5296 times

As of January 29, 2024, issues rectified

5072 times

Rectification rate reached

96%

In 2023, the company continued to promote the participation of all employees in safety management, all staff members conducted safety observations a total of

200993 times

As of January 29, 2024, issues rectified

188337 times

New rectification items identified during accident retrospectives

295 times

As of January 29, 2024, issues rectified

280 times

Rectification rates for safety observations and accident retrospectives

both exceeded 93%

6.1 SAFETY MANAGEMENT

Tinci Materials firmly instills a sense of safety red line awareness, fully adhering to the principles of "dual responsibilities at each post, safety management as a must for business management, and safety management as a must for production and operation." This ensures the safety of employees, contractors, visitors, the local community, and the environment.

In order to comprehensively implement the "Work Safety Law of the People's Republic of China," adapt to the new requirements of safety production, strengthen foundational work, and improve regulatory methods, the company has established safety production committees and leadership teams led by the general managers of each base. These committees and teams clarify the safety responsibilities of leaders at all levels and establish a comprehensive safety responsibility system that extends horizontally and vertically throughout the organization. Safety responsibility agreements are signed at each level, and a safety responsibility assessment system has been formulated and is regularly reviewed to ensure compliance.

In 2023, through the hierarchical structure of Group-Base-Department/Production Line-Employee, safety responsibility agreements were signed at each level, covering all positions and employees in the company's bases/departments. Each year, the management of Tinci Materials is required to undergo retraining on the "Safety and Environmental Protection Responsibility Requirements for Tinci Materials Management Personnel" and sign the "Base Safety and Environmental Protection Target Responsibility Agreement." Each department organizes the signing of safety responsibility agreements at every team and employee level, which are then posted in various workshops, ensuring that all employees constantly bear in mind their safety responsibilities.

Each subsidiary's EHS department organizes comprehensive safety inspections every month, involving base general managers, members of the safety committee, workshop supervisors, process and equipment personnel, EHS specialists, and others. Any hazards identified during these inspections are promptly rectified on-site, with clear assignment of responsibility and deadlines for completion. Additionally, monthly EHS meetings are convened to discuss key safety issues and communicate safety work requirements.

The group conducts joint EHS audits, encompassing audits of EHS compliance at each subsidiary, as well as safety audits prior to the commencement of new projects or expansions. These audits evaluate the EHS operational status of subsidiaries from multiple perspectives, identifying areas for improvement, and regularly monitoring the progress of rectification measures. This approach aims to enhance the EHS management level and compliance of subsidiaries.

In 2023, subsidiaries such as TINCI Jiujiang, TIANSHUO Zhejiang, and TINCI Jiangsu launched a comprehensive safety management platform integrating five aspects. Through an information-based platform system, this initiative combines risk-based control and hazard inspection. It incorporates critical monitoring information such as major hazard sources, toxic and flammable gas alarms, safety risk zoning, on-duty personnel data, and the entire production process into the system. This integration allows for internal management while also facilitating oversight by governmental authorities.



The company prioritizes contractor safety management by conducting safety qualification audits for construction contractors, signing Project Safety and Environmental Protection Agreements, and providing safety education and training to all on-site construction personnel. All construction tools and vehicles undergo safety checks, and any issues identified during on-site inspections are addressed through the formulation and implementation of corrective action plans to ensure contractor construction safety. Quarterly safety assessments and annual safety evaluations are conducted for contractors to establish a qualified contractor directory and records, encouraging continuous improvement in safety management standards. Reviews of contractor safety operating procedures, construction plans, and emergency plans are undertaken, and dedicated personnel are assigned to supervise and inspect the operational processes. In 2023, the company provided 8743 hours of safety training for contractors.

Each subsidiary company formulates a safety budget at the beginning of each year in accordance with the requirements for safety production expenditure quotas. This budget outlines the planned expenditures for various safety production costs and establishes a ledger for safety production expenses to ensure that safety funds are used exclusively for safety purposes. In 2023, the total safety investment amounted to 74.12million yuan.

Project	Investment amount
Safety investment (million)	74.12M

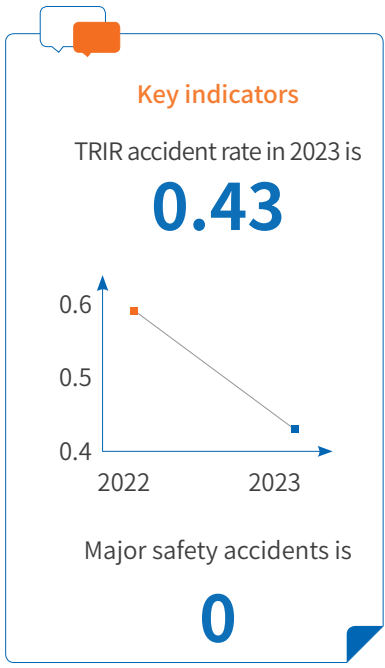
Note: The safety investment expenses for this year have increased significantly. The main reasons for this are the addition of two new companies, Resource Recycling and TINCI Qingyuan, and the inclusion of investment amounts for safety improvement projects that were not accounted for in the previous year's statistics.



Management inspection



Chizhou Base inspection by the Provincial Emergency Management Department



Note 1: The Lost Time Injury Frequency Rate (LTIFR) is calculated as follows: LTIFR = (Number of Lost Time Injuries in the year / Total actual work hours for the year) * 1,000,000. Lost Time Injuries are calculated based on the number of injured individuals.

Note 2: Major safety accidents include accidents within the company resulting in severe injuries (resulting in more than 105 lost workdays) or direct economic losses exceeding 1 million RMB. The scope of statistics includes both employees and contractors.

6.2 PROCESS SAFETY

Tinci Materials has referenced the "AQT3034—2022 Guidelines for Chemical Process Safety Management" to establish a Process Safety Management (PSM) system. Utilizing cutting-edge intelligent HAZOP (Hazard and Operability) analysis software, the company has cultivated proficient HAZOP teams with specialized capabilities. The implementation of industry-standard safety management procedures comprehensively addresses process safety requirements, including process hazard analysis, mechanical integrity, and process safety indicators. In 2023, each base has initiated the establishment of internal HAZOP teams and continuously enhanced their HAZOP analysis capabilities. Throughout the reporting period, 1624 corrective recommendations were identified through HAZOP analysis of process operations. The company consistently integrates these recommendations into an online system, enabling closed-loop management and traceability of corrective actions.

PSI (Process Safety Information) serves as the foundation of process safety management. In 2023, the company focused on promoting the construction of PSI databases at each base. This initiative involved utilizing templates for safety facility registers, lists of key equipment, chemical reaction matrices/chemical inventories, chemical/material compatibility matrices, process hazard identification lists, blind plate registers/distribution diagrams, alarm parameter setting lists/instructions, and regulatory/standard lists required for legal and regulatory compliance management. The construction process was organized by dividing bases into batches, and completeness was periodically verified through inspections. Currently, each base has established its base-level PSI database and appointed dedicated personnel for continuous updating and maintenance. This effort has laid a solid foundation for the subsequent construction of the company-level online database.

In 2023, TINCI Jiujiang established the Process Safety Management (PSM) Committee, focusing on advancing PSM-related initiatives. Led by the general manager, the committee prioritized the enhancement of PSM efforts and collaborated with other relevant departments to ensure the safety and reliability of personnel, equipment, environment, and systems during production. This initiative aimed to further elevate the company's safety management standards.



Process safety committee mobilization meeting

Under the effective organization of the committee, in 2023, TINCI Jiujiang systematically constructed PSI databases for various factories at the base. The committee unified the versions of PSI information across the base and enabled quick retrieval and tracking. Additionally, the committee revised the base's process alarm interlocking management system, conducting a thorough review of interlocking lists, interlocking alarm settings, and other interlocking-related content.

In 2023, the PSM committee also conducted a special rectification project focusing on the Safety Instrumented System (SIS), specifically targeting control system power supply, network, and on-site facilities between instrument cabinets. Following this rectification, the stability of the SIS instrument system significantly improved. From January to August 2023, there were a total of 25 trigger activations, but after the improvements, no triggers occurred from September until the end of the reporting period. Additionally, the base committee upgraded the management of Management of Change (MOC) processes for each factory. By utilizing PSM committee members to pre-review and re-examine closure cases, the average score for MOC (change) documentation updates increased from 71.8 in 2022 to 93.2 in the fourth quarter of 2023.

In 2023, the company comprehensively promoted the professional software, Wind Tower System, for equipment management. This initiative achieved the systematic management of equipment throughout its lifecycle, resulting in a significant enhancement of Mechanical Integrity (MI) management within the company. By utilizing the Wind Tower System for the scientific management of maintenance, upkeep, and inspections of on-site equipment, each piece of equipment was assigned a unique QR code "identity card." This facilitated the establishment of equipment records, providing clear visibility into equipment history, spare parts inventory, and maintenance inspection plans. As a result, timely resolution of equipment failures and planned maintenance were thoroughly executed, ensuring equipment quality and reducing equipment failure and incident rates.

The stability of the SIS instrument system, starting from 25 triggers in the first half of the year down to the second half of the year

0 times

The base committee upgraded the management of Management of Change (MOC) processes for each factory, the average score increased from 71.8 in 2022 to the fourth quarter of 2023

93.2

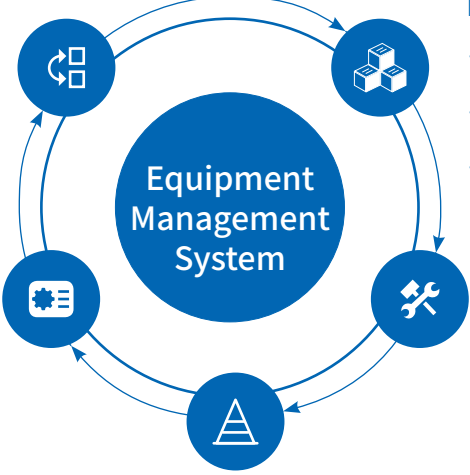
Performance Management

- Integrity of equipment functionality
- Work performance of personnel
- Cost statistics of spare parts and consumables

Equipment Spot Inspection

- Inspection standards
- Inspection plans
- Inspection tasks
- Exception management

Equipment Management System



Equipment Maintenance

- Maintenance standards
- Maintenance plans
- Maintenance tasks

Equipment Records

- Electronic equipment files
- Equipment history
- Equipment bill of materials (BOM)

Equipment Repair

- Work order management (from reporting to acceptance closure)
- Repair material requisition
- Repair knowledge base
- Repair plans

ABOUT THIS REPORT

CHAIRMAN SPEECH

ABOUT TINCI MATERIALS

SUSTAINABLE DEVELOPMENT
MANAGEMENT

PRODUCT RESPONSIBILITY

TINCI SAFETY

TINCI ENVIRONMENTAL

SUSTAINABLE PROCUREMENT
PROTECTION

CARING FOR EMPLOYEES

COMMUNITY ENGAGEMENT

FUTURE OUTLOOK

REPORT VALIDATION

INDEX OF INDICATORS

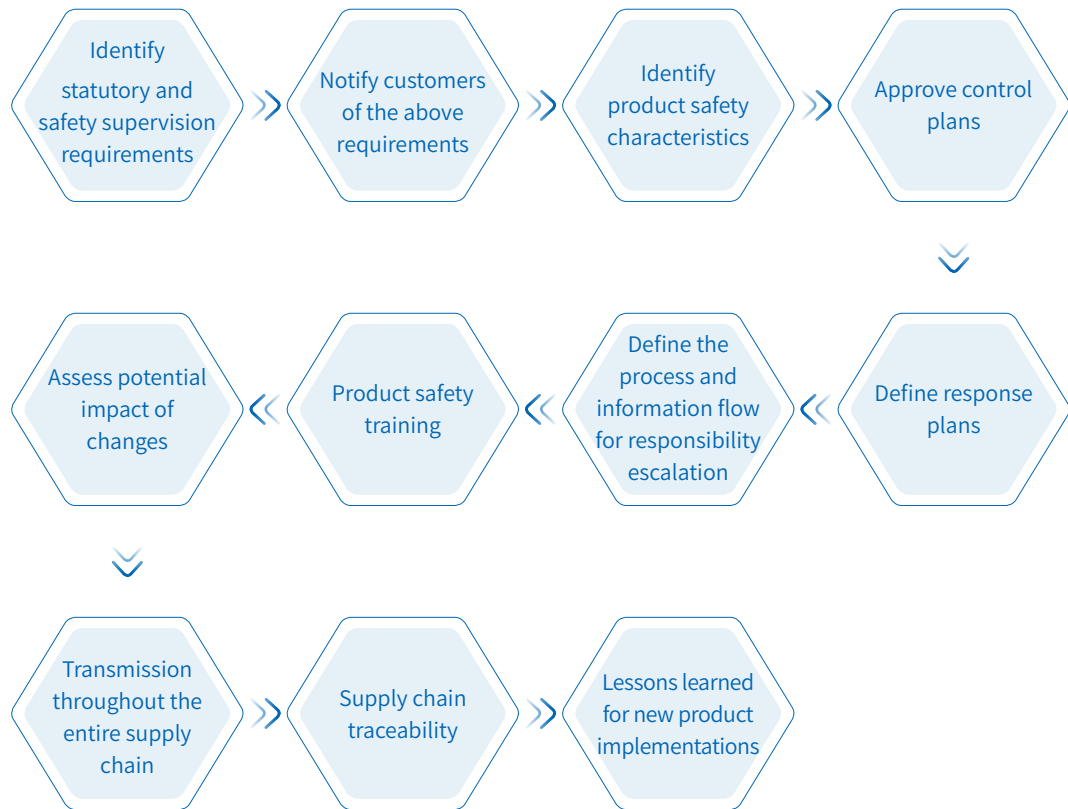
APPENDIX

6.3 PRODUCT SAFETY

The company places a high emphasis on product safety, integrating inherent safety throughout the entire product lifecycle, with particular focus on safety assessment during the product research and design phase. It identifies hazards from both material and process perspectives, aiming to eliminate or mitigate risks of accidents such as fires, explosions, leaks, and poisoning. In terms of product and service dimensions, the company explicitly outlines requirements for product and service information labeling in the product planning document. Following the specifications for Material Safety Data Sheets (MSDS), it formulates chemical safety technical manuals, detailing the composition of major products, substances that may cause environmental or social impacts, safety guidelines for product use, as well as circumstances for restricted usage. Additionally, it provides risk alerts, corresponding preventive measures, and emergency procedures, ensuring a dual-layered protection for both the products themselves and their usage.

The company has formulated the "Product Safety Management Procedure," which stipulates the identification of regulations and customer safety requirements, conducts product safety training, and carries out potential impact assessments during product or process changes. It ensures the transmission of product safety requirements throughout the entire supply chain. Additionally, it summarizes lessons learned from product safety experiences, using this information as a crucial reference for the introduction of new products.

Product Safety Management Process



In 2023, the subsidiary TINCI Qingyuan obtained the EFCI GMP certification system for cosmetic raw materials, becoming the second company under the group to achieve this certification. This system covers the company's main production of betaine and amino acid surfactants. In addition, TINCI Jiujiang had already obtained this certification in 2022, covering not only betaine and amino acid surfactants but also products such as quaternary ammonium salts and carbomers. The company's product quality management system for cosmetic raw material production has gradually improved and expanded its coverage. Furthermore, Tinci Materials obtained COMOS and RSPO certification in 2022, demonstrating that its product supply chain for chemical raw materials and products using palm oil meets sustainability standards.



ABOUT THIS REPORT

CHAIRMAN SPEECH

ABOUT TINCI MATERIALS

SUSTAINABLE DEVELOPMENT
MANAGEMENT

PRODUCT RESPONSIBILITY

● TINCI SAFETY

TINCI ENVIRONMENTAL

SUSTAINABLE PROCUREMENT
PROTECTION

CARING FOR EMPLOYEES

COMMUNITY ENGAGEMENT

FUTURE OUTLOOK

REPORT VALIDATION

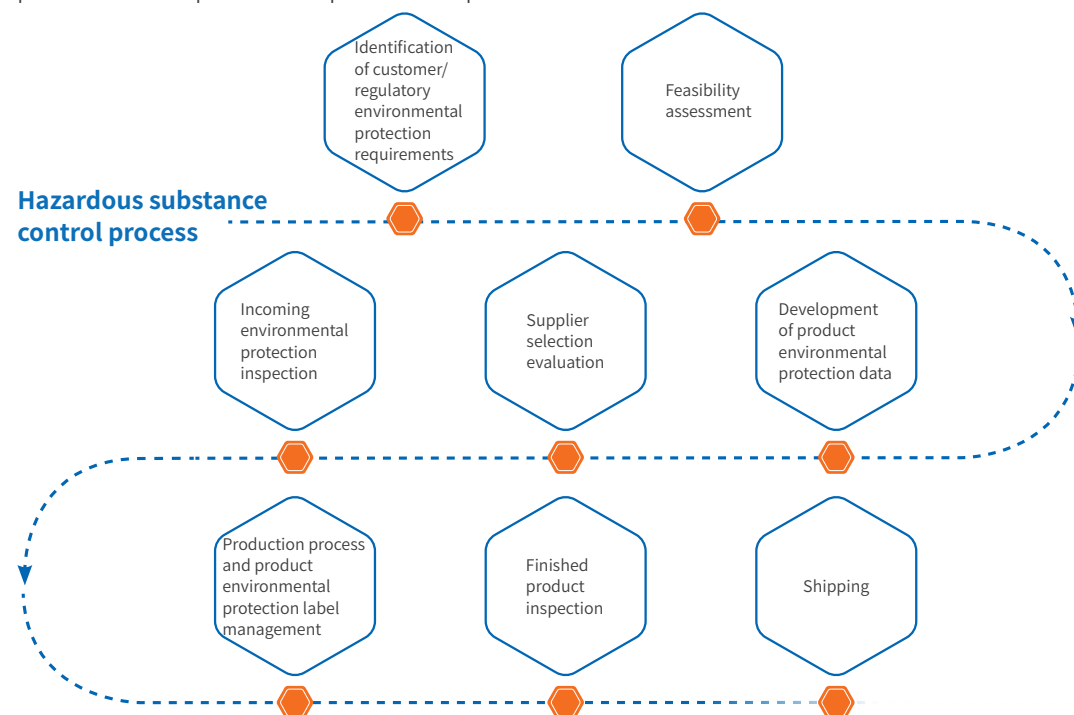
INDEX OF INDICATORS

APPENDIX

6.4 ENVIRONMENTAL HAZARDOUS SUBSTANCE CONTROL

Tinci Materials has developed the "Environmental Substance Management and Control Procedure" and the "Environmental Substance Management Standard," outlining specific control requirements for hazardous substances in products. It systematically eliminates and reduces harmful chemicals, aiming to comply with regulations and minimize impacts on ecosystems. Hazardous substances are categorized into three levels of control, including prohibited substances, substances targeted for elimination, and substances targeted for reduction. In accordance with procedural and regulatory requirements, all products undergo rigorous testing for hazardous substance content.

