



# 2019

## SUSTAINABILITY FULL REPORT



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Managing Director

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# Letter from Managing Director & CEO



“ Thank you for downloading  
the 2019 Orocobre  
Sustainability Report.

I am pleased to present this overview of the Company's safety, environmental, social and governance performance in FY19 for the Olaroz Lithium Facility, a year in which we reinforced our mission to become a sustainable, world class supplier of lithium chemicals, placing strategic focus on safety, quality and productivity.

Ensuring the safety of our workforce remains our number one priority, both in current operations and our Stage 2 expansion. We continue to strengthen our safety culture, systems and behaviours through safety leadership programs, integrated management software, enhanced operational risk analyses, and the formation of targeted Safety Committees.

2019 was a challenging year for the lithium industry with supply-demand changes impacting negatively on the market and lithium pricing. This has continued into 2020. These market conditions sharpened our focus on delivering high quality product. Initiatives were undertaken to enhance process stability, final product quality, and customer claims management.

Strategic marketing of our products remains a priority as we work collaboratively with JV partner Toyota Tsusho Corporation (TTC) to secure long-term contracts that will deliver enduring revenue streams.

Equal focus was placed on our operating performance by increasing productivity and decreasing operating costs, in particular targeting improvements in pond management, process stability, and recovery rates, and cost reduction initiatives across the business.

We have also sought to promote efficiencies across all areas of operations, especially regarding energy and water consumption and where possible, the recovery and reuse of these resources.

By maintaining our strategic position as one of the world's lowest cost lithium producers, we can grow our operations through this period of market softness and emerge even stronger when the market corrects over coming years.

Reinforcing the strength of our position and maximising future market share is the Olaroz Lithium Facility's Stage 2 Expansion. The project is fully funded and development activities have progressed steadily over the past 12 months.

Our communities remain central to our operational and development activities, with continuous engagement identifying employment and supply opportunities. The nature of our land use agreement with local communities coupled with complexities associated with traditional livelihoods resulted in our approach to landholder engagement being redefined. We continue to work with all local communities to ensure their quality of life is enhanced by our activities.

Finally, we have increased our focus on talent management, ensuring we have the right people in the right roles to drive the Company forward. This has been supported through a greater focus on development, improvement of internal/ external recruitment processes and a review of our performance management systems to better incentivise employees.

Through commitment and collaboration within our corporate, operational and project teams we were able to make significant progress during FY19 towards becoming a leading and sustainable global supplier of high grade, high value lithium chemicals.

To better communicate our progress year on year we have re-engineered our sustainability reporting approach, providing more in-depth disclosures on the topics of interest to our stakeholders. This has resulted in a delayed disclosure for FY19 but establishes a solid process for clear, timely and comparable reporting in future.

As we progress with construction and commissioning of the Stage 2 Expansion, we will see significant and ongoing on-site activity and, in turn, variability in performance with regards to certain environmental and social metrics. We have defined preliminary targets for FY25 and FY30 for operational performance and will also set targets annually to reflect our combined operational and development activity.

We are currently facing the unprecedented challenge of Covid19 and its impacts on our markets and our operations. We realise this may impact on the delivery of some of our objectives. Our priority in 2020 will be on ensuring the health and safety of our people, our communities and contractors.

Thus far, international and domestic company-related travel has been restricted, bio-security plans have been developed in accordance with industry best practice and national regulations, an emergency committee has been established to coordinate operations, and Board and management are meeting more regularly to define impacts and develop contingencies.

We remain committed to ensuring the safety and sustainability of our operations through this period and will share our experiences in depth in our FY20 Sustainability Report.

I look forward to keeping you informed on the Company's growth throughout 2020.



Martín Pérez de Solay  
Managing Director

# About the Report

## 2019 Sustainability Report

The 2019 Financial Year (FY19) Sustainability Report illustrates the sustainability performance of Orocobre Limited (Orocobre or the Company) as joint venture partner and manager of the Olaroz Lithium Facility.

The report has been prepared in accordance with the GRI Standards (Core) and documents Orocobre's progress against the 10 principles of the UN Global Compact as well as the Company's contributions to the UN Sustainable Development Goals (SDGs).

To indicate the alignment of Orocobre's sustainability initiatives and disclosures with the UN SDGs, SDG icons will be posted at the top of each Management Approach Disclosure to highlight the goals being covered.



\* SDG 14 (Life Below Water) is not included as it has no relevance within the context of Orocobre's lithium operations.

As the development and performance of the Olaroz Lithium Facility remain the central focus of Orocobre investors and shareholders, the focus of sustainability reporting remains on SDJ and its activities.

The specific topics addressed in the report were defined based on a detailed materiality process which analysed public announcements and developments, internal documentation and insights shared with Orocobre by numerous stakeholder groups.

This year Orocobre has decided to move away from producing hardcopies of the Sustainability Report, opting to produce a more sustainable and accessible online report that meets a broader range of stakeholder needs.

The 2019 Sustainability Report includes:

- **Overview:** a summary of the Company's sustainability approach and performance in FY19.
- **Full Report:** more detailed disclosures of its sustainability approach and performance in accordance with GRI Standard requirements. *Rather than downloading the full report in its entirety, the Company encourages stakeholders to make use of the [Report Builder](#) to download and view only those sections of the report in which they have a specific interest.*
- **Performance Data:** which clearly presents sustainability data by category in accordance with recognised indicators.
- **Management Approach Disclosures:** which outline current management approach to topics of ongoing relevance to the business and its stakeholders.
- **GRI Index:** which supports stakeholders to navigate the report by providing the specific location of all the general, standard and topic-specific disclosures defined by the GRI Reporting Standards.

