



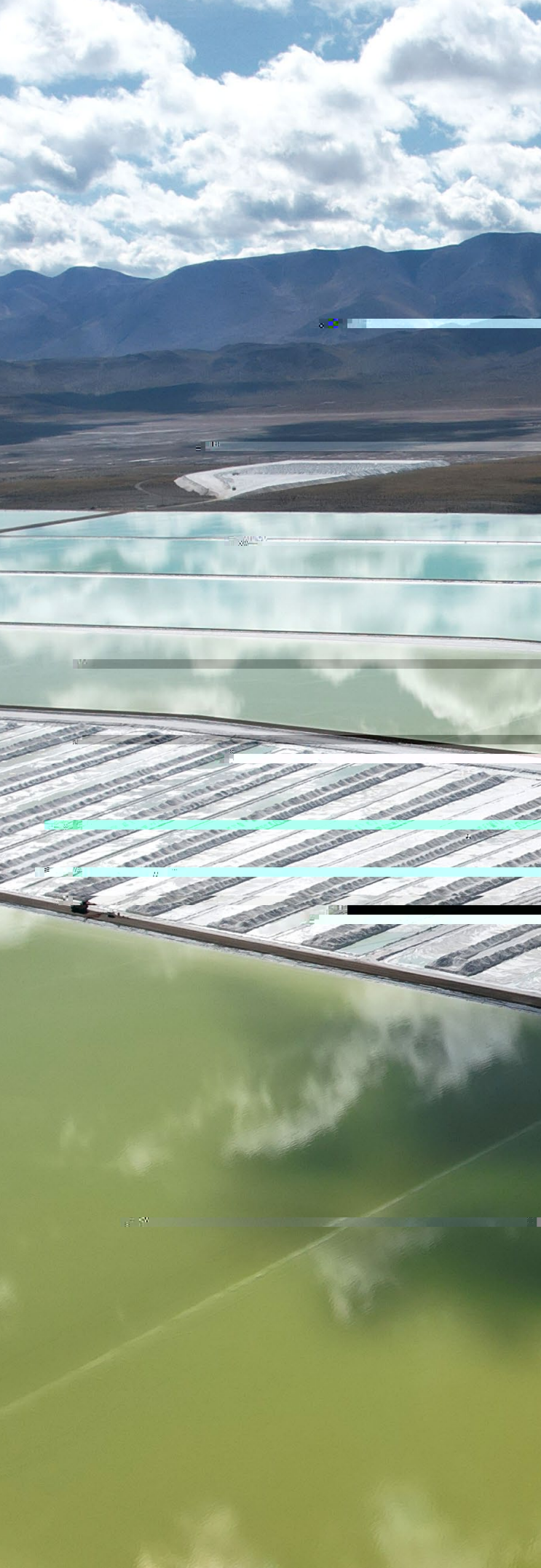
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2024

Ganfeng Lithium Group Co., Ltd. Climate-related Disclosure Report

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



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01

About Ganfeng Lithium Group Co., Ltd.

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Company Profile

company in China's lithium industry, our business covers all the essential parts of the value chain, including the development of upstream lithium resources, deep processing of midstream lithium salts and smelting of metallic lithium, manufacturing of downstream lithium batteries

comprehensive product matrix from basic lithium compounds to high-end battery materials through the world's leading diversified lithium

Global Layout

02

Climate Governance

Governance Oversight

Management and Executive Departments

Remuneration Incentive

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Climate Governance

The Board of Directors of Ganfeng Lithium acts as the highest authority and decision-making body for the Company's sustainable development management and climate-related issues, fulfilling the responsibilities of deliberation, decision-making, management, and supervision of the Company's sustainable development management policies and ESG strategies. At the board level, the Company has established a Sustainable Development Committee, which is responsible for leading the Company's climate target setting, climate strategy planning, implementing supervision work, and overseeing the regular operation of the climate governance system across all company business segments. The

Chain are supporting the committee, which collaborate with various functional departments and subsidiaries to address climate-related issues.



03

Climate Strategy

- Scope of Analysis, Scenarios, and Time Dimensions
- Physical Risks
- Transition Risks and Opportunities
- Financial Impact Assessment

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Climate Strategy

climate change. This analysis encompassed a detailed screening and assessment of physical risks, transition risks, and potential opportunities.

potential opportunities emerging from climate change, especially in low-carbon economic transition and technological innovation.