During the reporting period, the company imposed environmental hazardous substance management requirements on raw material suppliers. New suppliers must sign the "Environmental Management Hazardous Substance Non-Use Certificate," committing to ensuring that the hazardous substances in products and components supplied to the company fully comply with environmental technical standards. These standards are based on EU regulations such as REACH, RoHS directives, and EU packaging directives, ensuring compliance with both domestic and international regulations. As of 2023, a total of 61 suppliers have signed the non-use of hazardous substance certificates. The company requires suppliers who sign these certificates to provide RoHS compliance test reports for their products.



The company continues to monitor the relevant provisions of the EU REACH Regulation. In June 2023, the European Commission submitted notification G/TBT/N/EU/989, proposing amendments to the restrictions on the use of D4 (octamethylcyclotetrasiloxane), D5 (decamethylcyclopentasiloxane), and D6 (dodecamethylcyclohexasiloxane) in Appendix XVII of the EU REACH Regulation. This revision adds restrictions on the marketing of rinse-off cosmetics containing D6 and leave-on cosmetics containing any of these three substances. Two years after the effective date of this revised regulation, rinse-off cosmetics containing D6 at a concentration equal to or greater than 0.1% (w/w) may not be marketed. Three years after the effective date of this revised regulation, leave-on cosmetics containing D4, D5, or D6 at a concentration equal to or greater than 0.1% (w/w) may not be marketed.

In response to the regulations introduced by the European Union, in 2023, the company improved its formulations and upgraded its processes. As a result, the residual levels of D4, D5, and D6 in the personal care organosilicon elastomer gel products were reduced from <1% to <0.1%. This adjustment ensured that the products fully comply with the requirements of EU regulations. Additionally, to meet the export requirements for personal care products, the company separately completed REACH registrations for the European Union, the United Kingdom, and Turkey.

6.5 OCCUPATIONAL HEALTH

Employee health and safety are the top priorities for Tinci Materials, considered at all times and in all locations. The company takes into account various aspects such as lighting, ventilation, temperature, dust, layout, and ergonomic factors in the workplace. Through design, development, and the implementation of safety technology improvements, Tinci Materials strives to eliminate or minimize sources of danger that could lead to safety and health hazards, providing employees with a safe and healthy work environment.

Tinci Materials strictly adheres to the requirements of laws and regulations such as the "Law of the People's Republic of China on Prevention and Control of Occupational Diseases," establishing occupational disease prevention and management systems. Each facility has established an "Occupational Health Management System" and formulated and regularly updates a "List of Occupational Disease Hazardous Factors." The company provides employees with information on occupational disease hazards, sets warning signs in positions with toxic and harmful substances, and conducts occupational health and safety training and awareness campaigns.

During the 2023 Occupational Health Promotion Week, TINCI Jiujiang organized a series of activities including specialized occupational health training and certification for management, occupational health knowledge lectures for base management, and quizzes on occupational health knowledge for employees. During this event, 9 members of the base management team obtained the Occupational Health Training Certificate issued by the employing unit, and

a total of 4651 person-times participated in the health knowledge quiz activities. Through this promotional week, the overall occupational health knowledge and literacy of all employees in the base were greatly improved, effectively embodying the company's people-oriented and all-staff participation EHS management philosophy.

The company follows the "Classification Catalog of Occupational Disease Hazardous Factors" to identify and assess occupational disease hazard factors based on the process and content of work activities. It regularly commissions qualified third-party testing agencies to conduct occupational disease hazard factor testing every year. The results of these tests are publicly displayed through occupational hazard notification signs in various workshops.

The company has established standards for the provision of personal protective equipment (PPE) for each position, and has developed a PPE matrix for each production line, specifying the types of PPE to be worn for each operation. A dedicated occupational health officer is appointed to oversee tasks such as establishing PPE provision standards, managing procurement statistics, and conducting regular inspections on the daily use of PPE. Additionally, periodic checks are conducted using video surveillance in production areas to ensure that employees are wearing PPE correctly during operations.

The company conducts occupational health surveillance for employees in positions exposed to occupational hazards in accordance with regulatory requirements. This includes pre-employment, during-employment, and post-employment occupational health examinations, and the establishment of individual health surveillance records for each employee.



- ABOUT THIS REPORT
- CHAIRMAN SPEECH
- ABOUT TINCI MATERIALS
- SUSTAINABLE DEVELOPMENT MANAGEMENT
- PRODUCT RESPONSIBILITY
- TINCI SAFETY**
- TINCI ENVIRONMENTAL
- SUSTAINABLE PROCUREMENT PROTECTION
- CARING FOR EMPLOYEES
- COMMUNITY ENGAGEMENT
- FUTURE OUTLOOK
- REPORT VALIDATION
- INDEX OF INDICATORS
- APPENDIX

The branch office certified through the Occupational Health and Safety Management System

Organization	Certified project	Third-party certification body
TINCI Guangzhou	ISO 45001: 2018 Occupational Health and Safety Management System	SGS
TINCI Jiujiang	ISO 45001: 2018 Occupational Health and Safety Management System	SGS
KAIXIN Ningde	ISO 45001: 2018 Occupational Health and Safety Management System	Intertek
TINCI Yichun	ISO 45001: 2018 Occupational Health and Safety Management System	Zhejiang Shengbiao Testing
Resource Recycling Jiujiang	ISO 45001: 2018 Occupational Health and Safety Management System	Shenzhen City Zhongsheng Certification
KAIXIN Fuding	ISO 45001: 2018 Occupational Health and Safety Management System	Intertek
TINCI Jiujiang	Second-level enterprise in safety production standardization	Jiangxi Emergency Management Office
TINCI Yichun	Third-level enterprise in safety production standardization	Yichun Economic and Technological Development Zone Emergency Management Bureau

The Human Resources Department establishes training objectives and plans at the beginning of each year, monitoring the implementation of training plans and the achievement of training objectives on a monthly basis. All employees receive occupational health and safety training tailored to their job characteristics, including Level Three safety education for new hires, specialized occupational health and safety training for specific positions, and safety management personnel training. The completion rate of EHS training plans for each base is 100%.



TINCI Jiangsu General Manager's EHS Lecture



Basic training on labor protection



Occupational health awareness week

The objectives set by the company in terms of occupational health management and the status of achievement are as follows:



During occupational disease hazard factor testing in the workplace, the Yichun base of the subsidiary company identified areas of non-compliance with noise standards. The base attached great importance to this issue, conducting specialized discussions and implementing corresponding corrective measures. These measures included isolating noise sources on-site, installing fixed detection sensors to monitor noise levels, issuing warnings when the threshold was reached, reminding on-site staff to wear earplugs, adjusting the position of control cabinets to reduce the frequency of personnel exposure to noisy environments, among others. These measures effectively reduced the impact of on-site noise on employees.



ABOUT THIS REPORT

CHAIRMAN SPEECH

ABOUT TINCI MATERIALS

SUSTAINABLE DEVELOPMENT MANAGEMENT

PRODUCT RESPONSIBILITY

TINCI SAFETY

TINCI ENVIRONMENTAL

SUSTAINABLE PROCUREMENT PROTECTION

CARING FOR EMPLOYEES

COMMUNITY ENGAGEMENT

FUTURE OUTLOOK

REPORT VALIDATION

INDEX OF INDICATORS

APPENDIX

6.6 INFORMATION SECURITY

The company strictly complies with the laws and regulations of the People's Republic of China, such as the "Data Security Law of the People's Republic of China," "Computer Information System Security Protection Regulations of the People's Republic of China," and the "Personal Information Protection Law of the People's Republic of China," as well as relevant international standards, in aspects including the security of information assets and ensuring business continuity. It is committed to protecting internal company information and information collected from business partners in a transparent, legal, necessary, and compliant manner in accordance with local legal requirements. The company has defined information security policies, information classification, risk assessment, and other management processes through the formulation of documents such as the "Information Security Management Manual" and the "Security Behavior Management System." Regular information security audits are conducted, and technical measures such as security firewalls, access controls, authorized access, data encryption, and redundant schemes for core equipment are adopted to mitigate risks and maximize the security of information for both the company and its customers.

In 2023, there was no instances resulting in significant impacts or information leaks, and the information security incident handling rate reached

100%

In 2023, the number of personal information losses was

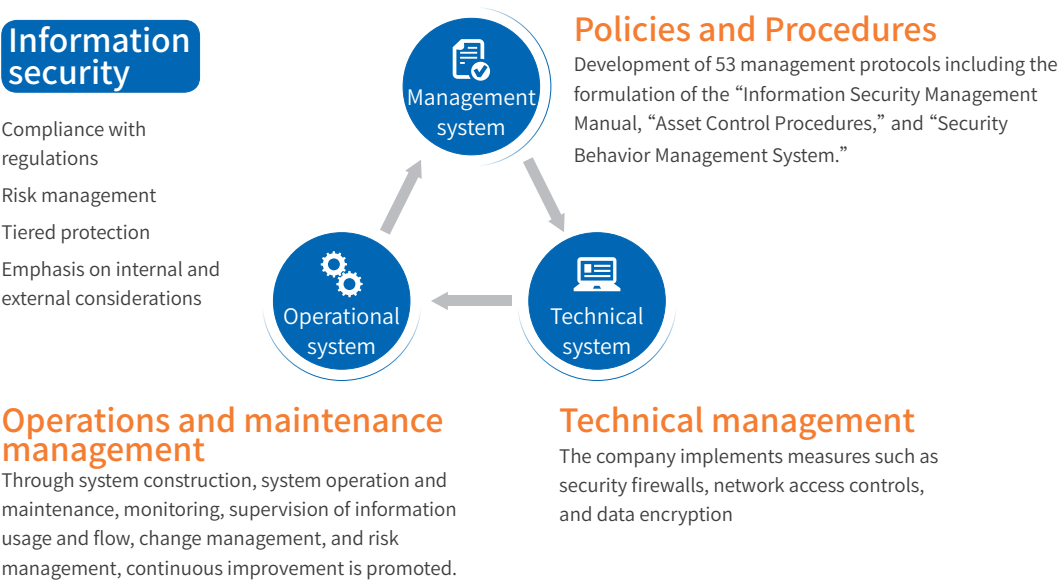
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In 2023, the coverage rate of information security training for new employees was

100%

Branch offices certified through the Information Security Management System

Organization	Certified project	Third-party certification body
TINCI Guangzhou	ISO/IEC 27001: 2013 Information Security Management System	TUV Rheinland
TINCI Jiujiang	ISO/IEC 27001: 2013 Information Security Management System	TUV Rheinland
KAIXIN Ningde	ISO/IEC 27001: 2013 Information Security Management System	TUV Rheinland



During the reporting period, the company set 64 objectives covering all departments from the perspectives of confidentiality, integrity, and availability. All objectives were achieved by 2023. Measures taken include account access control, signing confidentiality agreements, scanning documents to electronic versions with encrypted backups, formulating information security behavior norms, job descriptions, and managing personnel according to the "Regional Information Security Management System," with access control management established in critical areas.

In 2023, the company established the Intellectual Property Management System project team and launched the Intellectual Property System. This initiative enabled comprehensive management of intellectual property processes including patents, trademarks, technology secrets, and paper management. The implementation aimed to enhance the responsiveness and efficiency of intellectual property management, providing real-time and comprehensive intellectual property information and data. Ultimately, this initiative aimed to make the company's intellectual property management more efficient and standardized.

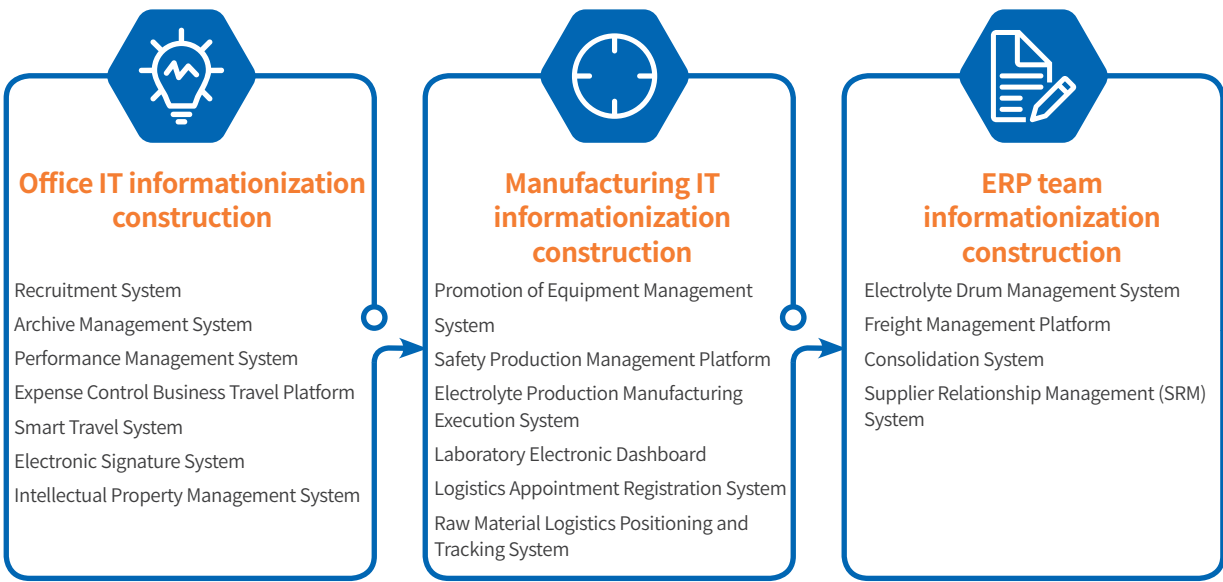
In 2023, the company extended information security practices directly into the business operations. Information security workgroups were established in the Design Institute and the Battery Basic Materials Business Unit in Chizhou. These groups were entrusted as third-party entities to comprehensively manage external document transmission and to enhance the printing, input, and usage management of confidential documents.

The company conducts new employee information security training through the Online Tinci Lecture Hall to enhance employees' awareness of information security and confidentiality. All new employees receive training on information security knowledge, including confidentiality awareness and IT system usage, as part of their orientation.

Additionally, all visitors are required to read the information security instructions.

Tinci Materials prioritizes and protects data privacy, respecting the data security and privacy of employees and business partners. Personal information collected and processed is used only for legitimate business purposes after obtaining authorization, strictly adhering to applicable data privacy laws in the relevant jurisdiction. As of 2023, the company has not experienced any incidents of breaching the privacy of business partners or losing business partner data, nor has it been involved in any related litigation.

Digital technology not only transforms the growth patterns of businesses but also serves as a driving force for high-quality economic development. In terms of digital transformation, Tinci Materials launched several initiatives in 2023. Firstly, the implementation of the Smart Travel System enabled seamless integration with internal expense control systems and external platforms such as hotels and ride-sharing services, thereby enhancing travel efficiency while reducing carbon emissions by eliminating the need for employee reimbursement processes. Secondly, the introduction of the Electronic Signature System replaced traditional manual printing and stamping processes, leading to increased efficiency. Thirdly, the deployment of the SRM (Supplier Relationship Management) system facilitated comprehensive control over supplier relationships, improving communication efficiency among partners. Additionally, close collaboration with suppliers and timely collection of user feedback enhanced overall supply chain coordination. These initiatives not only optimized supply chain processes but also promoted strategic partnerships with suppliers, laying a solid foundation for sustainable development. Through continuous and in-depth information technology initiatives, the company has consistently improved operational efficiency and reduced operational costs.



- ABOUT THIS REPORT
- CHAIRMAN SPEECH
- ABOUT TINCI MATERIALS
- SUSTAINABLE DEVELOPMENT MANAGEMENT
- PRODUCT RESPONSIBILITY
- TINCI SAFETY**
- TINCI ENVIRONMENTAL
- SUSTAINABLE PROCUREMENT PROTECTION
- CARING FOR EMPLOYEES
- COMMUNITY ENGAGEMENT
- FUTURE OUTLOOK
- REPORT VALIDATION
- INDEX OF INDICATORS
- APPENDIX

6.7 EMERGENCY RESPONSE

Emergency management involves the comprehensive management of unforeseen events, including prediction and warning, identification and control, emergency response, and aftermath management. Enterprises must establish sound emergency mechanisms and take a series of necessary measures to prevent and reduce accident losses, ensuring the safety of life and property.

Tinci Materials adopts an emergency management strategy characterized by unified leadership, comprehensive coordination, hierarchical management, divisional responsibilities, and localized management. Each base has established a three-tier emergency plan system, formed emergency rescue command teams, equipped with emergency supplies, formulated emergency plan exercise plans, organized and implemented exercises, and evaluated the effectiveness of the exercises, continuously improving emergency plans. In 2023, the company conducted a total of 355 on-site and tabletop exercises, with 7,927 participants involved.

As a strategically important production base of the company, TINCI Jiujiang attaches great importance to emergency firefighting construction. After years of accumulation, TINCI Jiujiang has established a well-equipped and highly skilled full-time emergency firefighting team. As an integral part of the important emergency firefighting resources within the industrial park, the industrial park has signed an agreement with TINCI Jiujiang for emergency rescue and joint construction of air defense stations. Moreover, TINCI Jiujiang has made its own contributions in specific emergency cases:

Case Study

On March 13, 2023, at 15:40, the Tinci Fire Brigade received an emergency dispatch notification from the industrial park. A fire broke out on a hillside within the park, with significant smoke at the mountaintop, requiring urgent support. TINCI Jiujiang immediately dispatched two fire trucks and 10 firefighters to the scene. Upon arrival, they discussed with the park's firefighting personnel and promptly formulated a firefighting plan. Four firefighters deployed a single attack line with two water hoses to extinguish the fire at the mountaintop, while the remaining personnel used fire extinguishers and torches to fight the fire from the flanks. After approximately 40 minutes of intense firefighting efforts, the fire was completely extinguished.



After extinguishing the fire, the emergency firefighting team conducted on-site inspections

Fire safety management is of paramount importance in the company's safety management. Tinci Materials continuously enhances its fire protection systems, firefighting equipment, and explosion prevention measures, increasing the automation level of fire protection systems, establishing emergency response teams, and enhancing the company's ability to respond to fires. Both TINCI Jiujiang and TINCI Chizhou have achieved numerous honors in local firefighting skill competitions.



Fire emergency drill at TINCI Jiangsu



Emergency drill for solvent unloading, leakage, fire, and explosion at TINCI Jiujiang

In the face of frequent natural disasters and man-made accidents both internationally and domestically, the uncertainty and risks in business operations have significantly increased. Tinci Materials has strengthened its business continuity management by adopting the management principles of ISO 22301 Business Continuity Management System. By doing so, the company aims to establish the best enterprise emergency plan system, ensuring business continuity. This is crucial for Tinci Materials to continuously enhance its competitiveness and achieve business transformation.