For any questions or feedback regarding this report, please contact Orocobre's Chief Sustainability Officer via [sustainability@orocobre.com](mailto:sustainability@orocobre.com)

### Forward Looking Statements

Reports published by the Company contain "forward-looking information" within the meaning of applicable securities legislation. Forward-looking information may include, but not be limited to, the results of the Olaroz Feasibility Study, the estimation and realisation of mineral resources at the Company's projects, the viability, recoverability and processing of such resources, costs and timing of development of the Olaroz Project, the forecasts relating to the lithium market including market price whether stated or implied, demand and other information and trends relating to any market tax, royalty and duty rates, timing and receipt of approvals for the Company's projects, consents and permits under applicable legislation, adequacy of financial resources, the meeting of banking covenants contained in project finance documentation, production and other milestones for the Olaroz Project, and the Olaroz Project's future financial and operating performance including production, rates of return, operating costs, capital costs and cash flows, potential operating synergies, other matters related to the development of Olaroz and Cauchari.

Forward-looking information is subject to known and unknown risks, uncertainties and other factors that may cause actual results to be materially different from those expressed or implied by such forward-looking information, including but not limited to the risk that further funding may be required, but unavailable, for the ongoing development of the Company's projects; the possibility that required concessions may not be obtained, or may be obtained only on terms and conditions that are materially worse than anticipated; changes in government taxes, levies, regulations, policies or legislation; fluctuations or decreases in commodity prices; the possibility that required permits or approvals may not be obtained; uncertainty in the estimation, economic viability, recoverability and processing of mineral resources; fluctuations or decreases in commodity prices; general risks associated with the feasibility of the Company's projects; risks associated with construction and development/expansion of Olaroz; unexpected capital or operating cost increases; risks associated with weather patterns and impact on production rate and the uncertainty of meeting anticipated program milestones at the Company's projects.

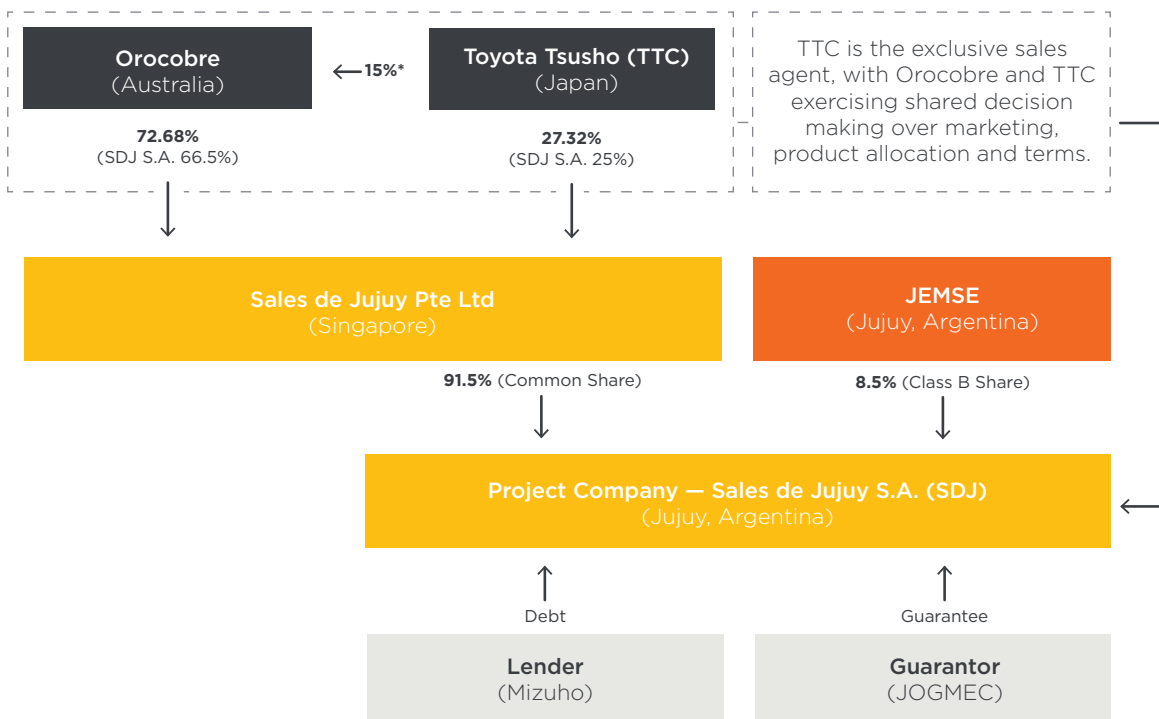
The Company believes that the assumptions and expectations reflected in such forward-looking information are reasonable. Assumptions have been made regarding, among other things: the Company's ability to carry on its exploration and development activities, the timely receipt of required approvals, the price of lithium, the ability of the Company to operate in a safe, efficient and effective manner and the ability of the Company to obtain financing as and when required and on reasonable terms. Readers are cautioned that the foregoing list is not exhaustive of all factors and assumptions which may have been used. There can be no assurance that forward-looking information will prove to be accurate, as actual results and future events could differ materially from those anticipated in such information. Accordingly, readers should not place undue reliance on forward-looking information. The Company does not undertake to update any forward-looking information, except in accordance with applicable securities laws.

# Sales de Jujuy

Orocobre’s key properties are held by its Argentine operating company Sales de Jujuy S.A. (SDJ, ORE 66.5%) and contain those properties associated with the Olaroz Lithium Facility (Olaroz).

SDJ is the manager of the Olaroz Lithium Facility Joint Venture. The shareholders are Sales de Jujuy Pte Ltd (SDJ PTE) and JEMSE, a mining investment company owned by the provincial government of Jujuy, Argentina. SDJ PTE is a Singaporean company that is the joint venture vehicle for Orocobre and Toyota Tsusho Corporation (TTC).

