

**LIVENT LITHIUM UK LIMITED**

**2021 Slavery and Human Trafficking Statement**

June 2022

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## 1. INTRODUCTION

Livent Lithium UK Limited (formerly known as FMC Chemicals Limited) is committed to the objective of ensuring there is no Modern Slavery in any part of our business or in our supply chains, and that our staff and any personnel we engage (directly or indirectly) are not subject to behaviour that may amount to Modern Slavery.

In this statement, the term “**Modern Slavery**” has the meaning in Section 54 of the UK’s Modern Slavery Act 2015, including (but not only) slavery, servitude, forced or compulsory labour, exploitation of children and human trafficking.

This is our Slavery and Human Trafficking Statement for the year ended 31 December 2021. Our previous statements are available upon written request. This year, we explain what we have done in 2021 to advance our policies and performance in line with the requirements of the UK’s Modern Slavery Act 2015.

This Statement applies to the operations and suppliers of Livent Lithium UK Limited, unless otherwise specified.

## 2. OUR BUSINESS & ORGANISATION

We are a manufacturer of Organolithiums and Lithium Chloride and are part of the Livent Group. Our ultimate parent company is Livent Corporation, a corporation incorporated under the laws of Delaware, United States of America. Livent Corporation has its head office in Philadelphia, Pennsylvania, USA, and its shares are listed for trading on the New York Stock Exchange (NYSE: LTHM). More information on Livent Corporation can be found on its website at [www.livent.com](http://www.livent.com).

We (Livent Lithium UK Limited) have approximately 75 employees based in the UK. The companies in the Livent Group employ more than 1,100 people throughout the world and have operations in 4 continents, carrying out the manufacturing of lithium products. Livent Lithium UK Limited operates as one of the Livent Group’s lithium business companies and is a separate legal entity from Livent Corporation.

Livent Lithium UK Limited has a cross-functional working group, under the sponsorship of the Livent Corporation Global Head of Procurement, to respond to the requirements of the UK’s Modern Slavery Act 2015. The working group has representation from Senior Management, Procurement, Finance, Legal, Human Resources and our Sustainability Group. Livent Corporation has an ongoing programme to help Livent Lithium UK Limited improve its response to slavery and human trafficking risk. Existing policies, practices, and forms are regularly reviewed and updated as required.

## 3. OUR SUPPLY CHAIN & POSSIBLE EXPOSURE

In the operation of our business, our main supply chains are those related to the provision of services and raw materials. We consider the risk of our exposure to Modern Slavery to be limited. Nonetheless, we have taken steps intended to ensure that such practices do not take place in our business and to impose expectations that such practices do not take place in the business of any organisation that supplies goods

and/or services to our business.

Livent Lithium UK Limited's procurement team, with the assistance of Livent Corporation's global procurement and supply chain team, manages the majority of our supplier relationships.

Through our Supplier Code of Conduct and supply chain initiatives and processes, we are committed to sourcing components and materials from companies that share our values regarding respect for human rights, integrity and environmental responsibility.

The global procurement spend of Livent Corporation, inclusive of capital projects, was approximately USD \$ 500 million in 2021.

In 2021, Livent Lithium UK Limited worked with approximately 285 suppliers across the World, some of whom may also have further suppliers and/or third party service providers. This resulted in approximately GBP 13.5 million of spend. When measured by value, the majority of Livent Lithium UK Limited's external payments were made to suppliers in the UK, Germany and Spain. Our UK suppliers are of course subject to the UK's Modern Slavery Act 2015, while our German and Spanish suppliers are generally subject to well-established wage and workplace safety laws. Livent Lithium UK Limited's largest spend categories tend to be raw materials, chemicals, utilities and services. Livent Lithium UK Limited obtains lithium metal (by value, substantially the largest raw material that we buy) through Livent Corporation, which first extracts raw lithium from brine salars in Argentina and further processes it in a factory located in North Carolina, USA before providing it to Livent Lithium UK Limited. Livent Corporation controls the operations in Argentina and North Carolina, USA through group companies that employ their own workforces.

Livent Lithium UK Limited also obtains some lithium metal from a supplier located in China. That supplier is publicly traded (i.e. listed), subject to oversight from the Chinese government, and to our knowledge based upon our investigations, is not located in the Xinjiang Uyghur Autonomous region of China. We understand that other suppliers Livent Lithium UK Limited uses can source supplies from multiple other regions, including the US and the Middle East. We recognize the potential for labour rights violations in our industry and supply chain, especially in certain countries with higher risk, such as China.