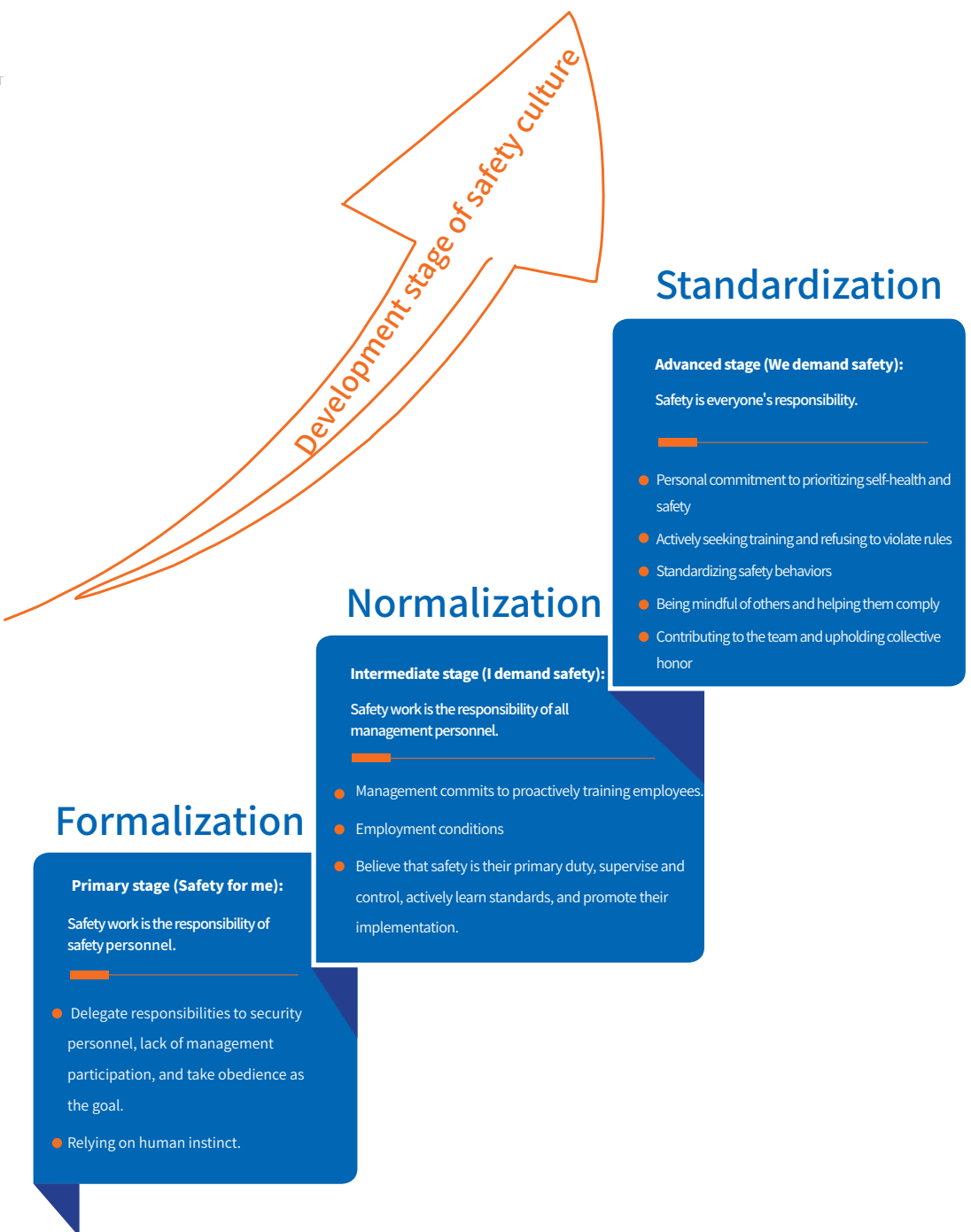
Branch offices certified through the Business Continuity Management System

Company name	Certified project	Third-party certification body
KAIXIN Ningde	ISO 22301: 2019 Business Continuity Management System	DNV
TINCI Jiujiang	ISO 22301:2019 Business Continuity Management System	DNV

- ABOUT THIS REPORT
- CHAIRMAN SPEECH
- ABOUT TINCI MATERIALS
- SUSTAINABLE DEVELOPMENT MANAGEMENT
- PRODUCT RESPONSIBILITY
- TINCI SAFETY**
- TINCI ENVIRONMENTAL
- SUSTAINABLE PROCUREMENT PROTECTION
- CARING FOR EMPLOYEES
- COMMUNITY ENGAGEMENT
- FUTURE OUTLOOK
- REPORT VALIDATION
- INDEX OF INDICATORS
- APPENDIX

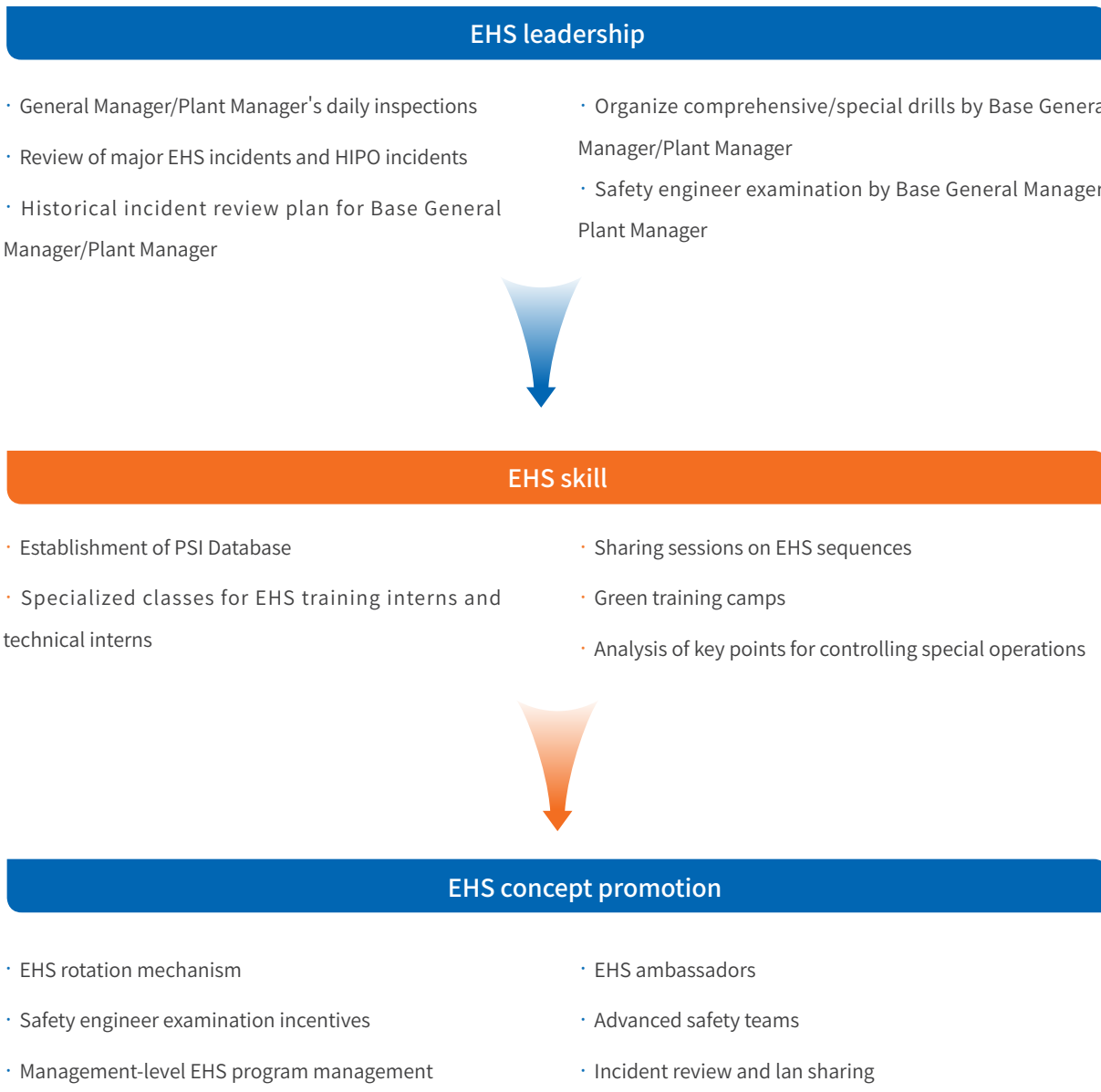
6.8 SAFETY CULTURE

Tinci Materials' safety culture is divided into three developmental stages. The transition from the initial stage of "Safety for me" to the intermediate stage of "I demand safety" has been completed. All levels of management are committed to prioritizing safety, considering it as an integral part of their responsibilities. They earnestly study standards and promote their implementation. The next stage will focus on establishing a safety culture of "Safety for all," advocating for employees to prioritize their own health and safety, standardizing safety behaviors, and leveraging teamwork and collective honors to advance towards the advanced stage of "We demand safety."



Tinci Materials has established a reporting mechanism for employees to report hazards or attempted incidents, while also ensuring the protection of employee information to avoid conflicts. The company has implemented safety behavior observation rewards and EHS (Environment, Health, and Safety) related awards. Additionally, it has established a system to reward proactive reporting of hazards and timely resolution, aiming to enhance employee engagement and supervisory awareness in safety production. This initiative has been ongoing for six years.

In 2023, some of the bases (TINCI Yichang, KAIXIN Fuding, LONGSHANBEI Jiujiang) demonstrated the establishment of an EHS capacity building system. This initiative focuses on three aspects: EHS leadership, EHS skills, and promoting EHS concepts. It aims to encourage employees to consciously and proactively adopt safe behaviors during production activities and create a positive safety atmosphere. The plan for EHS capacity building aims to achieve zero accidents by 2026, including no medical treatment, lost workdays, major safety accidents, process safety accidents with losses exceeding 100,000 yuan or production shutdowns of more than 5 days, and environmental accidents.



- ABOUT THIS REPORT
- CHAIRMAN SPEECH
- ABOUT TINCI MATERIALS
- SUSTAINABLE DEVELOPMENT MANAGEMENT
- PRODUCT RESPONSIBILITY
- TINCI SAFETY**
- TINCI ENVIRONMENTAL
- SUSTAINABLE PROCUREMENT PROTECTION
- CARING FOR EMPLOYEES
- COMMUNITY ENGAGEMENT
- FUTURE OUTLOOK
- REPORT VALIDATION
- INDEX OF INDICATORS
- APPENDIX

The company conducts comprehensive safety education and training for all employees, developing annual training plans and carrying out various safety training activities on schedule. Additionally, monthly safety meetings, daily handover of safety incidents, and displays such as the family wall notice board are utilized to cultivate ubiquitous safety awareness, aiming to prevent accidents.

To strengthen employee safety awareness, each base actively organizes safety oaths, safety knowledge competitions, family days, and other educational activities to popularize knowledge of safety production. Factory employees enthusiastically participate in these activities.



The company's management vigorously supports and encourages employees to actively obtain qualifications as registered safety engineers and register with the company, issuing the "Incentive Scheme for Registered Safety Engineers." Employees who obtain qualifications as junior or intermediate registered safety engineers and sign a 5-year agreement with the company are eligible for a one-time bonus and a monthly professional title subsidy. After the implementation of the scheme, the company has added 33 intermediate registered safety engineers, with 5 individuals passing the exam and meeting the registration qualifications during their tenure in 2023. The company has established a learning and exchange group for registered safety engineers and regularly holds seminars to exchange experiences and share preparation strategies for the registration exam.

The company has established a training base in Jiujiang, which includes various areas such as the "Safety Culture Awareness Zone," "Accident Warning Education Zone," "Equipment Safety Awareness Zone," "Fire Safety Awareness Zone," "Emergency Awareness Zone," "Process Simulation Zone," and "Operation Training Zone." These areas provide employees with hands-on training on-site.



Valve Operation Training Zone



Equipment Safety Awareness Zone



Fire Safety Awareness Zone and Emergency Awareness Zone



Operation Training

Training base



TINCI ENVIRONMENTAL PROTECTION

Wastewater discharge compared with 2022

decreased by 12%

Multiple production bases under the Group have achieved the target of reducing unit product

waste by $\geq 20\%$

Recycling rate of general solid waste reaches

99.83%

QCC energy-saving and consumption-reducing projects amount to 140, Compared with 2022

Increase by 30%



TINCI ENVIRONMENTAL

Environmental management system certification

Tinci Materials vigorously promotes the implementation of ISO 14001 Environmental Management System in various production bases, aiming to continuously enhance the environmental management level and performance of the enterprise. As of the date of this report, TINCI Guangzhou, TINCI Jiujiang, KAIXIN Ningde, TINCI Yichun, TIANSHUO Zhejiang, and KAIXIN Fuding have all obtained ISO 14001 Environmental Management System certification.

Branches certified by the Environmental Management System

Company name	Certified project	Third-party certification body
TINCI Guangzhou	ISO 14001: 2015 Environmental Management System	SGS
TINCI Jiujiang	ISO 14001: 2015 Environmental Management System	SGS
KAIXIN Ningde	ISO 14001: 2015 Environmental Management System	Intertek
TINCI Yichun	ISO 14001: 2015 Environmental Management System	Zhejiang Shengbiao Testing Certification
TIANSHUO Zhejiang	ISO 14001: 2015 Environmental Management System	Great Wall Certification
KAIXIN Fuding	ISO 14001: 2015 Environmental Management System	Intertek

To protect the environment, improve environmental performance, promote sustainable development, enhance the company's environmental competitiveness, prevent major environmental pollution accidents, and further strengthen environmental protection management, the company has established the "Environmental Protection Management System," "Water Pollution Prevention and Control Management System," "Air Pollution Prevention and Control Management System," "Tinci Materials Solid Waste Management System," etc., to regulate environmental management at various production bases.



Environmental incident tracking

based on clues from the online monitoring data provided by the Pollution Source Automatic Monitoring Platform of Yichang City, the Ecological Environment Comprehensive Law Enforcement Brigade of Zhijiang City conducted an on-site investigation into the issue of online exceedances at Yichang Tinci Materials Technology Co., Ltd. The investigation revealed that in September, TINCI Yichang experienced distorted monitoring data due to unstable working pressure of the monitoring device and ash accumulation inside the cavity wall of the dust probe in the top part of the exhaust gas tower, leading to online monitoring data anomalies. Due to the minor nature of the offense and timely correction, no administrative penalty was imposed. Subsequently, the company organized professional personnel to inspect the equipment. After maintenance and debugging, the frequency of equipment failures has been significantly reduced. Currently, the equipment has passed the online equipment acceptance test, and dedicated personnel conduct weekly fixed operation and maintenance.

In September
2023

In June 2023

certain media outlets published reports claiming that empty drums at the construction site of the subsidiary company TINCI Jiujiang were "haphazardly piled up," citing cases from the "Central Environmental Protection Inspection Team" and alleging that the company's actions did not meet environmental requirements. In reality, the site was planned to serve as a temporary storage area for empty drums that previously contained electrolyte, and all stored drums had been cleaned. They were intended to be promptly transported away after being refilled with electrolyte. There was no haphazard stacking of drums as suggested in the article. The portrayal in the article could mislead investors in their assessment of the company. Following this, the company organized an internal assessment by the environmental department at the site and proposed further improvement measures. It strictly adhered to environmental requirements.

In April 2023

enforcement officers conducted an on-site inspection of Jiujiang Tinci Resource Recycling Technology Co., Ltd. and found that the construction of the new plant for the recycling and utilization of waste lithium batteries had been completed. Some equipment had been installed, but the project had not obtained the Environmental Impact Assessment Report and approval documents. This violated the provisions of the Environmental Impact Assessment Law of the People's Republic of China. Upon receiving a corrective order, the construction of the project was immediately halted. As the project did not result in environmental pollution consequences, no administrative penalties were imposed. After receiving the decision on correcting the illegal behavior, the company promptly suspended construction, cooperated actively with the investigation, and expedited the environmental procedures. As of now, all necessary procedures have been legally processed.

In February 2023

the Ecological Environment Bureau of Quzhou issued an administrative penalty decision to its subsidiary TIANSHUO Zhejiang, which was found by the environmental protection bureau during an on-site inspection in December 2022. The company failed to store hazardous waste as required and stacked sludge in the open air on the top of the sewage collection tank. During the inspection, the company actively cooperated with the inspectors and immediately rectified the site after being pointed out. The sludge was transferred to the designated standard storage area, and signboards were added to the designated storage area. Obvious labels were also set up in the non-storage areas within the factory to prohibit stacking. In addition, the company issued a performance evaluation notice to the person in charge of environmental protection and on-site management personnel in the factory area, and organized relevant training to strengthen the awareness training and execution ability of environmental protection personnel.

7.1 WATER RESOURCE PROTECTION

All water resources consumed by Tinci Materials are sourced exclusively from municipal water supply systems, with no other types of water sources utilized, nor are they influenced by them.

In the production and operation, the company focuses on various water conservation measures and treats some of the wastewater for reuse, including organic sewage, workshop filtrate water, and concentrated water generated by RO membranes and ultrafiltration membranes in the deionized water system, in order to reduce water intake and improve water resource management efficiency.

Wastewater is divided into domestic wastewater and industrial wastewater. After treatment to meet standards, all wastewater is discharged into the municipal pipeline network. The discharge standards adhere to national standards, local standards for each production base, or industry standards. Moreover, we have installed online wastewater monitoring facilities at the main discharge outlets of key pollutant units. These facilities are connected to the local environmental protection department, enabling real-time monitoring of pH, COD, ammonia nitrogen, and other emission data to dynamically supervise the compliance of wastewater discharge.

Tinci Materials has developed the "Water Pollution Prevention and Control Management System" and the "Sewage Management System" in accordance with the "Water Pollution Prevention and Control Law of the People's Republic of China" and relevant laws and regulations. These measures aim to strengthen the control of water pollutant emissions during the company's production processes. At each production base, the principles of clean and dirty separation, pollution control and treatment, hierarchical control, classified utilization, standard discharge, total quantity control, and whole-process management are implemented. This is done to carry out wastewater pollution prevention and control, reduce wastewater generation, promote resource recycling, and ensure the safe and stable operation of sewage collection and treatment systems.

The company emphasizes targeted water-saving measures during its production and operations to enhance the overall efficiency of water resource management.

Reuse for vacuum distillation of organic water used for cleaning reactors

In 2023, the TINCI Jiujiang factory transformed the organic wastewater tank to redirect the organic wastewater generated from cleaning the fermenter containing organic chloride ions into the exhaust gas absorption tower. Approximately 3 tons of water are replaced in the exhaust gas tower once a day, resulting in an estimated annual water saving of 1080 tons of tap water.