To ensure the comprehensiveness and accuracy of the analysis, we invited internal experts and external consultants to review key risk items and engaged in extensive communication with stakeholders. Based on these analyses, we developed corresponding climate response plans and incorporated them into the Company's long-term strategic planning. Moving forward, we will continue to enhance climate risk governance and



Scenario type	Scenario selection	Expected temperature rise	Scenario description	Scenario dataset
High-Carbon Scenario/"Business-As-Usual" Scenario	IEA STEPS (Stated Policies Scenario)	By 2100, the temperature will rise 2.4°C (with a 50% probability)	- The STEPS scenario explores existing policies and announced proposed policies without considering additional policy implementation - The STEPS scenario is the most representative "business-as-usual" pathway up to 2050	IEA World Energy Outlook 2024 ⁶
Low-Carbon Scenario/ Accelerated Transition Scenario	IEA NZE (Net Zero Emissions by 2050) Accelerated Transition Scenario	By 2100, the temperature will rise 1.4°C (with a 50% probability)	- The NZE scenario explores existing policies and announced proposed policies without considering additional policy implementation - The NZE scenario is the most representative "net-zero" pathway up to 2050	



Transition Risks
and Opportunities

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Financial Impact Assessment

Based on the climate risk assessment results, Ganfeng Lithium has further identified key risks and opportunities that have significant financial impacts for quantitative analysis. The climate variables opportunities as outlined in the new climate-related disclosure requirements but also identifies the support for the allocation of corporate resources.

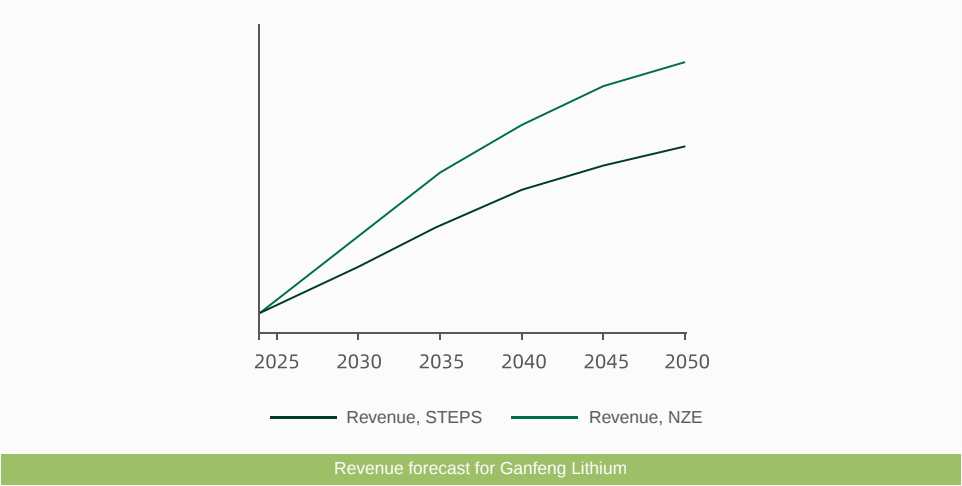
 Scenario selection	The Stated Policies Scenario (STEPS) Net Zero Emissions by 2050 Scenario (NZE)
 Scope of assessment	Scope of Assessment: Ganfeng Lithium Time Frame: 2030, 2040, 2050
 Financial transmission path	Battery Demand Drives Revenue Growth (Opportunity) The accelerated global transition to low carbon is driving an increase in the penetration rate of renewable energy and electric vehicles and the expansion of energy storage capacity. Leveraging the wave of electrification, Ganfeng Lithium benefits from the growth in the installation of power batteries and the explosion of the energy storage market through the release of its lithium hydroxide/lithium carbonate production capacity and the iteration of battery Low-Carbon Related Investments Increase Capital Expenditure (Risk) To achieve a low-carbon transition, Ganfeng Lithium systematically advances investments and implementations of low-carbon projects such as the low-carbon transformation of process management. The related capital expenditures⁷ are expected to increase year by year in line with the global low-carbon trend.