We are focusing our efforts where we believe that the risk of Modern Slavery is greatest. This is further described in Section 5 below.

#### **4. OUR POLICIES**

We have carefully developed a wide set of policies to address the risk of Modern Slavery in our business. This includes our "Modern Slavery Policy", along with the Livent Corporation "Code of Ethics and Business Conduct", "Human Rights Policy", "Supplier Code of Conduct", and the recently adopted "Supplier Sustainability Policy". These policies reflect our commitment to acting ethically and with integrity in all our business relationships and to implementing and enforcing effective systems and controls to prevent Modern Slavery anywhere in our supply chains.

Livent Corporation's Code of Ethics and Business Conduct clearly states:

"We are opposed to any form of harmful child labour and forced or compulsory labour. It is Livent

policy to prohibit harmful child labour or the use of forced or compulsory labour in our workplaces and we expect our suppliers and contractors to do the same.

...

We expect our suppliers to conduct themselves in an ethical and responsible manner that supports the protection of a respect for human dignity in their workplaces and is consistent with Livent's standards."

All Livent Group employees are required to acknowledge and agree to the Code of Ethics and Business Conduct when joining, and also on an annual basis.

The Livent Corporation Human Rights Policy states the Group's policy with regards to the protection of human rights. The Policy applies to all staff. It sets forth Livent Corporation's commitment to respecting human rights and complying with laws, rules and regulations governing human rights in the countries in which we operate. This includes specific provisions addressing non-discrimination, child, forced/bonded labour, freedom to associate/collectively bargain, health and safety, working conditions, fair wages and compensation, migrant workers, and no harsh or inhuman treatment/harassment.

The Supplier Code of Conduct sets out our expectations of suppliers and their own subsidiaries and subcontractors with respect to key issues, including human rights. This includes expectations that all work is freely chosen and without the use of forced or compulsory labour. It also makes clear that Livent Lithium UK Limited chooses not to work with suppliers who do not meet our expectations.

In 2021, we continued to make our expectations of suppliers clear through our Supplier Code of Conduct. We referenced it in our discussions with suppliers and it is specified in our contractual terms.

To further advance our efforts, Livent Corporation adopted a Supplier Sustainability Policy in October, 2021. The guiding principles of the Supplier Sustainability Policy were influenced by the UK Modern Slavery Act of 2015, as well as the International Labor Organization's Declaration on Fundamental Principles and Rights at Work (among others). The Supplier Sustainability Policy reminds suppliers of the human rights and labour expectations contained within the Livent Corporation Code of Ethics and Business Conduct, and how they are tied together through, and embodied within, the Supplier Code of Conduct, the Human Rights Policy, and our Modern Slavery Policy.

Livent Corporation's policies and procedures for corporate social responsibility have been designed with the objective that Livent Corporation may in the future be certified as having met the requirements of the ISO 26000 Social Responsibility framework.

The Livent Corporation "Code of Ethics and Business Conduct," the Livent Corporation "Human Rights Policy," and the Livent Corporation "Supplier Code of Conduct" are available on the Livent Corporation website at <https://ir.livent.com/company-information/corporate-governance-guidelines/default.aspx>. The Supplier Sustainability Policy can be found on Livent Corporation's website at <https://livent.com/sustainability/policies-and-statements/>.

Livent Corporation, our ultimate parent company, is also subject to the rules and regulations of the New York Stock Exchange, the US Securities and Exchange Commission, the US Department of Justice and other US federal and state agencies.

## **5. DUE DILIGENCE PROCESSES, RISK ASSESSMENT AND RISK MITIGATION FOR MODERN SLAVERY**

To identify and mitigate the risk of Modern Slavery in our supply chains and in our own business, we use systems (which include systems provided by Livent Corporation) as well as steps at our own facility to:

- Understand how prepared we are to address the risk of Modern Slavery and the requirements of the UK's Modern Slavery Act 2015.
  - In 2021, we conducted a Gap Assessment. This included asking ourselves whether we had conducted a formal supply chain mapping exercise, and whether we had formally identified risk in our supply chain from that exercise. We evaluated our (i) assessment to date of sector risk, country risk, transaction risk and business partner risk, including direct Tier 1 suppliers and beyond; and (ii) training programs. In 2022 and later years, we intend to assess our action plans and existing policies and procedures.
- Identify and assess potential risk areas when considering taking on new suppliers of goods and services.
  - This includes the carrying out of new supplier due diligence assessments using Livent Corporation procedures, and requiring completion of a "Vendor Data Collection Form" and a "Supplier Prequalification Form" (in the case of raw materials suppliers) under which the potential new supplier confirms that it does not engage in Modern Slavery (and not engaging the potential new supplier if the "Vendor Data Collection Form" or "Supplier Prequalification Form" is not provided or completed in a satisfactory manner). These assessments are carried out by Livent Corporation and Livent Lithium UK Limited procurement personnel before any potential supplier is approved for use by Livent Corporation or Livent Lithium UK Limited.
  - When auditing a new supplier as part of our due diligence, we are conscious of the need to be aware of any signs of Modern Slavery and would highlight any concerns identified to the relevant people within Livent Corporation and Livent Lithium UK Limited for further investigation.
- Continually screen our vendors and suppliers for the risk of Modern Slavery.
  - This entails the use of a third party software solution that screens all vendors and suppliers of Livent Corporation and Livent Lithium UK Limited against over 770 multi-government lists to check whether the vendor or supplier is blocked, denied, sanctioned or otherwise restricted by leading government authorities around the World.
- Develop a process for evaluating the potential for Modern Slavery in our supply chains, including a consideration of the location of suppliers (with a higher risk assigned to suppliers in developing economies and/or those located in countries identified as high risk by third party sources), and the material or services being supplied (with a higher risk assigned to services that are manual labour intensive).
  - Our Gap Assessment led to a mapping of our supply chain in 2021 for lithium metal, hexane, heptane, cyclohexane, toluene, n-Butylchloride, S-Butylchloride, and Mineral Oil. We plotted out the supply chain for each, from initial mining or manufacturing, distribution to us, production at our facilities, and then final distribution to our customers. We assessed the

suppliers against a map of modern slavery, and then categorised them as low risk, medium risk and high risk.

- The evaluation also includes re-auditing of previously qualified suppliers. In 2021, we asked our Tier 1 suppliers to complete a specific Modern Slavery questionnaire. These Tier 1 suppliers were asked numerous direct and indirect questions relating to the issue of Modern Slavery, and the steps that they had taken to combat it. The responses are being reviewed and assessed for any indicative red flags.
- This includes evaluating a sample of suppliers against relevant sections of the Livent Corporation Supplier Code of Conduct, Supplier Sustainability Policy, Code of Ethics and Business Conduct, Human Rights Policy, and Modern Slavery Policy.
- Encourage the confidential submission of possible violations of our Supplier Code of Conduct and to protect whistle blowers. This includes the establishment and operation of an ethics complaint / whistle blower hotline. Likewise, suppliers and their own employees may contact us through a dedicated email communication channel at [Livent.Supplier.Communcation@livent.com](mailto:Livent.Supplier.Communcation@livent.com) to report any concerns regarding Modern Slavery.
- Recognise the heightened risks of exposure to Modern Slavery in certain countries around the world through the use of a Global Slavery Index and other reference materials.

In addition, our standard contractual terms include a requirement to comply with our Supplier Code of Conduct. In 2019, we developed a Modern Slavery clause that we incorporated into our UK procurement contracts. In 2022, we intend to improve upon the clause by requiring the supplier to:

- Ensure compliance with all applicable Modern Slavery laws and take steps to meet international standards around Modern Slavery;
- Confirm that it has not been convicted or investigated for Modern Slavery offences;
- Take reasonable steps to ensure it, its subcontractors, and others in its supply chain have adequate procedures to prevent and address Modern Slavery;
- Grant Livent Lithium UK Limited the right to audit it and its subcontractors for compliance against our requirements; and,
- On request, provide a copy of any Modern Slavery Statement it is required to prepare under any relevant Modern Slavery reporting framework.

We continue to review our risk assessment and mitigation actions for Modern Slavery, with increased monitoring. Livent Corporation's Global Procurement team continues to develop and evaluate key performance indicators (KPIs) that will help track the effectiveness of our actions to prevent and address Modern Slavery. This includes tracking the number of discretionary supplier audits that have actually taken place, reviewing the completeness of questionnaires and documentation that has been submitted by suppliers, tracking the number of suppliers that have either been contacted or excluded due to Modern Slavery concerns, verifying the inclusion of our Modern Slavery clause in contracts, tracking employee training completion rates, and questioning our employees about the substance of the training that they have received on Modern Slavery and also awareness of Livent Corporation's policies as a whole. We also view

the ongoing development of our own sustainability programs and those of our suppliers and service providers as a way to measure progress and awareness of Modern Slavery.

There were no Modern Slavery complaints during 2021 through our ethics hotline complaints processes or otherwise.

