



2 April 2022

H.E. António Guterres  
Secretary-General  
United Nations  
New York, NY 10017  
USA

Dear Mr. Secretary-General,

On behalf of Livent Corporation ("Livent"), I am pleased to submit our second Communication on Progress since we joined the UN Global Compact in April 2020. With this update, we reaffirm our ongoing support for the Ten Principles of the United Nations Global Compact on human rights, labor, environment and anti-corruption.

### **Growing Responsibly**

Livent is a fully integrated lithium company with a rich heritage of innovation and a long, proven history of producing performance lithium compounds. Our products are used in many of the applications that power modern life, including batteries for electric vehicles ("EVs") and renewable energy storage solutions. Our lithium products are also used in the manufacturing of batteries for laptops, portable electronics and power tools; synthetic rubber for "green" tires, footwear and medical devices; light-weight metal alloys for airplanes, rockets and spacecraft; essential pharmaceuticals and agricultural chemicals; air purification systems; and a broad spectrum of industrial greases, building materials and chemical intermediaries.

We believe lithium will continue to play an important role in decarbonization and the fight against climate change. Consumers and governments agree with this assessment, as

reflected in the fast-growing EV market and policies that shift away from reliance on fossil fuels and towards electrification. As a result, lithium demand growth was strong throughout 2021 and has continued to grow in 2022. Livent's customers, which include many of the leading car makers and battery manufacturers around the world, are extremely focused on securing reliable, long-term lithium volumes needed to achieve their own business and sustainability objectives.

In order to meet our customers' growing needs and the increasing global demand for lithium chemicals, we will continue to expand Livent's production capacity by investing in our assets, technology capabilities and people. At the same time, we believe that meeting the growing demand for lithium compounds must be balanced with considerations for responsible production and the priorities of other key stakeholders, including local communities, employees, investors and regulators. This unwavering commitment to growing responsibly is reflected in our core values and our company-wide focus on delivering on our 2030 and 2040 sustainability goals.

### **Capacity Expansion Projects**

We are now well advanced on a 5,000-metric ton lithium hydroxide addition in Bessemer City, North Carolina, and a 20,000 metric ton expansion of lithium carbonate in Argentina. In the first quarter of 2022, we also began engineering work on a second expansion to add an additional 20,000 metric tons of lithium carbonate capacity in Argentina by the end of 2025.

Our second expansion in Argentina will not fundamentally change our proprietary Direct Lithium Extraction (DLE) process, which already has a leading, differentiated sustainability profile in the lithium industry. A primary focus of the preliminary engineering work is how we can expand production capacity within existing infrastructure constraints. We plan to do this by augmenting our existing lithium extraction process through investment in additional water re-use/re-cycling optimization technologies that have been successfully applied in other industries. This will allow us to expand without requiring access to any additional fresh water while maintaining a relatively low land footprint compared to conventional processes based on large evaporation ponds.

We have also continued to provide technical support to Nemaska Lithium, a fully integrated mining and lithium chemical manufacturing project located in Québec, Canada. Livent currently holds a 25% ownership stake in Nemaska. With its access to abundant renewable hydroelectric energy and focus on recycling and waste management, Nemaska is well-positioned to distinguish itself for sustainability and serve the developing EV battery industry

in North America and Europe.

## **Our Sustainability Program**

At Livent, we think about sustainability as responsibly and ethically meeting the societal needs of today without jeopardizing the ability of future generations to meet the needs of tomorrow or the planet's ability to preserve its environments. We believe that the responsibility to operate in a safe, ethical, socially conscious and sustainable manner is a fundamental obligation of our right to operate – and essential for the viability of our business.

Livent is committed to the protection and advancement of human rights around the world and making a positive impact in the community, especially our communities in Argentina. This commitment is reflected in the Corporate Social Responsibility (CSR) portion of our Sustainability Program, which includes community, health and safety, human rights, responsible supply chain, and Diversity, Equity and Inclusion (DE&I).

We support our communities around the world through a range of activities, including philanthropic giving, employee volunteerism, infrastructure development, community outreach and local capacity building. We also believe that we have a responsibility to use our policies, resources, operational practices and sphere of influence to advance social progress and human rights across our operations and supply chain.

Sustainability is a key consideration in our investment and operational decisions. It is integrated across Livent's operations. It also underpins our efforts to responsibly manage our impact on the environment and to have a positive impact on our workforce, the markets we serve, our supply chain and our communities.

Our sustainability program is overseen by the Sustainability Committee of our Board of Directors and is based on adherence to all applicable laws and regulations as well as leading management systems and disclosure frameworks, including the UN Sustainable Development Goals (UN SDGs).

## **Key 2021 Sustainability Achievements**

Thanks to the hard work and dedication of our cross-functional sustainability teams and employees around the world, Livent made significant progress in 2021 across many ESG areas. As a result, for the second consecutive year, we achieved a Gold rating from EcoVadis for sustainability performance, placing Livent in the top 5% of the more than

85,000 companies assessed by EcoVadis around the world. We also set in motion several initiatives which will help us drive further improvement and lead the lithium industry forward. Many of these initiatives are described below.