Battery Demand Drives Revenue Growth (Opportunity)

According to IEA's "Global Critical Minerals Outlook 2024" and the "Batteries and the Energy Transition" report, In the STEPS, the annual demand for electric vehicle (EV) batteries worldwide is expected to reach 7,000 GWh. The global additional installed capacity of energy storage batteries is projected to reach 760

for lithium resources from the global electric vehicle and clean energy industries will grow substantially. In the NZE scenario, by 2040, the demand for lithium is expected to increase by 8.7 times, reaching approximately

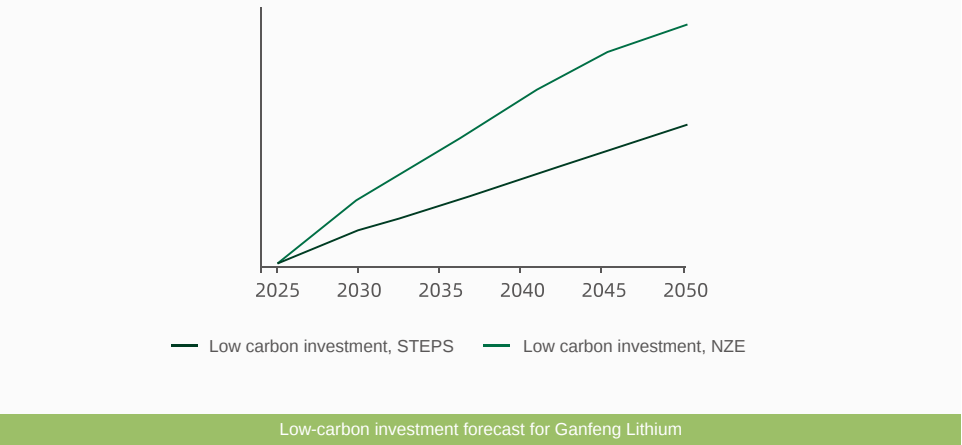
layout, and given the opportunities for market development, we have predicted Ganfeng's revenue potential



Low-Carbon Related Investments Increase Capital Expenditure (Risk)

Based on Ganfeng Lithium's historical investment in low-carbon projects, which include iterations of production-side process equipment such as the energy efficiency upgrades to evaporation systems,

from kilns, waste heat recovery), and digital energy efficiency management (e.g. intelligent power distribution, smart warehousing), it is estimated that the investments in this category will continue to grow as a percentage of revenue. We have predicted the development trend of Ganfeng Lithium's capital expenditure on low-carbon technology applications up to 2050, based on the IEA's trend forecast for low-carbon investments.