Workshop sulfuric acid tail gas absorption tower conversion to filtrate water project

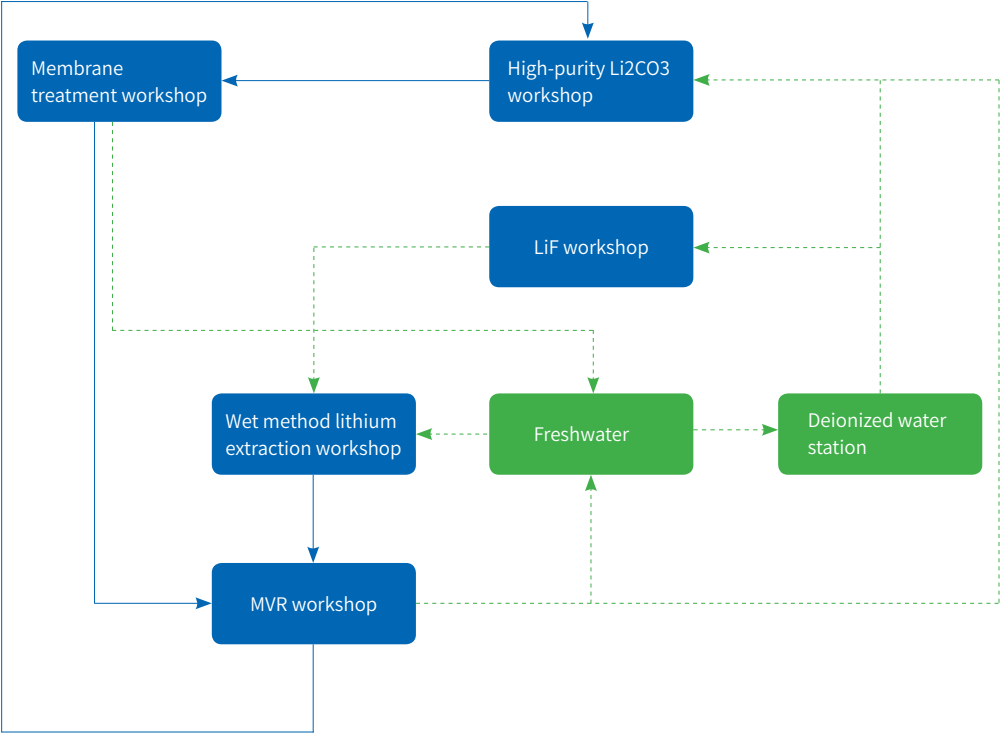
In 2023, TINCI Jiujiang utilized discarded pipelines for renovation, enabling the recycling of workshop filtrate water to the exhaust gas tower. Previously, the exhaust gas tower required 1.54 tons of water replacement per cycle. After the renovation, an estimated annual water saving of 562 tons of tap water is expected.

Case Study

Recycling in resource recycling production line

In 2023, the resource recycling production line focused on improving water recycling, by diverting the water used for wet-process lithium extraction into the high-purity lithium carbonate production line, and then diverting the water generated from the high-purity lithium carbonate production into the MVR (vapor recompression system) and membrane treatment system. The water produced by MVR and membrane treatment will then be recycled back to the wet-process lithium extraction process, forming a water recycling loop, thereby reducing natural resource consumption and sewage discharge.

Example diagram of water recycling in resource recycling production line



ABOUT THIS REPORT

CHAIRMAN SPEECH

ABOUT TINCI MATERIALS

SUSTAINABLE DEVELOPMENT
MANAGEMENT

PRODUCT RESPONSIBILITY

TINCI SAFETY

● TINCI ENVIRONMENTAL

SUSTAINABLE PROCUREMENT
PROTECTION

CARING FOR EMPLOYEES

COMMUNITY ENGAGEMENT

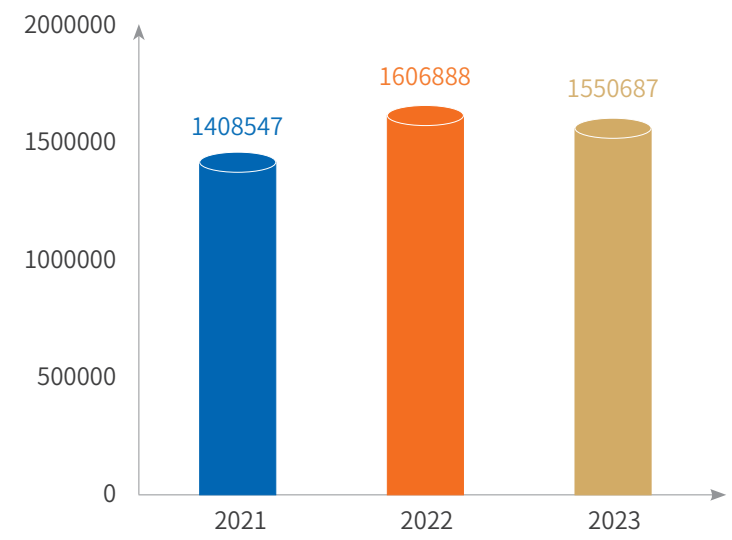
FUTURE OUTLOOK

REPORT VALIDATION

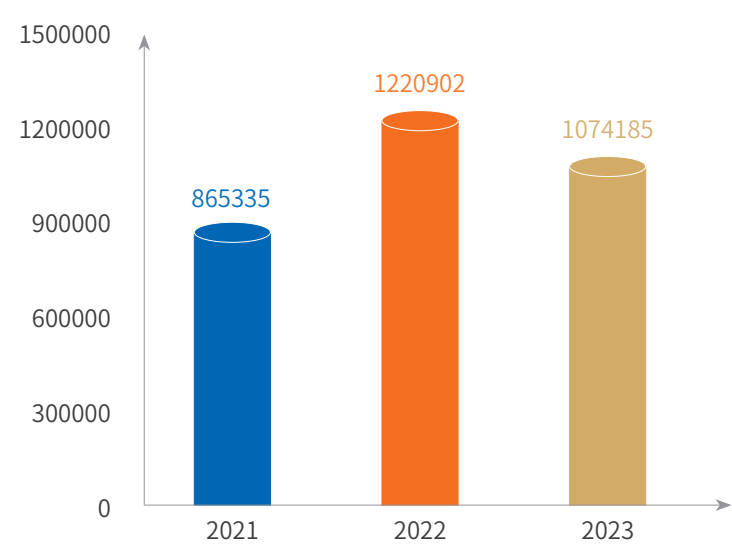
INDEX OF INDICATORS

APPENDIX

Total water consumption from 2021 to 2023 (in tons)



Total wastewater discharge from 2021 to 2023 (in tons)



Note: (1) To maintain consistency in group data comparison, the total group data is used for this year.

(2) The total consumption and discharge volumes for this year have seen a slight decrease. This is primarily due to a decrease in overall operational rates at TINCI Yichun in 2023. Additionally, water-saving and emission reduction projects have been implemented across various bases, resulting in reduced consumption and discharge volumes.

(3) Data for 2023 shows the addition of KAIXIN Fuding, TINCI Jiangsu, TINCI Yichang, Resource Recycling Jiujiang, and TINCI Qingyuan compared to the years 2021-2022.

Case study of wastewater treatment and renovation

Vacuum pump unit upgrade project

Through the renovation of the vacuum pump unit, the vacuum degree in the Jiujiang base's surface active workshop has been increased, reducing the gas foam entering the water ring pump unit. After the renovation of this unit, the amount of foam in the system has significantly decreased, effectively controlling the usage of circulating water. It is estimated that the workshop will reduce wastewater discharge by around 15 tons per month.

Deionized water system concentrated water circulation project

At the Jiujiang base, the concentrated water generated from the RO membrane and ultrafiltration membrane of the deionized water system was directly discharged into the sewage pipe network after treatment, increasing the amount of sewage discharged. Through renovation in 2023, the treated concentrated water can now be discharged into the circulating water pool, replenishing the tap water consumed by the pool daily, and simultaneously reducing the total factory sewage discharge. It is estimated to save 21,900 tons of sewage discharge annually.

7.2 ATMOSPHERIC ENVIRONMENTAL PROTECTION AND MANAGEMENT

To strengthen the control and management of air pollutant emissions during the production process, reduce pollutant concentrations, and minimize total emissions, the company has formulated the "Air Pollution Prevention and Control Management System." Following the principle of "source reduction, process control, and end-of-pipe treatment," the company focuses on applying new processes, technologies, and advanced equipment during the research and development stages. This includes the centralized and efficient collection of organized emissions during production processes, minimizing unorganized emissions wherever possible. The company also conducts regular maintenance of emission control facilities, ensures dedicated personnel manage emission treatment equipment, and conducts periodic inspections and records according to production shifts. Any abnormal conditions are promptly reported for immediate resolution to ensure the stable and efficient operation of emission control facilities.

Case study of waste gas treatment

Installation of membrane adsorption device for exhaust gas treatment in production line

In 2023, a Membrane Adsorption (MM, Hexamethyldisiloxane) device was introduced in the exhaust gas treatment stage of the workshop. This device aimed to recover MM from the exhaust gas. Following the installation, the MM content in the exhaust gas was reduced to $\leq 50\text{ppm}$. Moreover, the recovered MM could still be reused in production, leading to a reduction in product consumption per unit.

ABOUT THIS REPORT

CHAIRMAN SPEECH

ABOUT TINCI MATERIALS

SUSTAINABLE DEVELOPMENT MANAGEMENT

PRODUCT RESPONSIBILITY

TINCI SAFETY

TINCI ENVIRONMENTAL

SUSTAINABLE PROCUREMENT PROTECTION

CARING FOR EMPLOYEES

COMMUNITY ENGAGEMENT

FUTURE OUTLOOK

REPORT VALIDATION

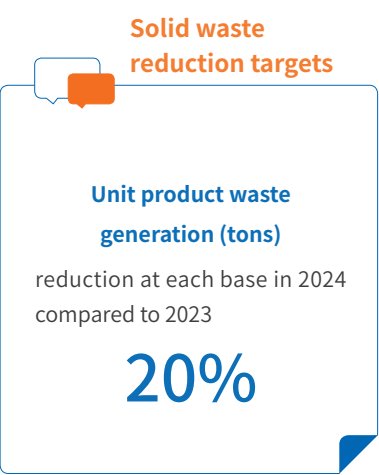
INDEX OF INDICATORS

APPENDIX

7.3

SOLID WASTE REDUCTION AND RESOURCE UTILIZATION

The company has formulated the "Solid Waste Management System" to manage the solid waste generated during production and operation processes. The group and each base have established a pollution prevention and control responsibility system for the entire process of solid waste generation, collection, storage, transportation, utilization, and disposal. They have established a ledger for solid waste management, accurately recording the types, quantities, flow, storage, utilization, and disposal of generated solid waste, achieving traceability and accessibility of solid waste information, and implementing measures to prevent and control environmental pollution caused by industrial solid waste. In accordance with legal requirements, the company entrusts qualified third parties to dispose of or reuse solid waste to reduce environmental pollution caused by waste, and key polluting units regularly disclose waste disposal information to the public.



Disposal situation of hazardous waste

Indicator	2022	2023
Total hazardous waste disposal (tons)	4101.27	5243.89

Note 1: The total amount of hazardous waste disposal for the current year has increased compared to 2022, mainly due to the addition of emission data from TINCI Jiangsu, TINCI Yichang, KAIXIN Fuding, TINCI Qingyuan, and resource recycling.

Note 2: Data is sourced from the hazardous waste platform and records ledger of each base.

Disposal situation of general waste

Indicator	2023
Disposal of general waste	20604.26
Include:Reuse	20570.26
Incineration	34.00

Case Study

Recycling of daily chemical packaging materials

In 2023, the promotion of plastic folding recycling bins packaging materials was successfully implemented in two clients. The use of recyclable bins reduced the production of disposable ton barrels, thereby lowering the carbon emissions of production enterprises. The new packaging materials are more compact and lightweight, reducing energy consumption during transportation and lowering storage costs. This initiative promotes green consumption and jointly achieves energy-saving, environmental protection goals with customers.

Plate and frame filter press upgrade to reduce sludge treatment

In the past, the sludge from TINCI Jiujiang sewage treatment workshop was pressed by a screw press device and treated as hazardous waste for transportation. However, the high-water content and disposal costs prompted the company to reduce sludge volume and save disposal costs and energy consumption. In 2023, the company switched to plate frame filtration for sludge treatment, reducing the moisture content from 85% to 75%. After the transformation completed in May 2023, plate frame filtration was adopted for sludge filtration. Additionally, process monitoring measures were improved in the workshop based on sludge concentration and activity for sludge discharge.

Recycling and reuse of phosphorus iron ton bags

Phosphorus iron ton bag recycling was centralized in 2023 by TINCI Jiujiang. 30 ton bags were recycled daily for packaging the output of titanium mud. 3294 ton bags were recovered in 2023, saving 65,880 yuan in costs.

Recycling of PE sampling bottles

Previously, TINCI Jiujiang production workshop consumed 30 PE bottles daily for fluorine-containing wastewater sampling. After use, these bottles were cleaned and directly discarded. In 2023, the company organized a project for recycling and reusing sampling bottles. Cleaned and dried sampling bottles were collected centrally, leading to an estimated saving of 10,080 PE sampling bottles annually and reducing costs.



ABOUT THIS REPORT

CHAIRMAN SPEECH

ABOUT TINCI MATERIALS

SUSTAINABLE DEVELOPMENT MANAGEMENT

PRODUCT RESPONSIBILITY

TINCI SAFETY

TINCI ENVIRONMENTAL

SUSTAINABLE PROCUREMENT PROTECTION

CARING FOR EMPLOYEES

COMMUNITY ENGAGEMENT

FUTURE OUTLOOK

REPORT VALIDATION

INDEX OF INDICATORS

APPENDIX

7.4

PROACTIVE RESPONSE TO CLIMATE CHANGE

Tinci Materials actively aligns with the global trend of energy conservation and low-carbon development and responds to the national "30/60" carbon reduction policy. We vigorously advocate energy-saving concepts and steadily promote energy-saving initiatives. Through continuous improvement of energy management systems, enhanced organizational leadership in energy management, effective control at various stages of production, establishment of energy consumption quotas, and implementation of an economic accountability system based on rewards and penalties, we fully mobilize the enthusiasm of all employees to participate in energy-saving efforts.

The primary energy consumption of Tinci Materials comes from coal, diesel, steam, natural gas, and electricity used in the production process. To improve energy efficiency and reduce energy consumption, the company has formulated the "Energy Management Measures," established energy cost assessments, evaluated energy-saving projects for new projects, conducted energy-saving activities, and carried out relevant publicity and training activities. In terms of energy procurement, the company has established the "Energy Procurement Control Procedure" to effectively control the entire process of purchasing energy services, products, equipment, and energy and to communicate effectively with suppliers to ensure that the purchased energy services, products, equipment, and energy meet specified requirements.

Energy management and emission reduction targets

In 2023, the group conducted comprehensive data assessments on various energy and environmental aspects, aiming to provide data-based foundations for the establishment of scientifically efficient environmental goals. Following rigorous scrutiny by the company's environmental department and considering the company's development status, relevant environmental indicators were established.

Project	Time	Indicator
Carbon emission	2029	Achieve peak carbon emissions
	2050	Achieve carbon neutrality
Clean energy	2025	30% coverage of green electricity

In 2023, the company's environmental department conducted carbon emission checks at key production bases under the group. Subsidiary TINCI Jiujiang passed the ISO 14064-1:2018 Greenhouse Gas Verification Declaration System certification. The verification methods were also promoted to stable operating production bases under the group. Carbon emission data for 2022 were compiled in 2023, providing important basis for the company to set scientific emission reduction targets and assisting in achieving the company's energy-saving and emission reduction goals.

Content	Category	2022 CO2 Equivalent
Total greenhouse gas emissions	Direct (Scope 1)	69362
	Indirect (Scope 2)	272814.3
	Total	342176.3

Note 1: Due to production plan adjustments at KAIXIN Ningde and the incomplete commissioning of the resource recycling production line, the data for 2022 does not include KAIXIN Ningde and Resource Recycling Jiujiang.

Note 2: Greenhouse gas emission data for TINCI Jiujiang is sourced from third-party verification, while emissions data for other factories are internally calculated using the greenhouse gas verification method referenced from ISO 14064-1:2018.

Note 3: Carbon emission data for 2023 is currently under verification, and the verified results will be disclosed on the official website in due course.

The energy consumption situation over the past three years:

Company's comprehensive energy consumption summary for the past three years

Year	Diesel (L)	Purchased steam (t)	Grid electricity (kWh)	Coal (t)	Natural gas (m3)	Liquid nitrogen (kg)	Nitrogen gas (m3)
2021	73320	169797	143365302	18022	4545382	2506735	-
2022	76360	382611	171749512	10639	6645085	1883620	-
2023	77602	449050	329052302	6426	15866348	852	5283891

Note 1: The data from 2021 to 2022 is compiled based on previous annual reports, including Guangzhou, Jiujiang, Yichun, and Ningde.

Note 2: The data for 2023 includes all subsidiary companies within the scope of reporting. Due to the inclusion of emissions from additional subsidiary companies, there is a noticeable increase compared to 2022.

Note 3: The liquid nitrogen usage sharply decreased in 2023, while nitrogen gas consumption noticeably increased. This is attributed to the transfer of production tasks from KAIXIN Ningde to KAIXIN Fuding during the year. The KAIXIN Ningde site only conducted sample production, resulting in a significant decrease in usage. Additionally, KAIXIN Fuding switched to nitrogen gas, leading to an increase in nitrogen gas consumption.

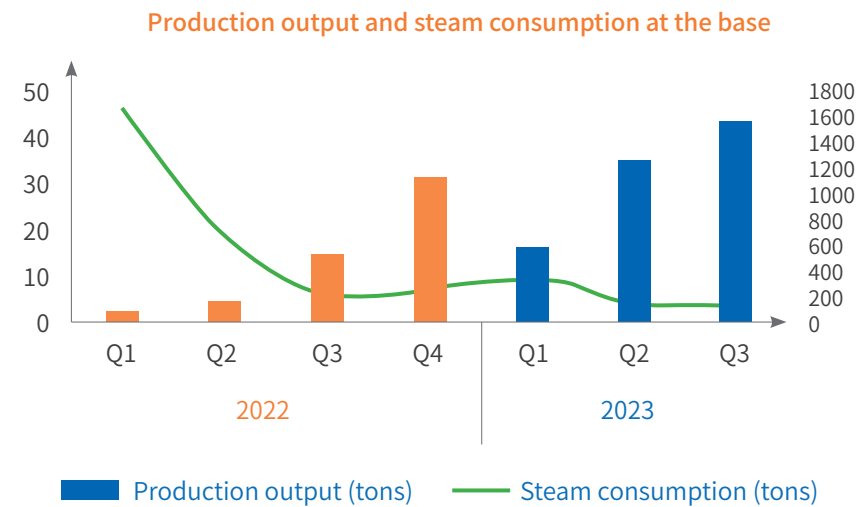
Energy-saving case study

Promoting green office practices

- Turn off lights when not in use: Advocating for actions where lights in office areas are turned off when people leave.
- Proper use of air conditioning: Setting temperature limits for air conditioning in office areas.
- Saving consumables: Promoting paperless office practices.