## Joint Venture Structure



\*TTC - 15% equity holding in Orocobre

## Olaroz Lithium Facility

The Olaroz Lithium Facility is located in Jujuy Province in northern Argentina, approximately 230 kilometres northwest of the provincial capital city of Jujuy. The operations are at an altitude of approximately 4,000 metres above sea level and produce lithium carbonate from the Salar de Olaroz brine resource.

Olaroz Lithium Facility currently produces purified and primary grades of lithium carbonate, which are sold into battery, technical and chemical markets.

The Olaroz Lithium Facility was the first large scale brine-based operation to be constructed, commissioned and operated in more than 20 years. Since operations commenced in 2015, over 40,000 tonnes of lithium carbonate have been produced. This milestone is testament to the efforts of the operational team at Olaroz whose development and operating skills provide an on-going competitive advantage for Orocobre as it progresses through the Stage 2 Expansion at Olaroz.

# 2019 – Third full year of production



A low cost, high margin brine based lithium carbonate producer



Focus on quality, productivity and safety



Strong medium to long-term fundamentals



Forecasted Demand Growth 2019-2025 of 17 to 20% CAGR



Realised price of >US\$10,000/t Lithium Carbonate Equivalent (LCE) and an average Gross Cash Margin of 58% in FY19



World class brine resource capable of supporting multiple phases of expansion



FID approval to more than double lithium carbonate capacity at Olaroz with a lithium hydroxide plant to be built in Naraha, Japan



Stage 2 Expansion underway with new ponds and site infrastructure under construction

The Olaroz Lithium Facility produces a range of lithium carbonate products that are sold into global markets. Demand for lithium chemicals continues to increase as the world's consumers require high quality lithium batteries in applications that are increasingly dominated by state of the art, high performance electric vehicles (EV) and grid power storage applications at residential and commercial scale.

Consumer electronics continue to provide significant underlying demand, but it is the wholesale adoption of EV technology by global auto manufacturers and commercial grade Energy Storage Systems (ESS) that will drive growth in lithium demand over the next decade.

Orocobre is determined to help meet the world's growing demand for lithium through the sustainable development of its assets, including staged expansions of the Olaroz Lithium Facility, and its customer base, maintaining a mix of short and long-term contracts with diversity of both geography and market segments.

Olaroz sells primary and both micronised and non-micronised purified lithium carbonate to a diverse customer base of approximately 100 customers in Asia, Europe and North America. The main markets for primary grade product are the chemical manufacture, ceramic and glass markets, with purified grade typically sold to cathode manufacturers for use in the production of batteries.

This report provides an overview of Orocobre's key sustainability challenges and achievements over the past year and sets its areas for focussed improvement in coming years.



# Highlights and Commitments

## Highlights



Improved our position on

**Dow Jones Sustainability Indices (DJSI)**

28% improvement in Score  
26% improvement in Ranking  
39% above Average



**Implemented INTELEX**

a cloud based environmental, health, safety and quality management system



Established a

**Sustainability Committee of the Board**

responsible for governance of sustainability strategy, risk and performance management



Commissioned an

**External Risk Management Review**

formulating an enterprise-wide risk management framework



Commenced a detailed

**Human Rights Risk Assessment**



Currently undertaking formal

**Climate Risk Assessment**



1.2% Reduction in

**Operational Water Intensity**

to 48.16 m<sup>3</sup> per tonne of lithium produced



Doubled the number of

**Women in Management**

22.2% of SDJ Management Team


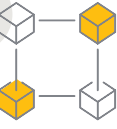






0.3% Reduction in

**Operational Emissions Intensity**

to 3.14tCO<sub>2</sub>-e per tonne of lithium produced.

# Commitments

	ACHIEVED	ONGOING
<p>1 </p> <p>Health &amp; Safety</p>	<ul style="list-style-type: none"> <li>+ Established central safety committee and five subcommittees (training, operational discipline, audit, risk management and incidents investigations)</li> <li>+ Implemented Intelex – a cloud based environmental, health, safety and quality management system (HSEQ) to enhance safety management/reporting</li> </ul>	<ul style="list-style-type: none"> <li>+ Maintain Total Recordable Injury Frequency Rate (TRIFR) &lt;5.7 through Phase 2 Expansion</li> <li>+ Intelex to completely replace the existing system for HSEQ management</li> </ul>
<p>2 </p> <p>Value Chain</p>	<ul style="list-style-type: none"> <li>+ Increased percentage of product within specification</li> <li>+ Implemented Supplier Code of Conduct</li> </ul>	<ul style="list-style-type: none"> <li>+ Delivery Performance Measure</li> <li>+ Supplier Monitoring &amp; Compliance</li> </ul>
<p>3 </p> <p>Long-Term Outlook</p>	<ul style="list-style-type: none"> <li>+ Improved position on the Dow Jones Sustainability Indices (DJSI)</li> <li>+ Enhanced financial reporting</li> </ul>	<ul style="list-style-type: none"> <li>+ Further Improve position on the DJSI</li> <li>+ Leverage further data to better define the Salar de Olaroz Resource</li> </ul>
<p>4 </p> <p>Environment</p>	<ul style="list-style-type: none"> <li>+ Integrated energy and emissions into operational Key Performance Indicators (KPIs)</li> </ul>	<ul style="list-style-type: none"> <li>+ Improve visibility and accuracy of water consumption data across operations</li> </ul>
<p>5 </p> <p>Communities</p>	<ul style="list-style-type: none"> <li>+ Strengthened strategic partnerships to advance sustainable development in the region</li> </ul>	<ul style="list-style-type: none"> <li>+ Establish a 'Theory of Change' to improve measurement and evaluation of the community investment strategy</li> </ul>
<p>6 </p> <p>People &amp; Culture</p>	<ul style="list-style-type: none"> <li>+ Incorporated KPIs and objectives into annual performance review</li> <li>+ Completed cultural evaluation program</li> </ul>	<ul style="list-style-type: none"> <li>+ Establish targeted development and succession plans</li> <li>+ Enhance transparency through improved policies, systems and communications</li> </ul>