04

Climate Risk Management

Climate Risk Management Mechanism

Climate Risk Response

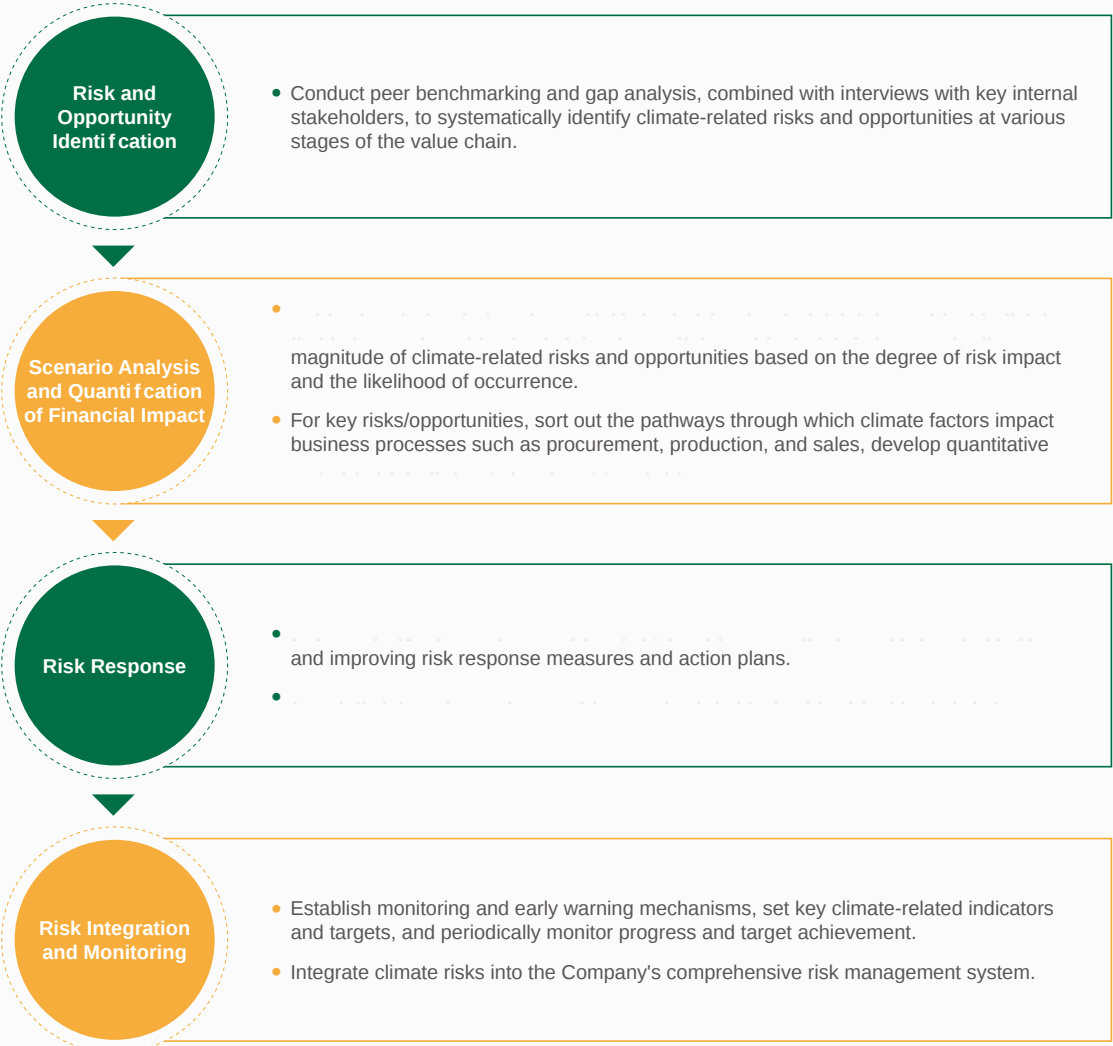
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Climate Risk Management

Ganfeng Lithium considers climate change a crucial element of the Company's sustainable development strategy and integrates climate change into its long-term strategic planning. We have established a comprehensive risk management mechanism to monitor the Company's operational status, risks, and the implementation of response measures. On this basis, following the new climate regulations of HKEx and TCFD framework, we systematically advance climate risk management across the entire lithium industry chain, forming a closed-loop mechanism that covers risk analysis into strategic decisions such as capacity planning, process upgrades, and international market layout. Under the existing climate governance framework of the Company, we coordinate the planning of climate risk management and the implementation of low-carbon transition strategies to ensure dynamic coordination between risk prevention and control and the Company's long-term value creation goals, continuously enhancing the Company's climate resilience.

Climate Risk Management Mechanism

Ganfeng Lithium incorporates climate-related factors into its risk management procedures, conducting climate risk management based on the existing enterprise risk management mechanism. The climate risk management mechanism mainly includes the following four steps:



Climate-related risk management processes



Risks and Opportunities Identification

During the risk identification phase, business departments collect policy and regulatory changes, customer ESG audit requirements, and industry technological substitution trends on a quarterly basis to generate a preliminary risk database. The Risk Compliance Department supplements control blind these inputs. Starting from physical risks and transition risks, and with the assistance of external third-party experts, a list of climate-related risks and opportunities is formed and submitted to the Sustainable annual control focus.



Scenario Analysis and Quantification of Financial Impact

With support from external experts, Ganfeng Lithium uses external data platforms and tools to conduct assessment system, these risks and opportunities are evaluated based on their severity and likelihood of occurrence. The analysis includes the time frame, the scope (including business operation and the and responses are formulated accordingly.

In the financial quantification analysis phase, quantitative models are established for key risks and on the model assumptions. The analysis results are reviewed by a quarterly inter-departmental joint meeting and, after being submitted to the Sustainable Development Committee and the Board of Directors, are transformed into resource allocation plans.