Automated operations to reduce steam consumption

In 2023, TIANSHUO Zhejiang implemented automated equipment monitoring for steam usage throughout the entire factory. This included intelligent temperature control activation in packaging workshops and intelligent detection of hot water heating systems. These automated devices help prevent steam waste caused by human error. As a result, the steam consumption per ton of product in 2023 significantly decreased compared to 2022.



Filter press reconstruction project

In 2023, TINCI Jiujiang reformed the sludge filter press. The original machine needed seven fans to run at the same time. After the transformation, it was reduced to one fan, saving 65,700 kWh of electricity throughout the year. After the conversion of electricity emission factors in 2022, it is estimated that carbon oxide emissions can be reduced by 37.47t per year.





TINCI 天赐

绿色化学成就低碳美丽生活

SUSTAINABLE PROCUREMENT

Supplier management

A total of **64** new Social and Environmental Responsibility Commitments were signed

Raw material procurement

97.55%
of raw material suppliers come from China



ABOUT THIS REPORT

CHAIRMAN SPEECH

ABOUT TINCI MATERIALS

SUSTAINABLE DEVELOPMENT
MANAGEMENT

PRODUCT RESPONSIBILITY

TINCI SAFETY

TINCI ENVIRONMENTAL

SUSTAINABLE PROCUREMENT
PROTECTION

CARING FOR EMPLOYEES

COMMUNITY ENGAGEMENT

FUTURE OUTLOOK

REPORT VALIDATION

INDEX OF INDICATORS

APPENDIX

The company’s procurement strategy is centralized procurement within the group, where large quantities and key materials are uniformly controlled by group procurement. This strategy optimizes and shares company resources to the fullest extent, enabling efficient material allocation among the group and obtaining price advantages. The company has formulated procedures such as “Supplier Management and Control Procedure,” “Supplier Management System,” and “Raw Material Procurement Process Control Procedure” to standardize procurement operations and ensure that purchased materials meet the company’s quality, environmental, HSF (Hazardous Substance Free), and health and safety requirements, while also meeting cost accounting requirements and production needs.

Transparent procurement

To embody the principles of transparent, sunlight, and cost-effective procurement, the company has launched an intelligent procurement system and adopted digital management through the Supplier Relationship Management (SRM) system settlement. SRM enables end-to-end management of the entire procurement process, including procurement planning/demand, supplier sourcing, certification, procurement contracts, purchase orders, procurement business collaboration, and supplier performance management. This standardizes the company’s procurement process, enhances procurement responsiveness and efficiency, improves material turnover efficiency, and reduces procurement costs. In 2023, the company’s Audit and Inspection Department issued a notice regarding the requirement to sign a “Sunshine Agreement” in business cooperation, requiring all departments and wholly-owned and controlled subsidiaries of the company to sign it when signing business contracts. This measure ensures the company’s legitimate rights and interests in business cooperation, opposes commercial bribery and any form of commercial fraud, and holds accountable those who fail to comply with the requirements according to the “Audit and Supervision Accountability Management System.”

Supplier management

In 2023, the company supplemented and updated the "Supplier Safety Management System," "Supplier Development and Evaluation System," "Supplier Management System," and "Supplier Management and Control Procedure," further refining the procurement process and supply chain management. This standardizes the company's supplier management operational processes, ensuring a steady improvement in supplier product quality. It also ensures that various indicators such as environmental protection, price, HSF, safety management, hazardous substance management, information security management, and social responsibility meet legal requirements, industry standards, and company requirements. New important raw material suppliers are selected and evaluated according to relevant environmental and social responsibility standards (such as ISO 14001, ISO 45001, SA8000). To better manage registered qualified suppliers, the company classifies and grades suppliers, including raw materials, packaging materials and accessories, various chemical equipment, mechanical parts, and engineering service suppliers. Different categories of suppliers are matched with different procurement personnel to handle relevant business, thereby improving procurement efficiency.

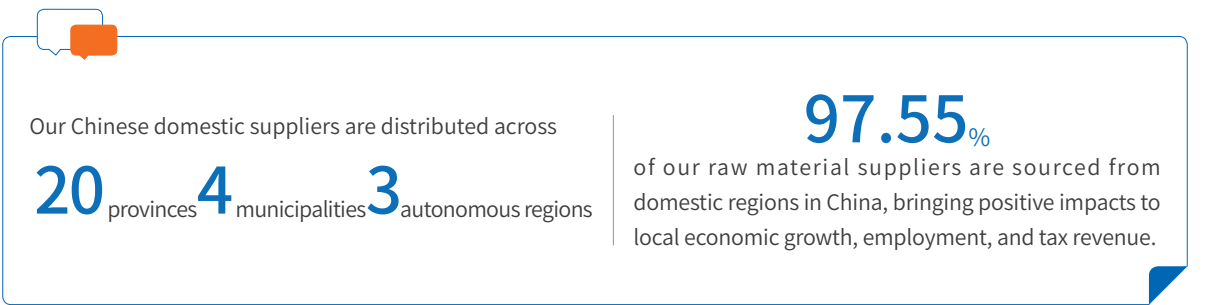
The company places equal emphasis on the sustainable development of its suppliers and has put forth sustainable development requirements for key material suppliers. Suppliers are required to sign a "Social and Environmental Responsibility Commitment" pledging commitments in labor, health and safety, hazardous substance management, pollution control, and energy conservation and emission reduction, thereby promoting mutual sustainable development. In 2023, a total of 64 new Social and Environmental Responsibility Commitments were signed.

Supplier auditing

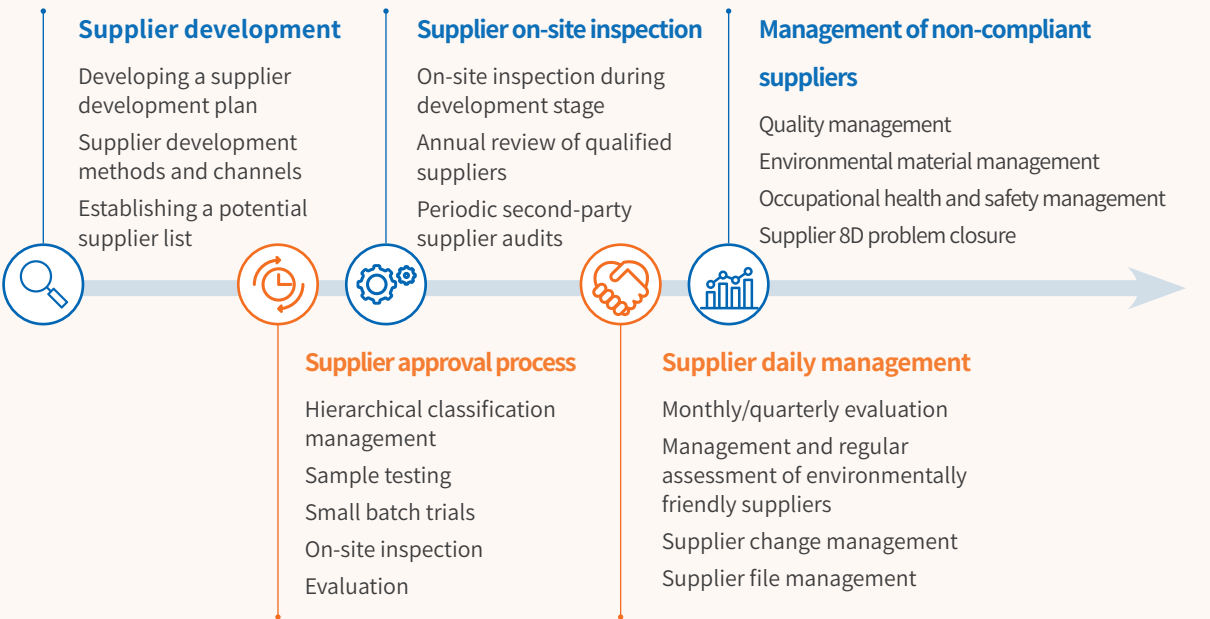
The Audit and Supervision Department of the company regularly conducts procurement price inquiry audits on group suppliers, involving multiple suppliers of raw materials, production equipment, and engineering projects. In 2023, a total of 4 supplier price inquiry audits were completed, involving 30 suppliers of engineering and raw materials, among others. Internal audit reports were issued for all audits. Issues identified during the audits are promptly supervised for supplier rectification, while internal improvement suggestions are provided and continuous monitoring is maintained.

Local procurement, supporting local businesses

The company consistently insists on construct a more stable, efficient, and sustainable supply chain, adhering to the path of localized procurement to address risks related to product safety and environmental concerns while actively fulfilling social responsibilities.



Note: Local procurement refers to within mainland China and excludes Hong Kong, Macau, and Taiwan.





CARING FOR EMPLOYEES

Browse anti-discrimination and anti-harassment training

17671 person-time

Employee satisfaction survey : average satisfaction rate is

80%

Employees with a tenure of over 10 years (Including 10 years)

427 people



9.1 FAIRNESS AND RESPECT

Tinci Materials adheres to an open, fair, and equal employment policy, strictly complying with the “Labor Law of the People’s Republic of China,” the “Labor Contract Law of the People’s Republic of China,” the “Provisions on the Prohibition of the Use of Child Labor,” the “Law on the Protection of Women’s Rights and Interests,” as well as local laws and regulations. During the recruitment process, strict screening and control measures are implemented to refrain from hiring child labor. Since its establishment, the company has never employed child labor. Furthermore, in the supplier audit process, the company requires its suppliers to adhere to the prohibition of child labor recruitment.

The company has formulated the “Prevention of Discrimination and Harassment Procedure”. In matters related to recruitment, training, promotion, dismissal, or retirement, the company does not tolerate discrimination based on race, ethnicity, social origin, social status, lineage, religion, physical disability, gender, family responsibility, marital status, union membership, age, or any other factor, ensuring that employees have equal job rights and development opportunities. The company explicitly opposes workplace harassment, protecting employees from sexual harassment, threats, intimidation, etc., in the workplace. Respecting employees’ rights to freedom of association and collective bargaining while adhering to regulations, the company promotes gender equality, insisting on equal pay for equal work between male and female employees, providing diverse and fair job opportunities for all employees, fostering an efficient and dynamic work environment, and enhancing employee happiness. The company has established a comprehensive training system for trainees and provides employees with a complete training platform. As of the end of the reporting period, the promotion rate among trainees in the past five years reached 33%. To safeguard employee rights, the company has established a labor union to represent employee interests, coordinate company-employee relations, and address employee concerns, with a 100% employee participation rate.

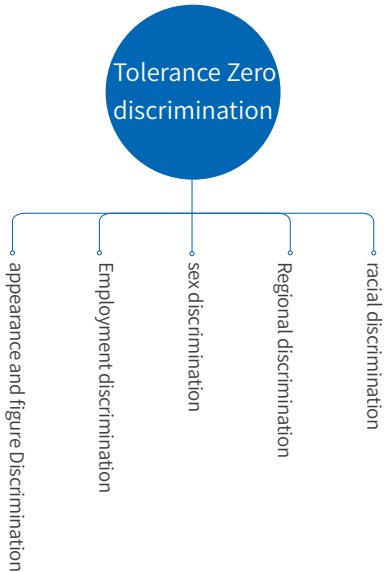
In 2023, female employees accounted for 27.50% of the total workforce in the company. Among them, there were 131 female managers, constituting 23.91% of the total managerial staff. The company also stipulates that female employees are entitled to maternity leave while pregnant employees are provided with special meals. Employees who took maternity leave in 2023 had a 100% return-to-work rate and retention rate after their leave.

Case Study

Training on anti-forced labor, anti-discrimination, and anti-harassment

In 2023, the company organized all employees to participate in training on anti-forced labor, anti-discrimination, and anti-harassment through the Tinci Lecture Hall. The course was accessed a total of 17,671 times, accumulating a total of 1,597 hours of learning time.

Anti-discrimination



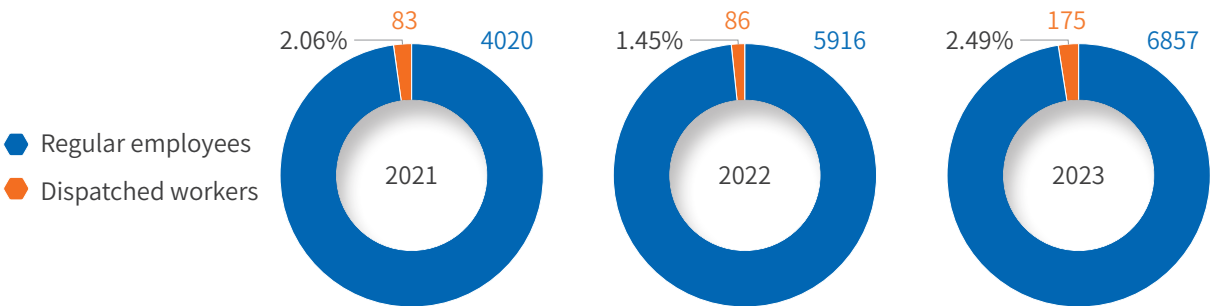
The following acts are regarded as manifestations of sexual harassment

- Unnecessarily and deliberately talking about sexual topics, teasing the opposite sex with obscene language, commenting on employees with sexually provocative language, behavior or other inappropriate ways
- Embarrassing to preach personal sexual experiences or pornographic content to others
- Words and behaviors that tend to humiliate others sexually
- Show others obscene pictures, advertisements, pornographic materials, etc
- Unnecessary contact, intentionally touching and colliding with other people’s sensitive parts
- Make ambiguous phone calls or send yellow messages to others

The company signs formal labor contracts with all regular employees and provides social security as required by laws and regulations. When utilizing temporary workers, the company mandates that the staffing agencies operate legally, sign formal labor contracts with temporary workers, and provide them with statutory benefits and protections. The Human Resources Department supervises and tracks the management of staffing agencies accordingly.

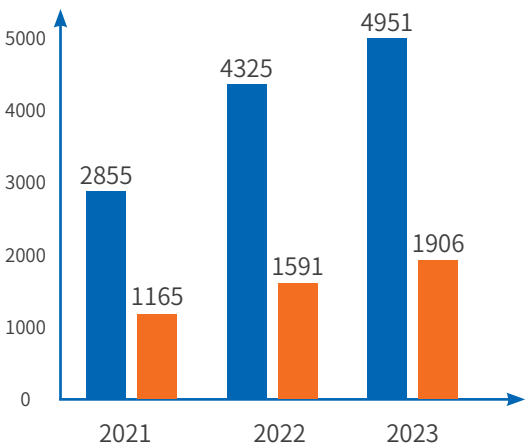
As of December 31, 2023, the total number of regular employees in Tinci Materials and its subsidiaries, distributed across 10 provinces in China (including Jiangxi, Guangdong, Anhui, Zhejiang, Fujian, Tianjin, Jiangsu, Hubei, Sichuan, and Hunan), amounted to 6,857 people, with 175 temporary workers. During the reporting period, a total of 2,655 new employees joined Tinci Materials.

Distribution of employee categories

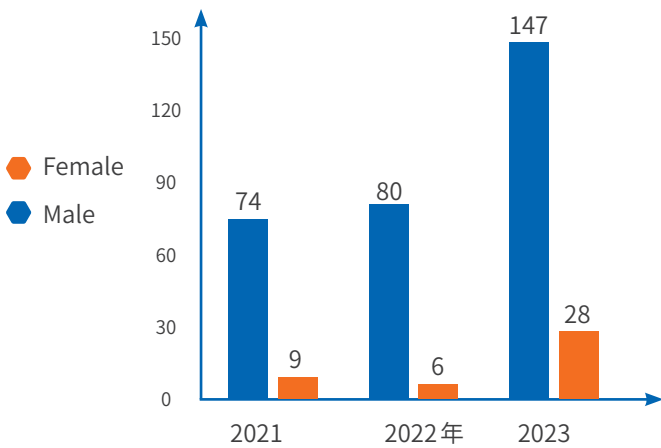


Note: The number of employees in 2023 refers to the total number of employees as of December 31, 2023.