# Strategy and Objectives

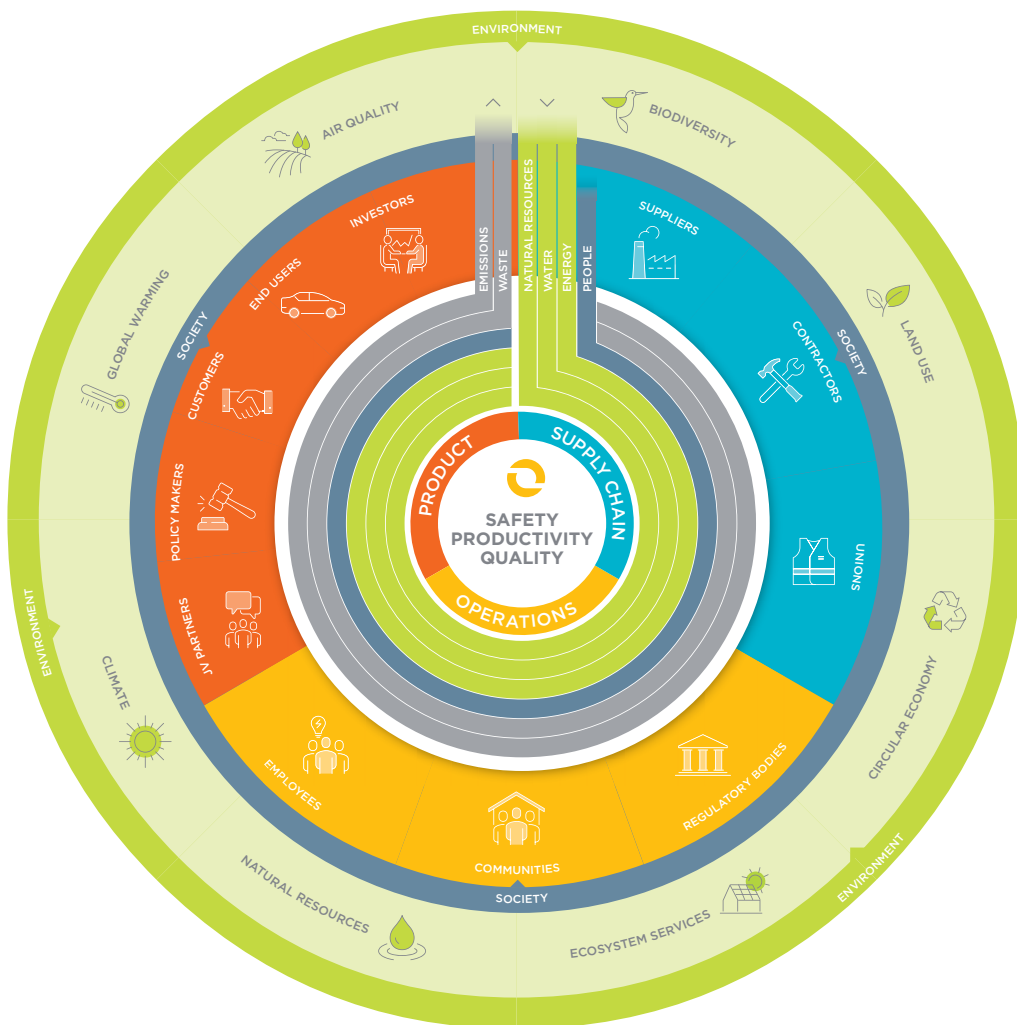
## Strategy

Orocobre’s Sustainability Strategy supports the Company’s approach to financial growth whilst promoting the integrity and wellbeing of the environment and communities where the Company operates.

In accordance with the UN Sustainable Development Goals Orocobre seeks to promote the global transition to a low-carbon future, reduce operational impacts on the environment, and improve the quality of life for local communities.

The Company’s Sustainability Strategy is thus centred on the provision of high-quality, battery-grade lithium to the global market, operational excellence, and strategic community investment.

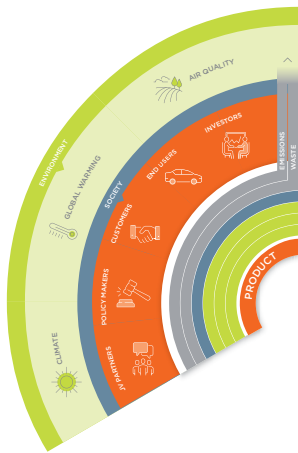
The Strategy is based on the understanding that the Company can only grow within the limits set by society and the environment. At a societal level, effective engagement with Company stakeholders is key to bringing about the changes that promote market growth, enable operational progress, and support social licence. At an environmental level, understanding the local and global environmental trends and limits over the short, medium and long term provides the Company with critical insights and opportunities to optimise and sustain its products, operations and communities now and in the future.



**VISION:** To be a sustainable, world class supplier of lithium chemicals

**Responsible Product**

To be the supplier of choice for quality lithium chemicals that promote the global transition to a low-carbon economy.



**COMPETITIVE ADVANTAGE**

Low Carbon  
High Quality  
Strategic Marketing

**Sustainable Operations**

To maintain the highest levels of safety, efficiency and resilience and the lowest operating costs in the industry.