Risk Response

risks, establishes early warning mechanisms and continuous monitoring, and formulates emergency plans with dynamic adjustments to control measures. Based on the results of the risk assessment, including risk reduction, risk acceptance, risk avoidance, and risk sharing.



Risk Integration and Monitoring

The Company incorporates climate change-related factors into its risk management procedures and Control Form" developed in accordance with IATF 16949 and ISO 14001 standards. Among the Company's overall risk management system, ESG risks are listed as one of the six major risks, incorporated into the risk monitoring system, which is deeply integrated with the EHS management system. Key indicators such as reduction of exhaust emissions, water consumption, water recycling, carbon emissions, coal consumption, and the proportion of sustainable electricity are set. Business departments report data weekly, and the Sustainable Development Office compiles a quarterly comprehensive report, regularly assessing and reporting on the execution and effectiveness of risk response measures and submitting improvement recommendations to the Board of Directors to help mitigate and adapt to climate change.

Climate Risk Response

As an active advocate of low-carbon transformation in the lithium industry, Ganfeng Lithium drives climate

level, a green production system is systematically constructed across energy structure transformation, enhancement of energy efficiency management, and transportation system upgrades. At the industrial collaboration level, vertical integration capabilities are leveraged to promote technological iteration and model innovations. Initiatives such as solid-state battery development and resource recycling contribute to the low-carbon process of the new energy industry. This response framework, spanning "self-operations-

referable practice sample for the industry's carbon-neutral path through technological innovation.

Green Emission Reduction

Ganfeng Lithium addresses climate risks in its operational processes by promoting low-carbon practices Company's exploration of transforming climate risk management into tangible technological actions:

Renewable Energy Projects Aid Carbon Emission Reduction and Climate Change Response

Ganfeng Lithium's Mariana Salt Lake

on February 12, 2025. Located in Salta Province, Argentina, the project has a total lithium resource of approximately 812,000 metric tons of LCE (Lithium Carbonate Equivalent), with an annual production capacity of 20,000 metric tons



The Mariana Project's Self-Built Photovoltaic Power Station

the Company has laid out renewable energy solutions, constructing a photo-voltaic power station with an installed capacity of 120 MW surrounding the project, coupled with a 288 MWh energy storage system using the Company's self-developed and self-produced battery products. This integrated energy solution not only ensures that the Mariana project operates entirely on renewable energy but also

traditional power supplies through the full use of self-produced photovoltaic electricity and improves the

climate change response.

Green Transportation Contributes to Achieving a Green Closed Loop of the Product's Entire Value Chain



The Electric Loader at the Factory Operation Site

Ganfeng Lithium has significantly reduced carbon emissions by extensively promoting the use of electric vehicles. During the reporting period, the Mahong factory significantly reduced diesel consumption by approximately 486,864 liters, equivalent to 1,265.85 tons of carbon dioxide emissions. Furthermore, electric forklifts and electric shovels are widely used in internal logistics and transportation within the factory. Each electric forklift reduces carbon dioxide emissions by about 53.95 tons per year, and each electric shovel reduces emissions by about 220.53 tons annually. These electric vehicles are equipped with high-performance power batteries manufactured by Ganfeng Lithium's battery division, enhancing transportation

through Energy Saving and Consumption Reduction

Ganfeng Lithium actively addresses climate risks while advancing the Company's transition to a low-carbon model and reducing energy dependence through a series of energy-saving technology projects. In 2024, the Company extensively adopted MVR (Mechanical Vapor Recompression) technology across several ongoing projects, reducing steam consumption for evaporating one ton of water from 0.45 tons to 0.1 tons. This

condensate and waste heat from air compressors as heat sources to achieve energy-saving goals. The Company also recovers waste heat from air compressors to supply hot water to employee dormitories, further reducing energy consumption.

Promoting Low-Carbon Transition of the Industry Chain

Ganfeng Lithium promotes the low-carbon development of the new energy industry through innovative technology and collaboration within the industry chain. The lithium chemical board continuously improves the

lithium extraction processes, providing low-carbon raw material security for the lithium industry chain. The lithium battery sector focuses on developing high-safety, long-life battery technologies to enhance the environmental

production energy consumption. In addition, the battery recycling sector establishes a lithium resource recycling system, driving upstream and downstream to reduce resource waste together, providing practical references for the industry's green upgrade.