### Sustainability Goals and Operational Framework

- We continued to execute key aspects of Livent's ESG strategy by establishing new sustainability goals for Livent's environmental impact and continued commitment to social responsibility and transparency.
- Developed an operational framework to achieve our 2030 sustainability targets, which include meaningful reduction in operational intensities for Energy, Green House Gas, Waste Disposed and Water; shifting at least 30% of our energy to renewable sources; and achieving overall carbon neutrality by 2040.
- Launched a company-wide Sustainability Innovation Challenge to generate new ideas through crowdsourcing and identify improvements, both big and small, to help meet our sustainability goals.

### Environmental Impact

- As part of COP26, the United Nations Climate Change Conference, Livent committed to the Race to Zero initiative, Business Ambitions for 1.5 degrees Celsius and the Science Based Targeting Initiative (SBTi).
- Continued our collaboration with BMW Group and BASF in contributing to research being done by leading universities on sustainable water use and the geohydrological dynamics of lithium salt lakes and aquifers in South America.
- Launched our proprietary LIOVIX™ lithium metal product, a unique printable formulation of lithium metal and other specialty materials. LIOVIX™ has the potential to help our customers address various science and engineering challenges as they look to improve the performance, safety and sustainability of their lithium-ion batteries, all while driving down manufacturing costs.
- Began the second Life Cycle Assessment (LCA) of our lithium carbonate and lithium hydroxide products.
- Made meaningful progress in revitalizing the land and vegetation in the Trapiche Vega at the Salar del Hombre Muerto by installing an irrigation system.
- Continued efforts to further optimize energy use, improve the mix of renewables and reduce Green House Gas emissions across our manufacturing sites.
- Started to explore opportunities to participate in lithium battery recycling initiatives and collaborations.

## Social Responsibility

- Achieved another strong year for Safety in 2021.
- Advanced our ongoing efforts to improve the work experience at Livent by launching our second annual Global Employee Survey.
- Continued to strengthen our Diversity Equity & Inclusion (DE&I) program, resulting in year over year improvement in diversity across the workforce and the maturation of our three Employee Resource Groups – the Black Employee Network, the Global Women’s Network and Lift Up, a group dedicated to supporting professional development and career advancement.
- Engaged our global workforce in key wellness priorities and launched a successful 3-month campaign to raise Mental Health awareness, with the goal of destigmatizing mental health issues and encouraging employees to get help if they need it.
- Held global celebrations to focus on several United Nations days of observance, including *International Women’s Day*, *the International Day of Tolerance*, and *the World Day for Cultural Diversity for Dialogue and Development*.
- Enhanced and expanded our already robust Community Relations program in Argentina, including the addition of monthly Roundtable Discussions with community and local government stakeholders; employee volunteering and mentoring; donations to support local transportation, access to medical care and education; and many other development and jobs programs, including local hiring of contractors for our expansion projects.
- Through the Salar del Hombre Muerto Water Trust, which is funded from a percentage of Livent’s sales, we worked with local stakeholders to direct investments toward large infrastructure projects that benefit the Catamarcan communities near our operations in Argentina (e.g., solar farms, bridges).
- Actively supported local community initiatives near our other operations worldwide.

## Transparency and Verification

- Began a voluntary third-party assessment using the Standard for Responsible Mining from the Initiative for Responsible Mining Assurance (IRMA). With the commencement of the assessment, Livent is the first company with mining operations in Argentina, and one of the first lithium mining companies in the world, to become a full member of IRMA.
- Attained ISO 14001 (Environmental), ISO 45001 (Occupational Health & Safety) and ISO 9001 (Quality) certifications for all of Livent’s manufacturing sites once again. We also followed the ISO 26000 guidelines for Social Responsibility.
- Began the process of IATF 16949 quality certification, the leading quality for the automotive industry, and successfully completed the process in early 2022.

- Published our Supplier Sustainability Policy and began the process of rolling it out and tracking supplier ESG performance.
- Published our 2020 Slavery and Human Trafficking Statement in June 2021 and laid the foundation for our ongoing initiatives to further align our policies and performance with the UK's Modern Slavery Act.
- Produced our 2020 Sustainability Report, our second annual report as a standalone public company, with key ESG metrics and process controls assured by a third-party verification firm.

## **Path Forward**

We anticipate that the demand for lithium will continue to grow as the sense of urgency builds for electrification and other climate-related actions. The calls for responsible growth in the EV supply chain and the lithium industry will likewise increase.

At Livent, we believe it is possible – and imperative – to expand lithium production in a sustainable way. We view these as compatible objectives that must be managed together with the appropriate deployment of resources, engineering know-how and stakeholder engagement. We are ready for the challenges and excited about the opportunities ahead. We look forward to continuing on our mission to advance a cleaner, healthier and more sustainable world, by growing responsibly.

Sincerely,

A handwritten signature in black ink, appearing to read 'P. Graves', with a stylized, cursive script.

Paul Graves  
PRESIDENT AND CEO, LIVENT