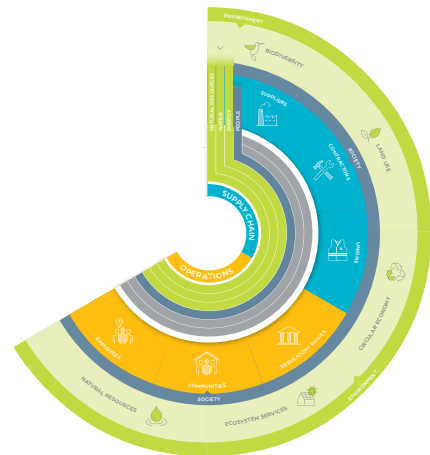


**OPERATIONAL EXCELLENCE**

Safety  
Quality  
Productivity

**Thriving Communities**

To cultivate thriving, resilient communities that are autonomous and self-sustaining.



**SHARED VALUE**

Health  
Education  
Empowerment  
Transparency  
Production and Natural Resources

## UN Sustainable Development Goals

Orocobre is committed to advancing the UN Sustainable Development Goals (SDGs) through its products, the effective management of its operations, and strategic community investment in the regions in which it operates.



**Operations**

The Company sets clear environmental and social objectives and fosters a culture of collaboration and continuous improvement to drive sustainable development.



**Community**

The Community Investment Strategy defines how Orocobre manages, monitors and reports performance against community-based sustainable development commitments.



**Products**

Orocobre services a wide range of customers in an extensive value chain; however, the primary focus of activity is in the development of battery grade lithium chemicals to fuel the transition to a low-carbon economy.

The following provides an overview of the Company's commitments and contributions to the UN SDGs, based on its current footprint, activities, and initiatives delivered in collaboration with the government and local communities.

	Operations	Community	Products
 <p><b>1 NO POVERTY</b></p>		Empowering local communities through financial inclusion, microfinance and effective management of natural resource benefits.	
 <p><b>2 ZERO HUNGER</b></p>		Supporting local agricultural producers to overcome climate challenges and establish sustainable production systems.	
 <p><b>3 GOOD HEALTH AND WELL-BEING</b></p>	Protecting the health, safety and wellbeing of the workforce.	Promoting the health and wellbeing of local communities.	
 <p><b>4 QUALITY EDUCATION</b></p>	Providing training and development for the workforce.	Providing access to quality education to employees and local communities.	
 <p><b>5 GENDER EQUALITY</b></p>	Ensuring gender diversity within the workforce and along the supply chain.	Empowering women in the communities to engage, develop and lead.	
 <p><b>6 CLEAN WATER AND SANITATION</b></p>	Reducing water consumption and managing water-related ecosystems.	Promoting greater community access to clean water and sanitation.	
 <p><b>7 AFFORDABLE AND CLEAN ENERGY</b></p>	Exploring opportunities for renewable energy generation.	Supporting the provision of clean and affordable energy to communities.	Providing the lithium required to enable transition to a low carbon future.
 <p><b>8 DECENT WORK AND ECONOMIC GROWTH</b></p>	Prioritizing local employment and engaging and developing local suppliers.	Stimulating entrepreneurship and economic growth in the local communities.	



Operations



Community



Products

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE



Innovating and upgrading to ensure sustainable, efficient and resilient operations.

Providing local communities with internet access.

10 REDUCED INEQUALITIES



Providing income strategies through local employment and local procurement.

Promoting non-project related revenue generation opportunities.

11 SUSTAINABLE CITIES AND COMMUNITIES



Respecting and preserving cultural and natural heritage across all aspects of the operation.

Promoting the resilience of people and built environment within local communities.

12 RESPONSIBLE CONSUMPTION AND PRODUCTION



Ensure efficient use of natural resources, effective waste management, sustainable procurement practices, and regular sustainability reporting and non-financial accountability.

13 CLIMATE ACTION



Ensuring operational resilience and adaptive capacity to climate-related events.

Supporting the resilience and adaptive capacity of local communities to climate-related events.

15 LIFE ON LAND



Protecting the biodiversity of the region in which it operates and ensuring responsible rehabilitation.

16 PEACE, JUSTICE AND STRONG INSTITUTIONS



Ensuring transparency and access to remedy across operations.

Supporting the administrative capacity of local institutions.