In terms of research and development direction, in 2024, the Company's lithium chemicals segment

Lithium Chemicals Business Division

it less efficient, and often requires additional energy input in the subsequent lithium extraction process. In

lithium extraction in a shorter time, thus reducing energy consumption. Moreover, extraction technology can carbon emissions.

Brine extraction lithium technology separates lithium ions directly from brine through chemical methods such as solvent extraction, without the need for large-scale evaporation concentration, significantly reducing the use of water resources. Additionally, the extraction process can further reduce the waste of water resources by recycling the extraction agent.

Brine extraction lithium technology reduces reliance on natural evaporation ponds, decreases dependence on

system, reducing the use and discharge of chemical reagents.

Lithium Battery Business Division



Ganfeng Lithium's new generation of pouch-type CTP (Cell to Pack) integrated batteries, equipped with high-quality lithium iron phosphate cells, have an energy density of 190Wh/kg and support ultra-high rate discharge of over 10 C. By improving the energy storage

life cycle of electric vehicles. The batteries feature an integrated design of conductive, insulating, and heat-resistant materials, along with a quadruple insulation protection system, ensuring there's no risk of thermal runaway in extreme testing environments.

carbon emissions from aluminium processing during the production phase, increase

manufacturing. The detachable protective armor and wide temperature range performance can broaden the battery's applicable scenarios and extend its service life, delaying the stage of disposal. Additionally, the lightweight structure can help reduce the overall weight of the vehicle, indirectly reducing energy consumption during driving.

Battery Recycling Business Division

Ganfeng Lithium has positioned itself in the field of battery recycling and has currently established a comprehensive recycling and treatment capacity of 234,000 tons of retired lithium-ion batteries and metal waste, becoming one of the largest enterprises in China for recycling lithium iron phosphate batteries and waste materials. Through technological innovation, Ganfeng Lithium has broken through five sets of technologies, including the collaborative transformation of multi-source lithium-containing waste, comprehensive lithium recovery, preparation of battery-grade lithium iron phosphate from lithium extraction residues, and high-value transformation of secondary lithium resources. This has enabled the efficient extraction of valuable metals and lithium compounds from waste batteries and their reuse in battery raw materials or lithium salt product manufacturing.

Additionally, Ganfeng Lithium has engaged in in-depth cooperation with battery manufacturers, vehicle manufacturers, and other industry chain partners to ensure a stable supply of waste batteries and lithium-

enhances battery recycling technology, expands recycling and reuse capacity, and provides strong support for dealing with the retirement cycle of lithium batteries in society. Furthermore, Ganfeng is creating a circular

technology system for multi-source lithium waste and a comprehensive solution for high-end circular lithium

bases have been established in Xinyu and Yichun, national lithium industry bases, supporting the secure supply of China's strategic lithium resources and the green transformation and upgrading of lithium industry clusters.

control through technological innovation and industry chain collaboration, reducing carbon emissions and

industry but also support the green transformation of the global new energy industry, demonstrating essential value in the circular economy and climate risk response.

05

Metrics and Targets

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06

Appendix

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Appendix

Index of the "Climate-related Disclosures" section in Part D of the Hong Kong Stock Exchange (HKEx) "Environmental, Social, and Governance (ESG) Reporting Guidelines"