Proportional distribution of male and female in regular employees



Proportional distribution of male and female in dispatched workers



ABOUT THIS REPORT

CHAIRMAN SPEECH

ABOUT TINCI MATERIALS

SUSTAINABLE DEVELOPMENT
MANAGEMENT

PRODUCT RESPONSIBILITY

TINCI SAFETY

TINCI ENVIRONMENTAL

SUSTAINABLE PROCUREMENT
PROTECTION

CARING FOR EMPLOYEES

COMMUNITY ENGAGEMENT

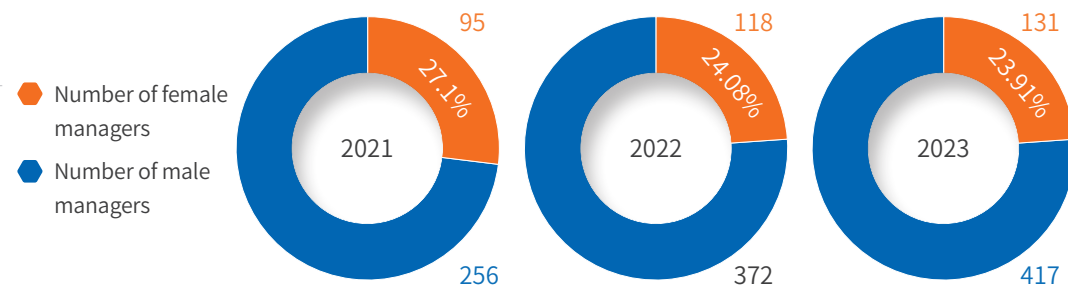
FUTURE OUTLOOK

REPORT VALIDATION

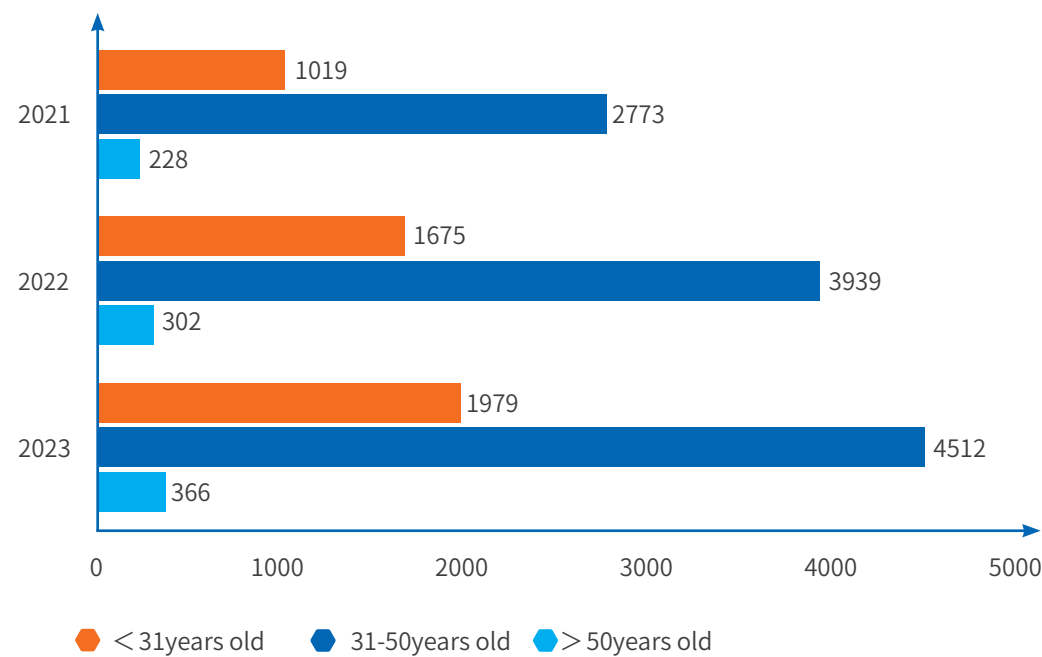
INDEX OF INDICATORS

APPENDIX

Percentage of female managers

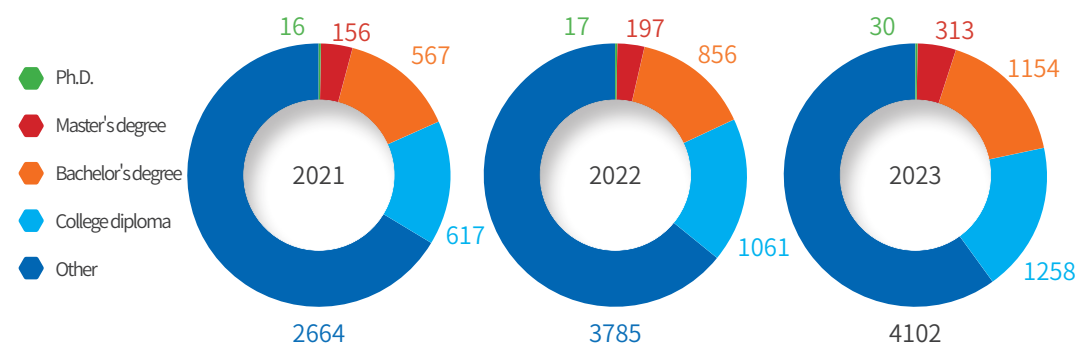


Age distribution



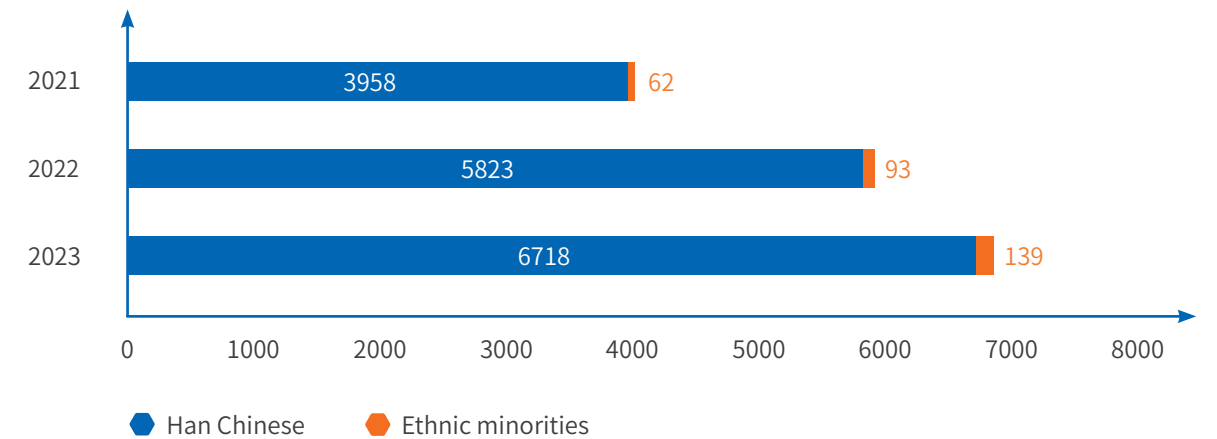
Note: The statistical scope for age classification is based on regular employees.

Educational background distribution



Note: The statistics for educational attainment are based on regular employees.

Nationality distribution



Note: The statistics for ethnic groups are based on regular employees. The number of ethnic minority employees in 2023 includes 3 foreign employees.

The company prohibits discrimination and forced labor, strictly reviews overtime applications, and controls the duration of overtime work. There have been no legal disputes related to forced labor.

KPIs

Incidents of employment discrimination, child labor, or forced labor within the company and its supply chain.

0 pieces

Confirmed incidents of harassment, abuse, or discrimination within the company and its supply chain.

0 pieces

The company has established a complaints, reporting, and appeals process along with a whistleblower protection policy, allowing employees to initiate the process anonymously or with their identity disclosed. The Human Resources Department ensures the security of the whistleblower's information. Upon initiation of a complaint, the local HR department first investigates the situation, reports to the Group Employee Relations Manager, and devises a solution. If the employee is not satisfied with the proposed solution, direct communication is facilitated between the Group Employee Relations Manager and the employee to address the issue further. Additionally, the company has implemented an employee reporting, appeals, and suggestions process through the OA system to understand employee feedback comprehensively. Furthermore, a direct communication channel with the General Manager via the company's WeChat platform has been established to provide employees with maximum communication channels. In 2023, there were 14 complaints reported, covering issues related to remuneration, performance assessment, travel expenses, logistics, etc. After communicating with the employees and understanding the situations, the relevant issues were addressed, and the outcomes were communicated back to the reporting employees.

Reporting channels	Initiate HR045 process via OA	Enterprise WeChat direct line to the General Manager	Complaint and reporting email
			tousujubao@tinci.com

ABOUT THIS REPORT

CHAIRMAN SPEECH

ABOUT TINCI MATERIALS

SUSTAINABLE DEVELOPMENT MANAGEMENT

PRODUCT RESPONSIBILITY

TINCI SAFETY

TINCI ENVIRONMENTAL

SUSTAINABLE PROCUREMENT PROTECTION

CARING FOR EMPLOYEES

COMMUNITY ENGAGEMENT

FUTURE OUTLOOK

REPORT VALIDATION

INDEX OF INDICATORS

APPENDIX

9.2 REMUNERATION AND BENEFITS

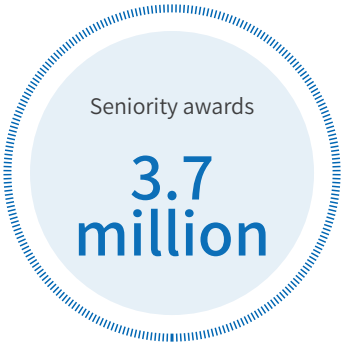
The company strictly adheres to various labor laws and regulations, providing employees with competitive remuneration and benefits. It adopts a “remuneration + bonus” strategy and also allocates equity and stock options to employees, allowing them to enjoy the dividends of the company’s development. The company continues to carry out equity incentives, covering approximately 2794 employees cumulatively. As of the end of the reporting period, two incentive plans are in implementation, with incentive tools including restricted stock and stock options. The Human Resources Department of the group and its subsidiaries conduct comprehensive evaluations annually and adjust salary levels and structures accordingly.

The company cares about the well-being of its employees and continues to improve various welfare benefits for them. In terms of statutory benefits, during this reporting period, the company disbursed a total of 862 million yuan in remunerations, bonuses, allowances, subsidies, welfare expenses, housing provident fund contributions, and social insurance premiums for all employees.

In addition to legally mandated social insurance contributions, the company also purchases commercial insurance for employees in special positions and provides various welfare measures for all employees, creating a high-quality work environment. During festivals such as the Spring Festival, Mid-Autumn Festival, Dragon Boat Festival, and International Women’s Day, the company organizes themed activities to enhance the festive atmosphere and distributes holiday gifts. All employees entitled to parental leave are granted full parental leave, and the return rate and retention rate for employees taking parental leave are both 100%. Besides national statutory holidays, the company also provides an additional 3 company holidays, extending employees’ vacation time.



The company has established multiple welfare programs covering all regional employees. In 2023, the total amount disbursed for special benefits exceeded 5 million yuan.



Case Study

The company awards loyal service prizes to employees who have diligently worked for twenty, fifteen, ten, and five years



The company organizes free health examinations for all employees



The company consistently adheres to the principle of distribution according to work done. It has formulated and implemented a series of distribution system management methods and regulations. Additionally, it has introduced allowances for employees on external assignments. Building upon existing position ranks, performance incentives, and equity incentives, the company continues to enrich its compensation structure by designing skill-based salary systems, allowances for external assignments, and special bonuses. This further enhances the company’s compensation and incentive system, linking the interests of senior and middle-level management, core technical personnel, and business backbones with the company’s interests. This encourages them to create long-term value for the company, attract and retain key technical talents, strengthen the company’s competitive strength, and promote its sustained and healthy development. This initiative has been recognized as one of the top ten exemplary cases of collective bargaining on compensation and incentives in Jiujiang City.

ABOUT THIS REPORT

CHAIRMAN SPEECH

ABOUT TINCI MATERIALS

SUSTAINABLE DEVELOPMENT MANAGEMENT

PRODUCT RESPONSIBILITY

TINCI SAFETY

TINCI ENVIRONMENTAL

SUSTAINABLE PROCUREMENT PROTECTION

CARING FOR EMPLOYEES

COMMUNITY ENGAGEMENT

FUTURE OUTLOOK

REPORT VALIDATION

INDEX OF INDICATORS

APPENDIX

9.3 TALENT ATTRACTION AND RETENTION

For a high-tech enterprise, talent is the cornerstone of company development. Ensuring the attraction and retention of talent is fundamental to the sustained and stable growth of the enterprise. Tinci Materials prioritizes diverse talent sources by establishing partnerships with universities, industry organizations, and other institutions. This allows the company to recruit outstanding graduates and experienced professionals, continually enhancing the team’s innovation and competitiveness. Tinci Materials’ talent management extends beyond recruitment and retention. It is rooted in the company’s strategic perspective, aiming to establish a positive corporate image and provide ample development platforms. The company offers on-the-job training opportunities and supports employees in pursuing further education at renowned universities. This approach fosters mutual growth between employees and the company, facilitating two-way communication between management and staff to strengthen the company’s cohesion and unity. Ultimately, this strategy enhances the company’s attractiveness and retention of talent.



The company values employee retention. As of the end of 2023, there are 27 employees with a tenure of over 20 years, 400 employees with a tenure of over 10 years but less than 20 years, and 1,263 employees with a tenure of over 5 years but less than 10 years.

Year	2021				2022				2023			
Tenure intervals	< 5	5 — 10	10 — 20	> 20	< 5	5 — 10	10 — 20	> 20	< 5	5 — 10	10 — 20	> 20
Number of people	3209	741	226	24	4382	1073	334	26	5167	1263	400	27

9.4 EMPLOYEE TRAINING AND DEVELOPMENT

Tinci Materials, based on its mission, vision, and core values, has standardized its position and rank system, refined its promotion management system, conducted strategic talent assessments, promoted internal job rotation mechanisms, and enhanced its training system. These efforts, rooted in the company’s business model, value proposition, and growth trajectory, provide employees with broad platforms and professional guidance for their career development.



- ABOUT THIS REPORT
- CHAIRMAN SPEECH
- ABOUT TINCI MATERIALS
- SUSTAINABLE DEVELOPMENT MANAGEMENT
- PRODUCT RESPONSIBILITY
- TINCI SAFETY
- TINCI ENVIRONMENTAL
- SUSTAINABLE PROCUREMENT PROTECTION
- CARING FOR EMPLOYEES
- COMMUNITY ENGAGEMENT
- FUTURE OUTLOOK
- REPORT VALIDATION
- INDEX OF INDICATORS
- APPENDIX

In 2023, Tinci Materials continued its focus on talent development by implementing multiple core backbone training programs in various fields such as marketing, functional roles, management, and technology across different sequences and dimensions. These initiatives aim to build a strong talent pool for Tinci Materials' development. Additionally, leveraging the company's technological and financial advantages along with the human resource advantages of universities, the company actively pursued qualifications for vocational skill level recognition. This effort is aimed at activating the engine for talent attraction and nurturing, advancing the construction of a high-skilled workforce in the new era, and providing robust talent support for the company's high-quality leapfrog development.

Employee skills enhancement projects in 2023

Case Study

"Eagle Leadership Training Camp"

Tinci Materials' talent development program adopts a rolling rotation approach, progressing through various levels from campus recruits (Eagle-In-Training Program) to technical sequences (Warrior Program), core management personnel (Elite Leadership Training Camp), Eagle Training Camp, and finally, the Eagle Leadership Training Camp. The Eagle Leadership Training Camp represents the highest level of talent development for core management personnel. In this specific case, the Eagle Leadership Training Camp is conducted in the form of a private board meeting, involving top executives from various divisions, including heads of business units, marketing, technology, and operations support. Led by coaches, the private board meeting guides the case owners and participants to engage in in-depth discussions and collisions from an outward-to-inward perspective, aiming to explore more possibilities for problem-solving.



"Marketing Training Camp"

Gathering marketing personnel from various business units, the Marketing Training Camp utilizes practical exercises, scenario simulations, and theoretical practices to enhance the skills of marketing personnel across the organization.



Case Study

"Skill Competition"

The personal care factory in Jiujiang held the Skill Competition, providing a platform for frontline employees to showcase their skills, enhance their learning, innovation, and competitiveness, while also identifying outstanding talent. The competition consisted of three stages: preliminary rounds, semi-finals, and the final showdown. The company organized an award ceremony to honor the winning employees.



The Human Resources Department conducts performance evaluations for all employees based on the performance management system. The annual performance evaluation results serve as an important reference for employee promotions. In 2023, a total of 117 employees were promoted, including 30 females. Among them, there were 6 personnel promoted to department heads or above, and 45 personnel promoted from supervisory to managerial positions, including 7 females.

Based on the company's development plan, differences in employee skills, and business needs, each department conducted training needs assessments. Using the training needs analysis model as a tool, annual training plans were developed. In 2023, all employees received training in social responsibility aspects. Additionally, all 137 security personnel in the company also participated in training related to social responsibility policies or procedures such as human rights and anti-discrimination.

Content	Time	Male (regular)	Female (regular)	Dispatched workers
The average number of training hours per employee	2023	76	77	72

ABOUT THIS REPORT

CHAIRMAN SPEECH

ABOUT TINCI MATERIALS

SUSTAINABLE DEVELOPMENT
MANAGEMENT

PRODUCT RESPONSIBILITY

TINCI SAFETY

TINCI ENVIRONMENTAL

SUSTAINABLE PROCUREMENT
PROTECTION

CARING FOR EMPLOYEES

COMMUNITY ENGAGEMENT

FUTURE OUTLOOK

REPORT VALIDATION

INDEX OF INDICATORS

APPENDIX

9.5 EMPLOYEE CARE

Tinci Materials adheres to a democratic management model, fostering employee engagement through various democratic management methods such as employee forums, interviews, union representatives, CEO luncheons, chairman's mailbox, and WeChat public accounts. These interactions allow for the reception of employees' constructive suggestions, ultimately fostering harmonious employee relations. In 2023, the company organized four satisfaction surveys and departmental-level forums within the group, achieving an 80% satisfaction rate. Eight pieces of feedback/suggestions were received, all of which were addressed or explained by the Human Resources Department through improvements or clarifications.

Case Study

“The Master of Emotions” emotional management course, phase 2

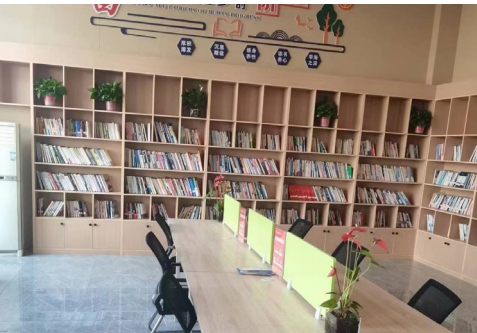
TINCI Jiujiang organized frontline team leaders to participate in an emotional management course, aimed at helping employees enhance their emotional stability in uncertain environments and develop resilience to thrive in adversity and under pressure.



The company demonstrates care for its employees in various aspects including accommodation, meals, transportation, children's education, and family growth. When employees encounter difficulties, the company harnesses the power of teamwork to help them overcome challenges in both work and life, ensuring that each employee feels the warmth of home. For employees facing family difficulties or hospitalized due to illness, the company sends representatives to visit, understand their needs, and assist in resolving their difficulties. In 2023, the company and the labor union jointly organized visits to three families facing poverty due to injury or illness, offering condolences before the Spring Festival. Practical issues were addressed for these disadvantaged groups of workers, and holiday gifts were provided.

Employee care practices in 2023:

- Request suppliers to provide inspection certificates and pesticide residue certificates for goods delivered on the day of supply to ensure food safety.
- A new bakery is opened, offering handmade pastries such as baozi, fried dough sticks, and steamed buns to enrich the dining options for employees.
- One cafeteria has been added, with some cafeterias undergoing expansion and renovation. The seating arrangement in the cafeterias has been adjusted to enhance the dining experience for employees.
- The entire group has implemented a unified visitor management system. All external visitors are required to schedule appointments through the online system, and entry into the company premises is only permitted after approval.
- Signed agreements to lease apartments in Haishan Staff Apartments and Shizhong Holdings Staff Apartments, improving the accommodation environment and enhancing the happiness of employees.
- Added 85 new office spaces to meet the growing demand for employee workspace within the company.
- Added four new shuttle buses covering commuting routes for all employees in Jiujiang.