17 PARTNERSHIPS FOR THE GOALS

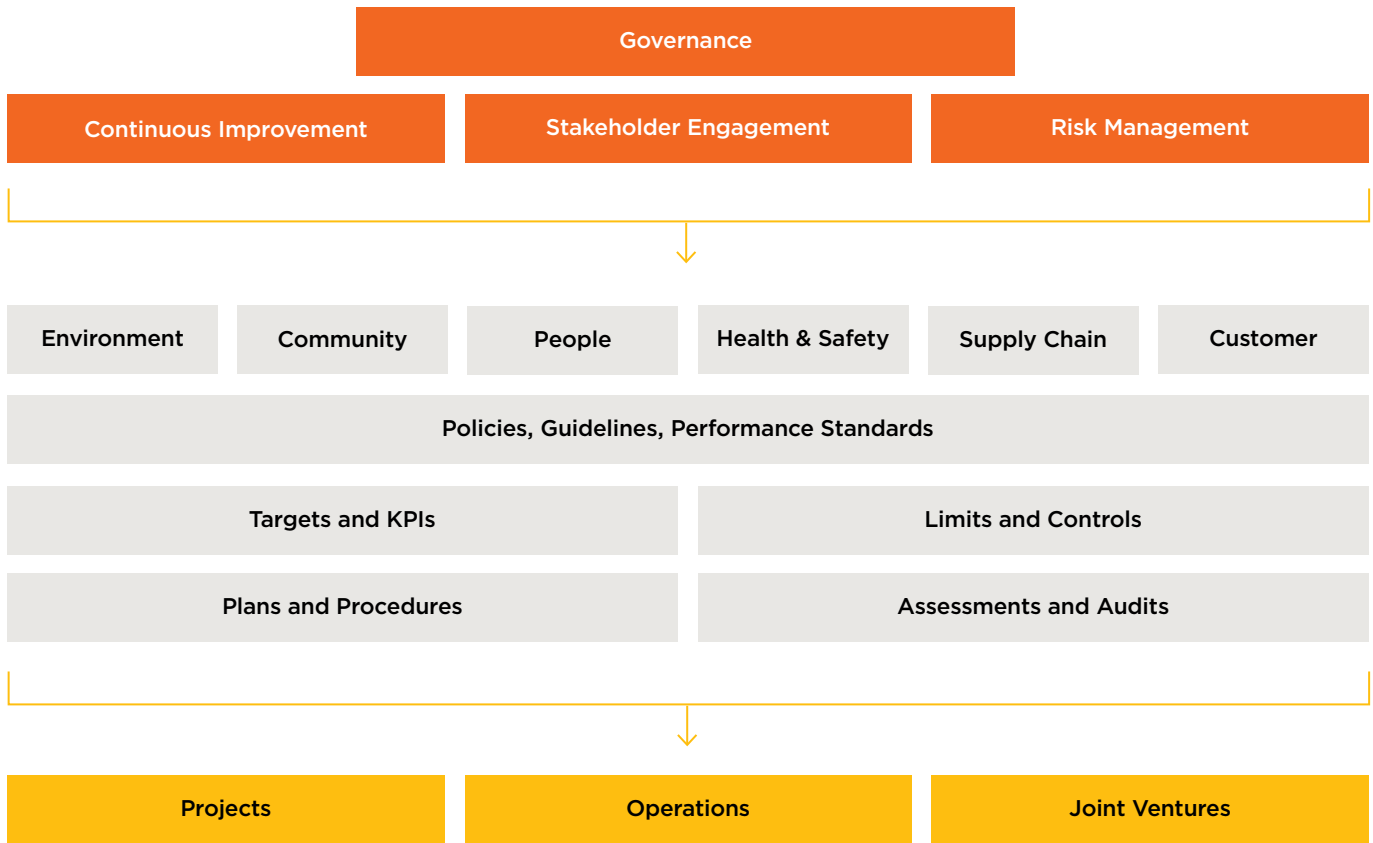


Establishing solid relationships with governments, communities and developing multi-stakeholder partnerships in response to shared sustainable development challenges.

\* Goal 14 (Life Below Water) is not included as it has no relevance within the context of the Company's activities.

# Sustainability Framework

Orocobre’s Sustainability Framework outlines the core structure of the Company’s sustainability performance management system.



Being a young company in the early stages of both its operational and sustainability journey, Orocobre acknowledges that attaining industry-leading sustainability credentials will take time, focus and incremental improvements across every area of the business.

The Sustainability Framework provides a roadmap of core elements that will be systematically strengthened over coming years.

Orocobre is taking a staged approach to sustainability management and reporting by establishing solid management fundamentals as a priority and then developing meaningful metrics and controls. This will enable the Company to ensure targeted, accurate and consistent monitoring of sustainability performance across the organisation.

Orocobre understands the importance of quantitative targets and Key Performance Indicators (KPIs) and is committed to setting these at the appropriate time.

As the Company is still refining and stabilising its production processes, expanding its operations, and implementing centralised sustainability reporting systems, targets and KPIs will remain qualitative rather than quantitative until an assured sustainability performance baseline is defined in 2020.

# 5 Year Plan

To provide investors with a clear indication of the activities and timelines Orocobre envisages for complete implementation of its Sustainability Framework, as well as the external benchmarks that it will be using to objectively evaluate its progress, the Company has developed the following 5-year plan.

	Activity	External Benchmark
2018	<ul style="list-style-type: none"> <li>• Benchmark Sustainability Performance</li> <li>• Evaluate Sustainability Strengths and Weaknesses</li> </ul>	<ul style="list-style-type: none"> <li>• Establish Sustainability Management Framework</li> <li>• Develop Strategy and Roadmap</li> </ul>
2019	<ul style="list-style-type: none"> <li>• Implement Enterprise Management System</li> <li>• Refine Policies, Guidelines and Performance Standards</li> </ul>	<ul style="list-style-type: none"> <li>• Undertake specific Sustainability Risk and Opportunity Assessments</li> <li>• Assurance Readiness</li> </ul>
2020	<ul style="list-style-type: none"> <li>• Establish Quantitative Targets and KPIs</li> <li>• Set Limits and Controls</li> </ul>	<ul style="list-style-type: none"> <li>• Refine Plans and Procedures</li> <li>• Establish Assured Sustainability Baseline</li> </ul>
2021	<ul style="list-style-type: none"> <li>• Conduct Regular Audits and Assessments</li> <li>• Implement Continuous Improvement Initiatives</li> </ul>	<ul style="list-style-type: none"> <li>• Commence Social Impact Reporting</li> <li>• Implement Renewable Energy Projects</li> </ul>
2022	<ul style="list-style-type: none"> <li>• Objective External Review of Sustainability Performance</li> <li>• Explore Integrated Reporting</li> </ul>	<ul style="list-style-type: none"> <li>• Redefine Sustainability Strategy and Roadmap</li> </ul>



# FY20 Objectives

In order to drive continued focus on improved sustainability performance and maintain momentum across all parts of the business, the Company defined the following objectives for FY20.