## **6. TRAINING & EMPLOYEE AWARENESS**

Livent Corporation and Livent Lithium UK Limited are committed to providing training to their respective staff to give them a high level of understanding of the risks of Modern Slavery in our supply chains and the Livent Corporation Group's business. This includes regular training on the Livent Corporation "Code of Ethics and Business Conduct" as well as training entitled "Protecting Human Rights in the Supply Chain." All new members of staff within the Livent Group are required to undertake the "Protecting Human Rights in the Supply Chain" training.

In 2021, all staff of Livent Lithium UK Limited and all members of the Livent Global Procurement team that are involved in our UK supply chain were assigned interactive training on the UK's Modern Slavery Act through an e-learning platform. The training included a final exam that required a sufficient score to pass, and has been successfully completed by everyone it was assigned to as of the date of this statement. In addition, all members of the Livent Lithium UK Limited Procurement team and all members of the Livent Corporation Global Procurement team that are involved in our UK supply chain were asked to review a short video entitled "Modern Slavery Act: Protecting Human Rights." The video helped employees understand what Modern Slavery embodies, as well as identify potential yellow and red flags for Modern Slavery. All new members of Livent Corporation's Global Procurement Team and Livent Lithium UK Limited's Procurement team are now required to watch the "Modern Slavery Act: Protecting Human Rights" video. A Director of Livent Lithium UK Limited completed a course on Supply Chain mapping entitled "Supply Chain Mapping and Modern Slavery" through the Supply Chain School UK. The knowledge gained through this course was instrumental for our supply chain mapping efforts in 2021.

We also put in place initiatives to raise employee awareness of Modern Slavery through: (i) the placement of prominent workplace posters in break rooms, copy rooms and other high traffic locations; (ii) the distribution of wallet size cards that provided tips on spotting Modern Slavery; and (iii) rotating electronic displays on TV monitors in select office areas. The posters, wallet size cards and electronic displays described Modern Slavery in easy to understand terms, and provided a UK helpline phone number for victims and/or to report any suspicion of Modern Slavery. The wallet size cards were purposely designed to be easy to carry on one's person, taken to suppliers, and distributed to any suspected victim of Modern Slavery as needed.

Our standard terms and conditions provide that our suppliers who are subject to them have the responsibility to ensure that their employees and representatives understand and comply with the Livent Corporation "Supplier Code of Conduct".

In 2022, Livent Corporation intends to: continue its training on Modern Slavery for all Procurement employees within the Group, including at Livent Lithium UK Limited, and to otherwise raise awareness of the issue.



## 7. OUR COMMITMENT


Since becoming a public company in October 2018, Livent Corporation has worked to develop a sustainability strategy that includes attention to human rights. This has been described in Livent Corporation's Sustainability Reports for 2019 and 2020. In July 2022, Livent Corporation will be publishing its Sustainability Report for 2021. The Sustainability Report is available on Livent Corporation's website at: <https://livent.com/sustainability/>. Annual updates to the Sustainability Report will be published on the same site.

Livent Corporation announced new sustainability goals in February 2021 that reaffirmed its commitment to advancing social progress and human rights across its operations and supply chain. From a Social Responsibility perspective, Livent Corporation pledged to verify and enforce supplier compliance with its Supplier Code of Conduct and responsible labour practices, as measured against various KPIs for supplier selection, monitoring and performance. Livent Corporation is committed to sourcing components and materials from companies that share its values regarding respect for human rights, integrity and environmental responsibility. Livent Corporation is a member of the United Nations Global Compact (UNGC) and continues to support the Ten Principles of the UNGC on human rights, labour, environment and anti-corruption.

In 2021, Livent Corporation once again received a Gold Sustainability rating from EcoVadis, a global sustainability ratings provider. This placed Livent Corporation in the top 5% of all companies that were evaluated within its industry group. EcoVadis assesses sustainability performance across four main categories: Environment, Labour & Human Rights, Ethics and Sustainable Procurement. The assessment is based on leading standards, such as the Global Reporting Initiative, UNGC, and ISO 26000, and is supervised by an international scientific committee. EcoVadis rates performance by assessing a company's policies, actions and results, as well as inputs from third-party professionals and external stakeholders. EcoVadis characterizes modern slavery as low wages, excessive working hours, unsafe conditions, bonded labour contracts and trafficking.

As a member of the Livent Group, Livent Lithium UK Limited will follow Livent Corporation's policies.

This statement is made pursuant to section 54(1) of the UK's Modern Slavery Act 2015 and constitutes our slavery and human trafficking statement for the financial year ending 31 December 2021.



SIGNED BY DIRECTOR

following approval by Board of Directors of  
Livent Lithium UK Limited on 28<sup>th</sup> June 2022