ABOUT THIS REPORT

CHAIRMAN SPEECH

ABOUT TINCI MATERIALS

SUSTAINABLE DEVELOPMENT
MANAGEMENT

PRODUCT RESPONSIBILITY

TINCI SAFETY

TINCI ENVIRONMENTAL

SUSTAINABLE PROCUREMENT
PROTECTION

CARING FOR EMPLOYEES

COMMUNITY ENGAGEMENT

FUTURE OUTLOOK

REPORT VALIDATION

INDEX OF INDICATORS

APPENDIX

The Human Resources Department is responsible for completing the process mapping, dissemination, and application of employee relations management according to the “Employee Relations Manual.” Training on employee relations awareness and skills has been conducted for management personnel at all levels to establish a healthy communication bridge between employees and the company, achieving standardized management of labor risks. The company has not experienced any economic layoffs or dissolution. According to company regulations, in the event of similar circumstances, employees must be notified at least one year in advance. During the reporting period, no complaints or appeals have occurred.

The company places great emphasis on human care for its employees by organizing beneficial recreational and fitness activities to enrich their lives, thereby aiding employees in achieving a balance between work and life.



"Traveling Together, Greening the Future"



Jiujiang symposium



Children's college entrance examination inspirational seminar



Women's family growth salon



TINCI Jiujiang staff sports meeting



"Be Yourself, Dare to Shine" Women's Festival event

Case Study

"YU & You, Spring Camping" initiative

TINCI Guangzhou, in collaboration with UniAsia Technology and Siemens Energy Transformer, hosted an exhilarating corporate networking event. Set against the picturesque backdrop of Guangzhou's Zengcheng District at the 23N Campsite, the "YU & You, Spring Camping" initiative kicked off. This event attracted nearly 70 guests, where singles from three companies mingled and connected amidst the serene surroundings.

The purpose of this networking event is to provide a platform for single young men and women within the company to meet and interact. The company remains committed to understanding and addressing the needs of its employees, striving to provide high-quality services to enhance their lives.





社区参与

TINCI Jiujiang,was warded the title of

"Outstanding Contributor to the 'Enterprise Partnering with Villages"

Initiative in Hukou County" for the year 2022

During the reporting period, the company's cumulative philanthropic expenditure amounted to

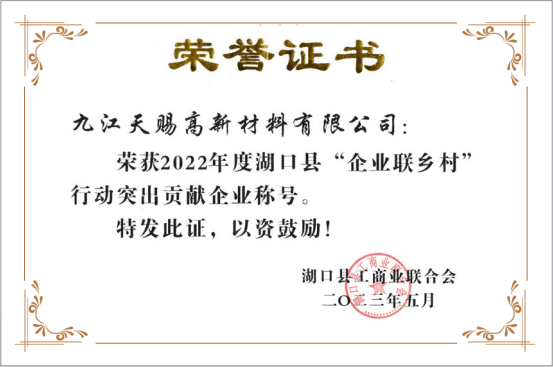
1.897 million yuan



- ABOUT THIS REPORT
- CHAIRMAN SPEECH
- ABOUT TINCI MATERIALS
- SUSTAINABLE DEVELOPMENT MANAGEMENT
- PRODUCT RESPONSIBILITY
- TINCI SAFETY
- TINCI ENVIRONMENTAL
- SUSTAINABLE PROCUREMENT PROTECTION
- CARING FOR EMPLOYEES
- COMMUNITY ENGAGEMENT
- FUTURE OUTLOOK
- REPORT VALIDATION
- INDEX OF INDICATORS
- APPENDIX

While continually innovating and exploring, Tinci Materials actively engages in social welfare activities, embodying its social responsibility through practical actions and contributing to community development and social progress. The company emphasizes the reflection of corporate social values and adheres to the philanthropic concept of “respecting the elderly and assisting education.” It participates in various social welfare activities organized by provincial, municipal, and district authorities, including those related to science, education, health, community development, educational assistance, poverty alleviation, and relief efforts. It delves into poverty-stricken schools and impoverished families to address specific issues such as school facilities, books, and teaching aids. Moreover, the company values exchanges and collaborations with universities and research institutes, establishing teaching and internship bases in partnership with several universities.

In 2023, Tinci Materials’ subsidiary, TINCI Jiujiang, was awarded the title of “Outstanding Contributor to the ‘Enterprise Partnering with Villages’ Initiative in Hukou County” for the year 2022.



During the reporting period, the company’ s cumulative philanthropic expenditure amounted to 1.897 million yuan.

Public welfare activities	Donation amount
Bean industry workshop construction project - Liufang Village, Hukou County	500,000
Anti-fraud campaign project - Volunteer Police Association of Hukou County	120,000
Rice mill renovation project - Guanqiao Village, Maying Town, Hukou County	100,000
Road widening project - Xishan Village, Huangcun Town, Hukou County	120,000
Happiness canteen at the elderly care service center - Civil Affairs Bureau	50,000
Others	1,007,000
Total	1,897,000



Recognition event for veterans



Assistance program for Qiao Village in Maying Town, Hukou County



Anti-fraud campaign in Hukou County

Case Study

Employee donations

“The company actively collaborated with the County Tourism Bureau and Charity Federation to establish the TINCI Jiujiang Dolphin Protection Special Fund. Employees voluntarily donated and raised 14,424 yuan for the Environmental Protection Foundation. TINCI Jiujiang organized the “Love for Humanity, Charity Day Donation” online fundraising event on “99 Charity Day, “ where employees voluntarily donated and raised 8,327.16 yuan for the Hukou County Charity Federation.



Other public welfare activities:

Case Study

Chemistry public welfare science popularization activities

The TINCI Jiujiang Party Branch and Public Relations Department, in collaboration with the Science and Technology Bureau of Hukou County, organized a campus science popularization activity themed “Green Chemistry, Walking Together with Tinci” . The aim of this activity is to enrich scientific knowledge among children and adolescents, cultivate innovative consciousness, enhance observational and practical abilities, and stimulate their interest in science from a young age. Volunteers brought various experimental equipment and gifts to Jiujiang City Hukou County Fifth Primary School, initiating a wonderful journey of chemical magic with the children. This activity was warmly welcomed by school leaders and students, and received enthusiastic feedback.



respect for the elderly activity on Double Ninth Festival

The TINCI Jiujiang Party Branch, in conjunction with the Public Relations Department of TINCI Jiujiang, organized a themed party event titled “Promoting the Virtue of Respecting the Elderly and Cultivating a New Civilization” for the Double Ninth Festival. They visited the Chengshan Village in Zhangqing Township, Hukou County, where they invited elderly residents to participate in fun games, arranged for doctors to provide free medical consultations, and joined the elderly in making dumplings. Additionally, they donated rice, cooking oil, noodles, and other practical items to the Chengshan Village’ s Happy Kitchen. Through these actions, they aimed to actively assist and care for the elderly, allowing them to share in the achievements of economic and social development and enjoy a happy and fulfilling later life.





FUTURE OUTLOOK

Practicing Sustainable Development Concepts

The company's mission is "Green Chemistry Achieves a Low-Carbon and Beautiful Life." Its medium-to long-term goal is to become an industry leader in fields such as new energy materials, personal care materials, specialty chemicals, electronic chemicals, and high-performance materials. It aims to be one of the leading brands representing green chemistry operations in China, as well as a model for circular economy and low-energy consumption intelligent manufacturing industries. The company seeks to develop the scale and capabilities necessary for international competitiveness and aims to establish an international high-end brand image in the fine chemical industry.

In the future, the company will accelerate and strengthen its ESG development through the following modules of development planning:

Embarking on a new journey of company governance

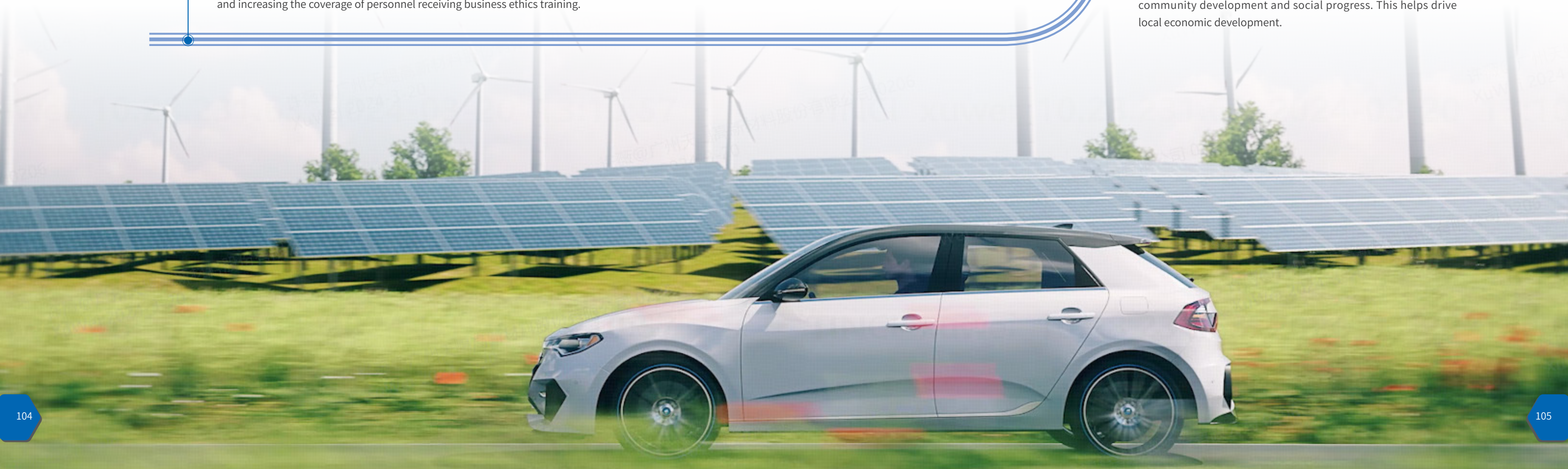
- Continuously improving the ESG governance framework and mechanisms, establishing an ESG management team to enhance the management of material ESG issues, and maintaining company stability and sustainable development by clarifying ESG strategies and objectives.
- Building a comprehensive, fair, and transparent company governance system, continuously improving the company governance structure and management systems.
- Emphasizing training on employee ethical standards, regularly conducting training programs, and increasing the coverage of personnel receiving business ethics training.

Focusing on environmentally friendly green development

- Establishing carbon neutrality implementation goals that align with the company's development, continually strengthening environmental protection awareness, and researching and developing more green technologies to achieve comprehensive sustainable development. This includes achieving carbon neutrality targets and making contributions to the environment.
- Actively seeking effective carbon neutrality technologies and formulating feasible plans to achieve its carbon emission reduction targets. Additionally, we will explore the implementation of carbon capture and storage technologies and actively promoting the concept of a carbon economy.

Creating a harmonious society together

- Leveraging our leading position in the industry and professional expertise, we actively promote rural revitalization, increase social investment, fulfill our social responsibilities, and contribute to community development and social progress. This helps drive local economic development.





REPORT VALIDATION INDEX OF INDICATORS APPENDIX

- ABOUT THIS REPORT
- CHAIRMAN SPEECH
- ABOUT TINCI MATERIALS
- SUSTAINABLE DEVELOPMENT MANAGEMENT
- PRODUCT RESPONSIBILITY
- TINCI SAFETY
- TINCI ENVIRONMENTAL
- SUSTAINABLE PROCUREMENT PROTECTION
- CARING FOR EMPLOYEES
- COMMUNITY ENGAGEMENT
- FUTURE OUTLOOK
- **REPORT VALIDATION**
- INDEX OF INDICATORS
- APPENDIX

REPORT VALIDATION





ASSURANCE STATEMENT

SGS-CSTC’S REPORT ON SUSTAINABILITY ACTIVITIES IN THE GUANGZHOU TINCI MATERIALS TECHNOLOGY CO., LTD.’S CSR REPORT FOR 2023

NATURE OF THE ASSURANCE/VERIFICATION
 SGS-CSTC STANDARDS TECHNICAL SERVICES CO., LTD. (hereinafter referred to as SGS) was commissioned by GUANGZHOU TINCI MATERIALS TECHNOLOGY CO., LTD. (hereinafter referred to as Tinci Materials) to conduct an independent assurance of the Chinese version of Tinci Materials’ CSR Report for 2023 (hereinafter referred to as the Report).

INTENDED USERS OF THIS ASSURANCE STATEMENT
 This Assurance Statement is provided with the intention of informing all Tinci Materials’ Stakeholders.

RESPONSIBILITIES
 The Tinci Materials’ management and relevant functional departments are responsible for the information contained in the Report. SGS has not been involved in the preparation of any of the material included 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.

ASSURANCE STANDARDS, TYPE AND LEVEL OF ASSURANCE
 The SGS ESG & Sustainability Report Assurance protocols used to conduct assurance are based upon internationally recognised assurance guidance and standards including the principles of reporting process contained within the Global Reporting Initiative Sustainability Reporting Standards (GRI Standards) GRI 1: Foundation 2021 for report quality, GRI 2 General Disclosure 2021 for organisation’s reporting practices and other organizational detail, GRI 3 2021 for organisation’s process of determining material topics, its list of material topics and how to manages each topic, and the guidance on levels of assurance contained within the AA1000 series of standards and ISAE3000.

- The assurance of this report has been conducted according to the following Assurance Standards:
- SGS ESG&SRA validation regulations (based on GRI principles and AA1000 guidelines)

Assurance has been conducted at a moderate level of scrutiny.

SCOPE OF ASSURANCE AND REPORTING CRITERIA
 The scope of the assurance included evaluation of quality, accuracy and reliability of specified performance information as detailed below and evaluation of adherence to the following reporting criteria:

- GRI Standards 2021 (Reference)

ASSURANCE METHODOLOGY
 The assurance comprised a combination of pre-assurance research, documentation and interviews with relevant employees located at No.8, Kangda Road, Dongcheng Area, Yunpu Industrial Zone,Huangpu District, Guangzhou City, Guangdong Province, P.R.China.

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

ABOUT THIS REPORT

CHAIRMAN SPEECH

ABOUT TINCI MATERIALS

SUSTAINABLE DEVELOPMENT MANAGEMENT

PRODUCT RESPONSIBILITY

TINCI SAFETY

TINCI ENVIRONMENTAL

SUSTAINABLE PROCUREMENT PROTECTION

CARING FOR EMPLOYEES

COMMUNITY ENGAGEMENT

FUTURE OUTLOOK

REPORT VALIDATION

INDEX OF INDICATORS

APPENDIX

The data related to carbon emissions in the Report was summarised from Jiujiang Tianzhi's external third-party verification data and other factories' self-accounting data, and the audit on a sampling basis of carbon data was conducted during the assurance process.

The verification method is group verification, which does not include comprehensive traceability of the original data of the subsidiary companies of Tinci Materials.

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

STATEMENT OF INDEPENDENCE AND COMPETENCE

The SGS Group of companies is the world leader in inspection, testing and verification, operating in multiple countries and providing services including management systems and service certification; quality, environmental, social and ethical auditing and training; environmental, social and sustainability report assurance. SGS affirm our independence from Tinci Materials, being free from bias and conflicts of interest with the organisation, its subsidiaries and stakeholders.

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

FINDINGS AND CONCLUSIONS

ASSURANCE/VERIFICATION OPINION

On the basis of the methodology described and the verification work performed, the specified performance information included in the scope of assurance is accurate, reliable, and has been fairly stated.

The assurance team believes that the Report is with reference to the GRI Standards 2021.

Principles

Accuracy

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

Balance

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

Clarity

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

Comparability

Tinci Materials had disclosed performance indicators in 2023. Some performance indicators disclose historical datas for intuitive comparison, and relevant parties can gain more comprehensive understanding of their sustainable development performance.

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.

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.

Timeliness

Verification shewn that the reported data and information was timely and effective. Tinci Materials' CSR Report for 2023 was released simultaneously with the annual report, which indicates good timeliness.

Verifiability

The data and information can be traced and verified.

Management Approach

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

General Disclosures

Some disclosures were presented in accordance with GRI 2: General Disclosure 2021.

Topic-Specific Disclosures

Tinci Materials' topic-specific disclosures related to the material topics in economic, environmental, and social areas were in accordance with GRI Standards 2021.

Findings and recommendations

Good practices and recommendations for Tinci Materials' CSR Report for 2023 and management process were described in the internal management report which has been submitted to the management of Tinci Materials for continuous improvement.