FRAMEWORK COMPONENT	FY20 OBJECTIVE
ENVIRONMENT	<ul style="list-style-type: none"> <li>Continue to reduce operational water and emissions intensity</li> <li>Assurance of environmental data</li> </ul>
COMMUNITY	<ul style="list-style-type: none"> <li>Finalise Theory of Change to 2030 and strategic investment and collaboration plan to support implementation</li> <li>Introduce systems and processes to improve social impact measurement and reporting</li> </ul>
PEOPLE	<ul style="list-style-type: none"> <li>Finalise Organisational Talent Mapping</li> <li>Enhance Diversity and Inclusion metrics and performance.</li> </ul>
HEALTH & SAFETY	<ul style="list-style-type: none"> <li>Strengthen health and safety reporting and performance</li> <li>Promote effective use of lead and lag indicators.</li> <li>Prepare for certification shift from OHS18001 to ISO45001</li> </ul>
SUPPLY CHAIN	<ul style="list-style-type: none"> <li>Improve local supplier performance</li> <li>Promote local supplier development</li> </ul>
CUSTOMER	<ul style="list-style-type: none"> <li>Enhance communication and engagement between customers and operational teams.</li> </ul>
GOVERNANCE	<ul style="list-style-type: none"> <li>Strengthen management reporting and engagement with Board Sustainability Committee</li> </ul>
STAKEHOLDER ENGAGEMENT	<ul style="list-style-type: none"> <li>Enhance quality and visibility of engagement practices and outcomes with diverse stakeholder groups.</li> </ul>
RISK MANAGEMENT	<ul style="list-style-type: none"> <li>Finalize detailed stages of the Human Rights and Climate Risk Assessments</li> </ul>

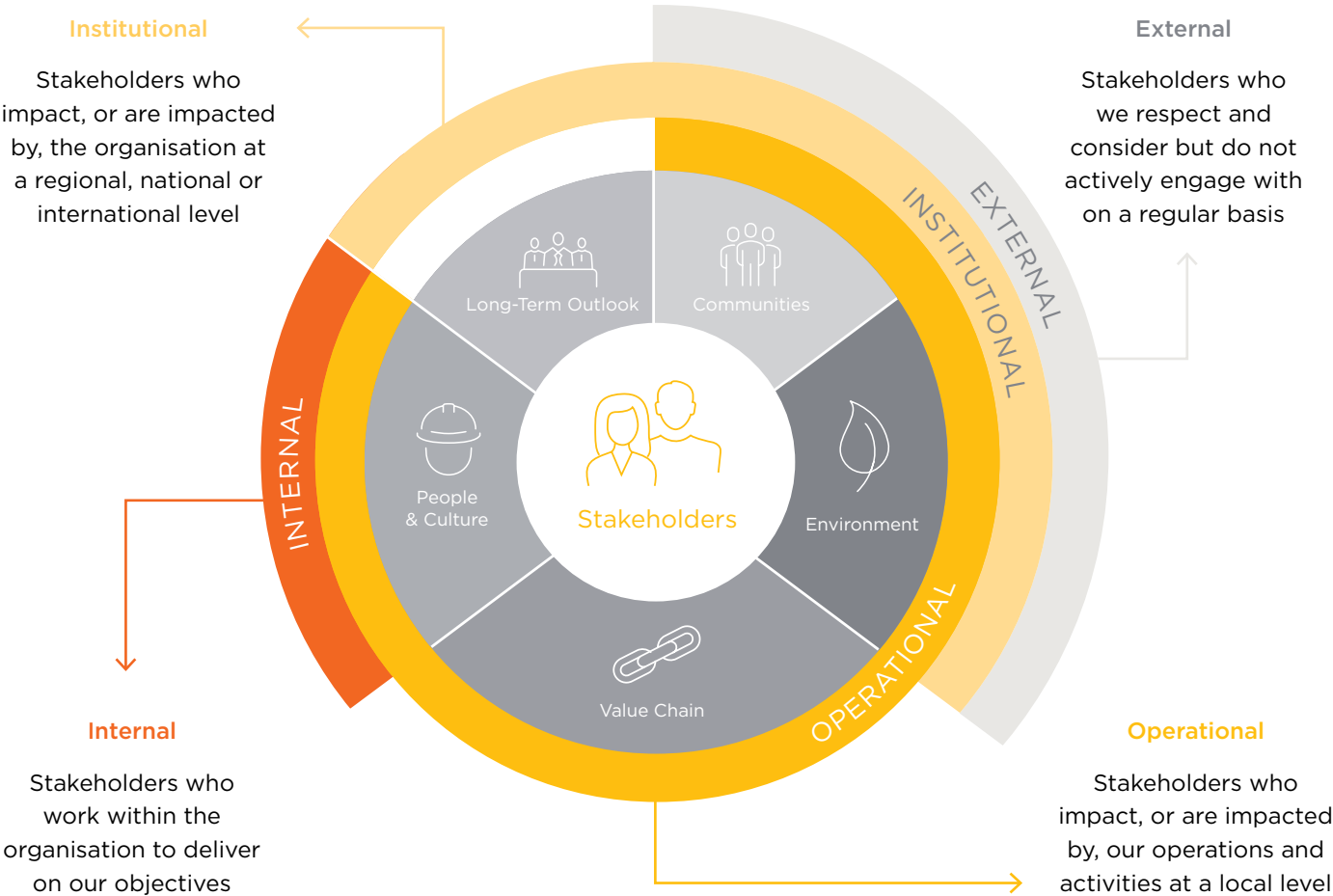
# FY19 Focus

## Stakeholder Engagement

Orocobre maintains formal engagement channels with all key stakeholders, working collaboratively to address issues as they arise.