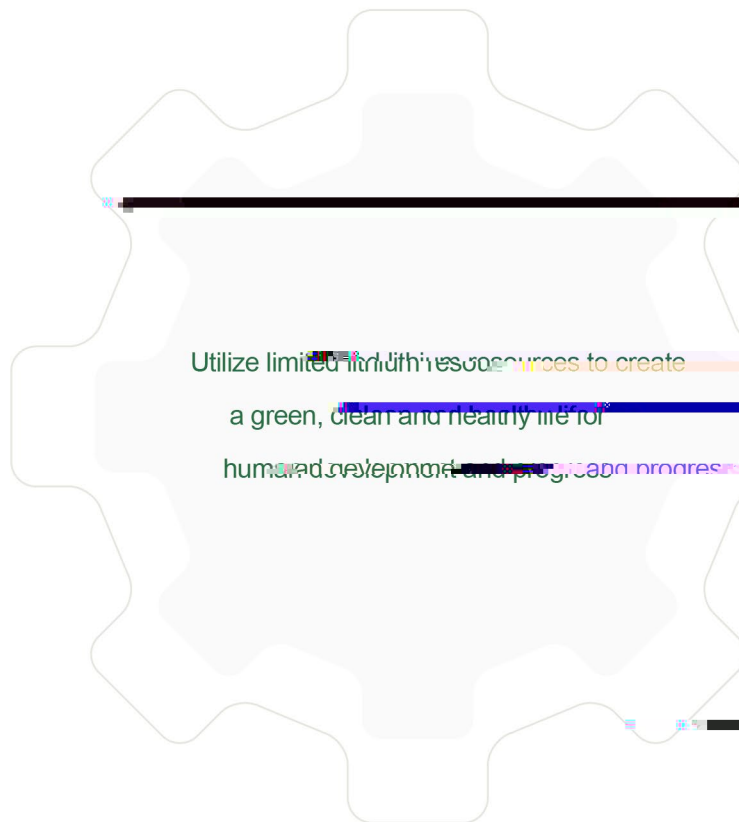
Level		Content	Chapter Location
Governance	/	The governance body(s) (which can include a board, committee or equivalent body charged with governance) or individual(s) responsible for oversight of climate-related risks and opportunities.	Oversight by the Governance Layer Remuneration Incentive
		Management's role in the governance processes, controls and procedures used to monitor, manage and oversee climate-related risks and opportunities.	Management and Executive Departments Remuneration Incentive
Strategy	Climate-related Risks and Opportunities	Cash Flows, Its Access to Finance or Cost of Capital Over the Short, Medium or Long Term.	Scope of Analysis, Scenarios, and Time Dimensions, Physical Risks, Transition Risks and Opportunities
		climate-related physical risk or climate-related transition risk.	Physical Risks, Transition Risks and Opportunities
		expected to occur.	Scope of Analysis, Scenarios, and Time Dimensions, Physical Risks, Transition Risks and Opportunities
			Scope of Analysis, Scenarios, and Time Dimensions, Physical Risks, Transition Risks and Opportunities
		business model and value chain.	Physical Risks, Transition Risks and Opportunities, Financial Impact Assessment
	Business Model and Value Chain	description of where in the issuer's business model and value chain climate related risks and opportunities are concentrated (for example, geographical areas, facilities and types of assets).	Physical Risks, Transition Risks and Opportunities, Financial Impact Assessment
		information about how the issuer has responded to, and plans to respond to, climate-related risks and opportunities in its strategy and decision-making, including how the issuer plans to achieve any climate-related targets it has set and any targets it is required to meet by law or regulation.	Climate Risk Management
	Strategy and Decision-Making		

Level		Content	Chapter Location
Strategy	Financial Position, Financial Performance, and Cash Flows (Current Financial		Physical Risks, Transition Risks and Opportunities, Financial Impact Assessment
		material adjustment within the next annual reporting period to the carrying amounts of assets and liabilities reported	Physical Risks, Transition Risks and Opportunities, Financial Impact Assessment
		manage climate-related risks and opportunities, taking into consideration: i. its investment and disposal plans; and ii. its planned sources of funding to implement its strategy.	Physical Risks, Transition Risks and Opportunities, Financial Impact Assessment
		given its strategy to manage climate-related risks and opportunities.	Physical Risks, Transition Risks and Opportunities, Financial Impact Assessment
		the issuer's assessment of its climate resilience as at the reporting date, which shall enable an understanding of: i. the implications, if any, of the issuer's assessment for its strategy and business model, including how the issuer	Scope of Analysis, Scenarios, and Time Dimensions, Physical Risks, Transition Risks and Opportunities, Financial Impact Assessment
		iii. the issuer's capacity to adjust, or adapt its strategy and business model to climate change over the short, medium or long term.	
	Climate Resilience	how and when the climate-related scenario analysis was carried out, including: i. information about the inputs used, including: (1) which climate-related scenarios the issuer used for the analysis and the sources of such scenarios; (2) whether the analysis included a diverse range of climate-related scenarios; (3) whether the climate-related scenarios used for the analysis are associated with climate-related transition risks or climate-related physical risks; (4) whether the issuer used, among its scenarios, a climate-related scenario aligned with the latest international agreement on climate change; (5) why the issuer decided that its chosen climate-related scenarios are relevant to assessing its resilience to climate-related changes, developments or uncertainties; (7) what scope of operations the issuer used in the analysis (for example, the operation, locations and business units used in the analysis) ii. the key assumptions the issuer made in the analysis; and iii. the reporting period in which the climate-related scenario analysis was carried out	Scope of Analysis, Scenarios, and Time Dimensions, Physical Risks, Transition Risks and Opportunities, Financial Impact Assessment