Signed:



For and on behalf of SGS-CSTC

David Xin
Sr. Director – Business Assurance
16/F Century Yuhui Mansion, No. 73, Fucheng Road, Beijing, P.R. China

Mar.21st, 2024
WWW.SGS.COM

INDEX OF INDICATORS

Global Reporting Initiative (GRI Standards 2021) index table

Instructions for use	Tinci Materials reported information referenced in this GRI Content Index according to the GRI Standards for the period from January 1, 2023, to December 31, 2023.
GRI 1 used	GRI 1: Foundation 2021

GRI Standards	Disclosure item	Section
GRI 2: General Disclosures 2021	1. The organization and its reporting practices	
	2-1 Organizational details	Introduction to Tinci
	2-2 Entities included in the organization's sustainability reporting	About this Report
	2-3 Reporting period, frequency and contact point	About this Report
	2-4 Restatements of information	About this Report
	2-5 External assurance	Report Validation
	Activities and workers	
	2-6 Activities, value chain and other business relationships	Introduction to Tinci
	2-7 Employees	Fairness and Respect
	2-8 Workers who are not employees	Fairness and Respect
	Governance	
	2-9 Governance structure and composition	Company Governance
	2-10 Nomination and selection of the highest governance body	Company Governance
	2-11 Chair of the highest governance body	Company Governance
	2-19 Remuneration policies	Company Governance
	4. Strategy, policies and practices	
	2-22 Statement on sustainable development strategy	Chairman Speech
	2-26 Mechanisms for seeking advice and raising concerns	Company Governance
	2-28 Membership associations 46	Introduction to Tinci

GRI Standards	Disclosure item	Section
GRI 2: General Disclosures 2021	5. Stakeholder engagement 2-29 Approach to stakeholder engagement	Stakeholder Engagement
GRI 3: Material Topics 2021	3-1 Process to determine material topics	Material Topic Identification
	3-2 List of material topics	Material Topic Identification
GRI 201: Economic Performance 2016	3-3 Management of material topics 201-1 Direct economic value generated and distributed	Company Operations Company Operations
	3-3 Management of material topics	Company Governance
GRI 205: Anti-corruption 2016	205-1 Operations assessed for risks related to corruption	Company Governance
	205-3 Confirmed incidents of corruption and actions taken	Company Governance
	3-3 Management of material topics	Company Governance
GRI 206: Anti-competitive Behavior 2016	206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	Company Governance Company Governance
	3-3 Management of material topics	Solid Waste Reduction and Resource Utilization
GRI 301: Materials 2016	301-2 Recycled input materials used	Solid Waste Reduction and Resource Utilization
	301-3 Reclaimed products and their packaging materials	Solid Waste Reduction and Resource Utilization
	3-3 Management of material topics	Proactive Response to Climate Change
GRI 302: Energy 2016	302-1 Energy consumption within the organization	Proactive Response to Climate Change
	302-4 Reduction of energy consumption	Proactive Response to Climate Change
	3-3 Management of material topics	Water Resource Protection
GRI 303: Water and Effluents 2018	303-1 Interactions with water as a shared resource	Water Resource Protection
	303-2 Management of water discharge-related impacts	Water Resource Protection
	303-3 Water withdrawal	Water Resource Protection
	303-4 Water discharge	Water Resource Protection
	303-5 Water consumption	Water Resource Protection

ABOUT THIS REPORT

CHAIRMAN SPEECH

ABOUT TINCI MATERIALS

SUSTAINABLE DEVELOPMENT MANAGEMENT

PRODUCT RESPONSIBILITY

TINCI SAFETY

TINCI ENVIRONMENTAL

SUSTAINABLE PROCUREMENT PROTECTION

CARING FOR EMPLOYEES

COMMUNITY ENGAGEMENT

FUTURE OUTLOOK

REPORT VALIDATION

● INDEX OF INDICATORS

APPENDIX

GRI Standards	Disclosure item	Section
GRI 305: Emissions 2016	3-3 Management of material topics	Proactive Response to Climate Change
	Direct (Scope 1) GHG emissions	Atmospheric Environmental Protection and Management
	Direct (Scope 2) GHG emissions	Proactive Response to Climate Change
	305-5 Reduction of GHG emissions	Proactive Response to Climate Change
	305-7 Nitrogen oxides (NO _x), sulfur oxides (SO _x), and other significant air emissions	Atmospheric Environmental Protection and Management
GRI 306: Waste 2020	3-3 Management of material topics	Solid Waste Reduction and Resource Utilization
	306-1 Water discharge by quality and destination	Solid Waste Reduction and Resource Utilization
	306-2 Waste by type and disposal method	Solid Waste Reduction and Resource Utilization
	Disclosure 306-3 Significant spills	Solid Waste Reduction and Resource Utilization
	306-4 Transport of hazardous waste	Solid Waste Reduction and Resource Utilization
GRI 308: Supplier Environmental Assessment 2016	306-5 Water bodies affected by water discharges and/or runoff	Solid Waste Reduction and Resource Utilization
	3-3 Management of material topics	Sustainable Procurement
	New suppliers screened by environmental assessment dimension	Sustainable Procurement
GRI 401: Employment 2016	308-2 Negative environmental impacts in the supply chain and actions taken	Sustainable Procurement
	3-3 Management of material topics	Caring for employees
	401-1 New employee hires and employee turnover	Fairness and Respect
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	Remuneration and Benefits
	Parental leave	Remuneration and Benefits
GRI 402: Labor Management Relations 2016	3-3 Management of material topics	Employee Care
	402-1 Minimum notice periods regarding operational changes	Employee Care

GRI Standards	Disclosure item	Section
GRI 403: Occupational Health and Safety 2018	3-3 Management of material topics	Tinci Safety
	403-1 Occupational health and safety management system	Occupational Health
	403-2 Hazard identification, risk assessment, and incident investigation	Process Safety
	403-3 Occupational health services	Occupational Health
	403-4 Worker participation, consultation, and communication on occupational health and safety	Safety Management
	403-5 Worker training on occupational health and safety	Occupational Health Safety Culture
	403-6 Promotion of worker health	Occupational Health Employee Care
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Occupational Health
	403-8 Workers covered by an occupational health and safety management system	Safety Management
	403-9 Work-related injuries	Safety Management
GRI 404: Training and Education 2016	403-10 Work-related ill health	Safety Management
	3-3 Management of material topics	Employee Training And Development
	404-1 Average hours of training per year per employee	Employee Training And Development
	404-2 Programs for upgrading employee skills and transition assistance programs	Employee Training And Development
GRI 405: Diversity and Equal Opportunity 2016	404-3 Percentage of employees receiving regular performance and career development reviews	Employee Training And Development
	3-3 Management of material topics	Fairness and Respect
GRI 406: Non-discrimination 2016	405-1 Diversity of governance bodies and employees	Fairness and Respect
	3-3 Management of material topics	Fairness and Respect
GRI 408: Child Labor 2016	406-1 Incidents of discrimination and corrective actions taken	Fairness and Respect
	3-3 Management of material topics	Fairness and Respect
	408-1 Operations and suppliers at significant risk for incidents of child labor	Fairness and Respect

GRI Standards	Disclosure item	Section
GRI 410: Security Practices 2016	3-3 Management of material topics	Employee Training And Development
	410-1 Security personnel trained in human rights policies or procedures	Employee Training And Development
GRI 414: Supplier Social Assessment 2016	3-3 Management of material topics	Sustainable Procurement
	414-1 New suppliers that were screened using social criteria	Sustainable Procurement
	Negative social impacts of supply chain and actions taken	Sustainable Procurement
GRI 416: Customer Health and Safety 2016	3-3 Management of material topics	Product Safety
	416-1 Assessment of the health and safety impacts of product and service categories	Product Safety
GRI 417: Marketing and Labeling 2016	3-3 Management of material topics	Product Safety
	417-1 Requirements for product and service information and labeling	Product Safety
GRI 418: Customer Privacy 2016	3-3 Management of material topics	Information Security
	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	Information Security



APPENDIX

Appendix 1

Pollution discharge permit disclosure

Tinci Materials complies with the requirements of environmental regulations to disclose environmental information. Within the scope of the report, a total of 9 production bases have publicly disclosed on the national pollution discharge permit management platform the types of pollutants, treatment methods, emission standards being implemented, self-monitoring situations, execution reports, and environmental management ledgers.

Sequence number	Company name	Website for public disclosure of pollution discharge permit information
1	TINCI Guangzhou	http://permit.mee.gov.cn/perxxgkinfo/xkgkAction!xkgk.action?xkgk=getxxgkContent&dataid=980084da3d97410188f456bc15cb2005
2	TINCI Jiujiang	http://permit.mee.gov.cn/perxxgkinfo/xkgkAction!xkgk.action?xkgk=getxxgkContent&dataid=f95775e5a9e942d2a23344166ddac7e3
3	TINCI Yichun	http://permit.mee.gov.cn/perxxgkinfo/xkgkAction!xkgk.action?xkgk=getxxgkContent&dataid=ee80f0c3ee6b42aeb26042bc88643329
4	TINCI Chizhou	http://permit.mee.gov.cn/perxxgkinfo/xkgkAction!xkgk.action?xkgk=getxxgkContent&dataid=3af749b40052452ebc74678c88f32313
5	TIANSHUO Zhejiang	http://permit.mee.gov.cn/perxxgkinfo/xkgkAction!xkgk.action?xkgk=getxxgkContent&dataid=57565b288f8f4c5e98018a7b07a087a9
6	TINCI Yichang	https://permit.mee.gov.cn/perxxgkinfo/xkgkAction!xkgk.action?xkgk=getxxgkContent&dataid=8ab8dc301c394927afeeacf9d0b3a625
7	KAIXIN Fuding	https://permit.mee.gov.cn/perxxgkinfo/xkgkAction!xkgk.action?xkgk=getxxgkContent&dataid=b72dfcda250044feb289fdf1d9ec71ae
8	Resource Recycling Jiujiang	https://permit.mee.gov.cn/perxxgkinfo/xkgkAction!xkgk.action?xkgk=getxxgkContent&dataid=fcbe5265e4c74fa387642c5d339bcf39
9	TINCI Qingyuan	https://permit.mee.gov.cn/perxxgkinfo/xkgkAction!xkgk.action?xkgk=getxxgkContent&dataid=734d207557634913b19e48dab26112ca

Note: (1) TINCI Jiangsu and KAIXIN Ningde are registered for pollution discharge permit management and have submitted the "Fixed Pollution Source Discharge Registration Form."

ABOUT THIS REPORT

CHAIRMAN SPEECH

ABOUT TINCI MATERIALS

SUSTAINABLE DEVELOPMENT MANAGEMENT

PRODUCT RESPONSIBILITY

TINCI SAFETY

TINCI ENVIRONMENTAL

SUSTAINABLE PROCUREMENT PROTECTION

CARING FOR EMPLOYEES

COMMUNITY ENGAGEMENT

FUTURE OUTLOOK

REPORT VALIDATION

INDEX OF INDICATORS

APPENDIX

Appendix 2

Primary pollutants discharged in wastewater in 2023

Company name	Name of main pollutant	Name of emission standard	Emission concentration limit (mg/L)	Average emission concentration in 2023 (mg/L)	Approved total emission quantity (t/a)	Total emission quantity in 2023 (t/a)
Fenghuangwu Base – TINCI Jiujiang	COD	《Emission standards of pollutants for inorganic chemical industry GB31573-2015》	200	19.65	66	6.78
Fenghuangwu Base – TINCI Jiujiang	Ammonia nitrogen	《Standards for the takeover by Hukou Jinyu Sewage Treatment Co., Ltd.》	30	1.19	9.9	0.401
Fenghuangwu Base – TINCI Jiujiang	TP	《Emission standards of pollutants for inorganic chemical industry GB31573-2015》	2	0.44	0.66	0.150
TIANSHUO Zhejiang	Ammonia nitrogen	《Integrated wastewater discharge standard GB8978-1996》	35	0.809	1.47	0.048
TIANSHUO Zhejiang	COD	《Indirect emission limits of nitrogen and phosphorus pollutants in industrial enterprises DB33/887-2013》	500	45.96	21.05	2.749
TIANSHUO Zhejiang	AOX	《Integrated wastewater discharge standard GB8978-1996》	1	0.506	/	0.03026
TINCI Chizhou	COD	《Emission standards of pollutants for inorganic chemical industry GB31573-2015》	200	32.811	14.1	2.758
TINCI Chizhou	Ammonia nitrogen	《Emission standards of pollutants for inorganic chemical industry GB31573-2015》	40	0.298	4.567	0.027
TINCI Chizhou	TP	《Emission standards of pollutants for inorganic chemical industry GB31573-2015》	2	0.411	0.038	0.0000361
TINCI Yichun	TP	《Emission standards of pollutants for inorganic chemical industry GB31573-2015》	0.5	0.35	/	0.028

Company name	Name of main pollutant	Name of emission standard	Emission concentration limit (mg/L)	Average emission concentration in 2023 (mg/L)	Approved total emission quantity (t/a)	Total emission quantity in 2023 (t/a)
TINCI Yichun	TN	《Emission standards of pollutants for inorganic chemical industry GB31573-2015》	60	8.18	/	1.113
TINCI Yichun	Ammonia nitrogen	《Emission standards of pollutants for inorganic chemical industry GB31573-2015》	40	3.56	0.468	0.029
TINCI Yichun	COD	《Emission standards of pollutants for inorganic chemical industry GB31573-2015》	200	81.3	5.56	2.611
TINCI Guangzhou	COD	《Discharge limits of water pollutants DB44/26-2001》	500	24	/	0.408
TINCI Guangzhou	Ammonia nitrogen	《Discharge limits of water pollutants DB44/26-2001》	45	0.269	/	0.004
Resource Recycling Jiujiang	COD	《Emission standards of pollutants for inorganic chemical industry GB31573-2015》	200	47.5	17.555	5.346
Resource Recycling Jiujiang	Ammonia nitrogen	《Integrated wastewater discharge standard GB8978-1996》	25	4.78	0.148	0.227
Resource Recycling Jiujiang	TP	《Emission standards of pollutants for inorganic chemical industry GB31573-2015》	2	0.426	0.0138	0.001
Resource Recycling Jiujiang	TN	《Integrated wastewater discharge standard GB8978-1996》	35	5.27	0.1675	0.227
KAIXIN Fuding	COD	《Integrated wastewater discharge standard GB8978-1996》	500	36.256	0.955	0.161
KAIXIN Fuding	Ammonia nitrogen	《Wastewater quality standards for discharge to municipal sewers GB/T31962-2015》	45	7.072	0.095	0.031

Note:

- (1) The average emission concentration in the table is based on the annual average value.
- (2) The data on total emissions in the table: Data for TINCI Jiujiang is sourced from the annual report of pollution discharge permit execution; data for TINCI Guangzhou, TINCI Yichun, Resource Recycling Jiujiang is sourced from environmental statistical reports; data for TIANSHUO Zhejiang is sourced from environmental statistical reports and self-monitoring data; data for TINCI Chizhou and KAIXIN Fuding is sourced from the company's online monitoring data.
- (3) Within the scope of this report, the wastewater pollutant emission concentrations and total quantities of all production bases, except for resource recycling, comply with the permitted limits of the pollution discharge permits.
- (4) In 2023, the total amount of wastewater discharged from the resource recycling exceeded the standard mainly due to the excess collection of initial rainwater, which was collected during the initial stage of rainwater and had pollution risks. Therefore, it was directed to the sewage station for treatment before being discharged, leading to an increase in the volume of wastewater discharged and the total amount of pollutants exceeding the total limit. After the environmental protection department discovered the issue, measures were taken to control sewage at the front end and continuously improve production processes to reduce wastewater generation.

ABOUT THIS REPORT

CHAIRMAN SPEECH

ABOUT TINCI MATERIALS

SUSTAINABLE DEVELOPMENT MANAGEMENT

PRODUCT RESPONSIBILITY

TINCI SAFETY

TINCI ENVIRONMENTAL

SUSTAINABLE PROCUREMENT PROTECTION

CARING FOR EMPLOYEES

COMMUNITY ENGAGEMENT

FUTURE OUTLOOK

REPORT VALIDATION

INDEX OF INDICATORS

● APPENDIX

Appendix 3

Emission status of major air pollutants in 2023

Company name	Primary pollutant name	Emission standard name	Emission concentration limit (mg/Nm3)	Average emission concentration in 2023(mg/Nm3)	Approved emission total (t/a)	Emission total in 2023 (t/a)
TINCI Guangzhou	Particulate Matter	《Integrated emission standard of air pollutants GB16297-1996》	120	2.08	0.015	0.000303
Fenghuangwu Base – TINCI Jiujiang	Volatile Organic Compounds	《Emission standard of volatile organic compounds—Part2: organic chemical industry DB36 1101.2-2019》	120	2.32	0.5948	0.507
Fenghuangwu Base – TINCI Jiujiang	Particulate Matter	《Emission standards of pollutants for inorganic chemical industry GB31573-2015》	30	1.53	4.17	1.275
Longshan Base – TINCI Jiujiang	Volatile Organic Compounds	《Emission standard of volatile organic compounds—Part2: organic chemical industry DB36 1101.2-2019》	120	4.953	6.7132	0.290
Longshan Base – TINCI Jiujiang	Particulate Matter	《Emission standards of pollutants for inorganic chemical industry GB31573-2015》	30	6.5	/	0.412
Longshan Base – TINCI Jiujiang	Nitrogen Oxides	《 Emission standards of pollutants for inorganic chemical industry GB31573-2015》	200	9	9.805	0.433
Longshan Base – TINCI Jiujiang	Sulfur Dioxide	《Emission standards of pollutants for inorganic chemical industry GB31573-2015》	100	ND	3.83	0

Company name	Primary pollutant name	Emission standard name	Emission concentration limit (mg/Nm3)	Average emission concentration in 2023(mg/Nm3)	Approved emission total (t/a)	Emission total in 2023 (t/a)
TINCI Chizhou	Non-Methane Total Hydrocarbons	《Integrated emission standard of air pollutants GB16297-1996》	70	1.88	15.304	0.019
TINCI Chizhou	Sulfur Dioxide	《Emission standards of pollutants for inorganic chemical industry GB31573-2015》	100	4.235	19.4128	0.069
TINCI Chizhou	Nitrogen Oxides	《Emission standards of pollutants for inorganic chemical industry GB31573-2015》	100	38.912	11.02	0.930
TINCI Chizhou	Particulate Matter	《Integrated emission standard of air pollutants GB16297-1996》	10	7.307	0.81058	0.097
TINCI Yichun	Particulate Matter	《Emission standards of pollutants for inorganic chemical industry GB31573-2015》	30	43.1	/	0.335
TIANSHUO Zhejiang	Volatile Organic Compounds	《Integrated emission standard of air pollutants GB16297-1996》	120	24.57	10.368	3.812
TIANSHUO Zhejiang	chlorine	《Integrated emission standard of air pollutants GB16297-1996》	65	0.129	/	0.018
TIANSHUO Zhejiang	Hydrogen Chloride	《Integrated emission standard of air pollutants GB16297-1996》	100	5.209	/	0.305
TIANSHUO Zhejiang	Dichloromethane	《Emission standard of pollutants for petroleum chemistry industry GB31571-2015》	100	34.525	/	1.134
KAIXIN Fuding	Non-Methane Total Hydrocarbons	《Emission Control Standard for Industrial Enterprises Volatile Organic Compounds DB35/1782-2018》	100	6.25	1.249	0.334

- ABOUT THIS REPORT
- CHAIRMAN SPEECH
- ABOUT TINCI MATERIALS
- SUSTAINABLE DEVELOPMENT MANAGEMENT
- PRODUCT RESPONSIBILITY
- TINCI SAFETY
- TINCI ENVIRONMENTAL
- SUSTAINABLE PROCUREMENT PROTECTION
- CARING FOR EMPLOYEES
- COMMUNITY ENGAGEMENT
- FUTURE OUTLOOK
- REPORT VALIDATION
- INDEX OF INDICATORS

● APPENDIX

Company name	Primary pollutant name	Emission standard name	Emission concentration limit (mg/Nm3)	Average emission concentration in 2023(mg/Nm3)	Approved emission total (t/a)	Emission total in 2023 (t/a)
KAIXIN Ningde	Volatile Organic Compounds	《Emission Control Standard for Industrial Enterprises Volatile Organic Compounds DB35/1782-2018》	120	66.13	/	1.205
Resource Recycling Jiujiang	Volatile Organic Compounds	《Emission Control Standard for Industrial Enterprises Volatile Organic Compounds DB12/524-2020》	60	1.493	/	0.974
Resource Recycling Jiujiang	Particulate Matter	《Emission standards of pollutants for inorganic chemical industry GB31573-2015》	30	6.060	/	1.378

Note 1: Due to the large number of exhaust outlets for various pollutants in each factory, this report only includes relevant indicators for organized emission of pollutants. Information on unorganized emissions and details can be found on the website for emission permit information disclosure.

Note 2: In the current year, TINCI Jiujiang did not disclose NOx emission indicators due to the demolition of the boiler room.

Note 3: According to the requirements of the environmental protection department, the particulate matter emission limit for TINCI Yichun was adjusted from 120 to 30 this year. However, due to the inadequate processing capacity of some environmental protection facilities at the Yichun base, emissions exceeded the limit this year. After receiving a request from the environmental protection department, the company has organized internal efforts to upgrade environmental protection facilities to reduce emissions.

Green chemistry
devotes to low-carbon and beautiful life

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