Level	Content		Chapter Location
Risk Management	/	including information about: i. the inputs and parameters the issuer uses (for example, information about data sources and the scope of operations covered in the processes); risks; whether the issuer considers qualitative factors, quantitative thresholds or other criteria); v. how the issuer monitors climate-related risks; and vi. whether and how the issuer has changed the processes it uses compared with the previous reporting period.	Climate Risk Management
		of climate-related opportunities)	Climate Risk Management
		related risks and opportunities are integrated into and inform the issuer's overall risk management process	Climate Risk Management
Metrics and Targets	Greenhouse Gas Emission	An issuer shall disclose its absolute gross greenhouse gas emissions generated during the reporting period, expressed as metric tons of CO ₂ (a) Scope 1 greenhouse gas emissions; (b) Scope 2 greenhouse gas emissions; and (c) Scope 3 greenhouse gas emissions	Metrics and Targets
		Measure its greenhouse gas emissions in accordance with the Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (2004) unless required by a jurisdictional authority or another exchange on	Metrics and Targets
		Disclose the approach it uses to measure its greenhouse gas emissions including: i. the measurement approach, inputs and assumptions the issuer uses to measure its greenhouse gas emissions; ii. the reason why the issuer has chosen the measurement approach, inputs and assumptions it uses to measure its greenhouse gas emissions; and iii. any changes the issuer made to the measurement approach, inputs and assumptions during the reporting period and the reasons for those changes;	Metrics and Targets
		For Scope 2 greenhouse gas emissions disclosed in accordance with paragraph 28(b), disclose its location-based Scope 2 greenhouse gas emissions, and provide information about any contractual instruments that is necessary to enable an understanding of the issuer's Scope 2 greenhouse gas emissions; and	Metrics and Targets
		For Scope 3 greenhouse gas emissions disclosed in accordance with paragraph 28(c), disclose the categories included within the issuer's measure of Scope 3 greenhouse gas emissions, in accordance with the Scope 3 categories described in the Greenhouse Gas Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard (2011).	Metrics and Targets

[illegible]

Level		Content	Chapter Location
Metrics and Targets	Climate Related Targets	An issuer shall disclose information about its performance against each climate-related target and an analysis of trends or changes in the issuer's performance.	Metrics and Targets
		For each greenhouse gas emissions target disclosed in accordance with paragraphs 37 to 39, an issuer shall disclose: (a) which greenhouse gases are covered by the target; (b) whether Scope 1, Scope 2 or Scope 3 greenhouse gas emissions are covered by the target; (c) whether the target is a gross greenhouse gas emissions target or a net greenhouse gas emissions target. If the issuer discloses a net greenhouse gas emissions target, the issuer is also required to separately disclose its associated gross greenhouse gas emissions target; gas emissions target. In explaining its planned use of carbon credits, the issuer shall disclose: (i) the extent to which, and how, achieving any net greenhouse gas emissions target relies on the use of carbon credits; (ii) which third-party scheme(s) will verify or certify the carbon credits; removal; and (iv) any other factors necessary to enable an understanding of the credibility and integrity of the carbon credits 	Metrics and Targets
	Applicability of Cross-industry Metrics and Industry-based Metrics	In preparing disclosures to meet the requirements in paragraphs 21 to 26 and 37 to 38, an issuer shall refer to and consider the applicability of cross-industry metrics (see paragraphs 28 to 35) and (ii) industry-based metrics (see paragraph 36).	Metrics and Targets



Utilize limited lithium resources to create
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