Topics raised through engagement channels are reviewed and categorised at the end of each Financial Year to identify issues of greatest significance across Orocobre’s stakeholder groups.

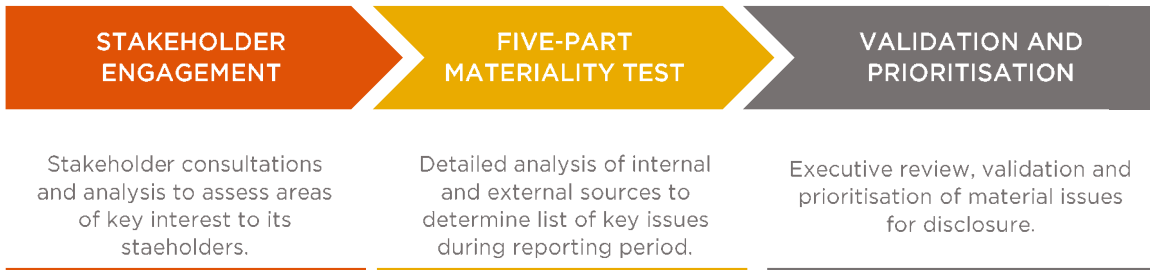
For more information, refer to the [Stakeholder Relations Management Approach Disclosure](#).



# Materiality

To determine the material topics and issues for disclosure in this FY19 Sustainability Report, Orocobre undertook a detailed materiality process.

Orocobre’s materiality process is composed of 3 core stages:



In FY19, the issues identified through engagement with investors, customers, employees and communities were consolidated, prioritised and then gauged against issues of greatest relevance to Orocobre.

This process highlights a series of discrete issues that were specifically relevant to Orocobre’s performance during the reporting year, thereby informing the content to be covered in the Sustainability Report.

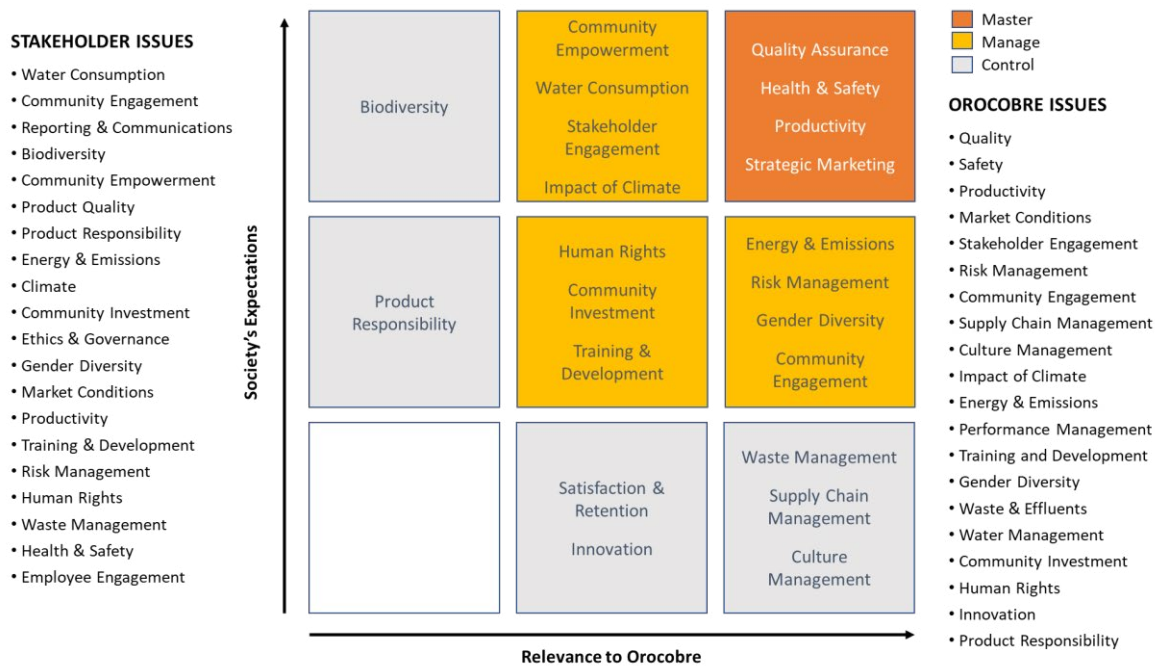
In FY19 the material issues identified for disclosure in the Sustainability Report were:



The materiality process also enables Orocobre to reaffirm, update and reprioritise its Sustainability Focus Areas. These are topics of ongoing relevance to Orocobre’s operations based on their significance to our stakeholders and our business.

Disclosures relating to Orocobre’s management of specific Sustainability Focus Areas are available on the Company’s [website](#).

# Materiality Matrix



## PRIORITY ISSUES BY STAKEHOLDER GROUP

### INVESTORS

- Market conditions and macro issues impacting lithium price
- Production and operational performance
- Financial reporting to facilitate appropriate valuations and peer comparisons
- Product quality and impact on product pricing
- Management of climate impacts on production
- Securing long-term contracts

### PEERS

- Community Investment
- Gender Diversity
- Water + Waste
- Biodiversity
- Safety
- Community Engagement
- Governance and Risk
- Employee Training and Development

### COMMUNITIES

- Water consumption and community access to water
- Monitoring, verification + communication of data
- Impacts on fauna due to lack of water, pasture, and company movements in the grazing fields
- Waste and effluents - management on site and in the communities
- Long-term agreement requests from indirect impact communities.
- Land use agreements between the community and landholders
- Projects supporting culture and traditional livelihoods
- Updates on Expansion: work planning, work execution, staff income, service contracting.

### CUSTOMERS

- Product quality and price
- Customer Satisfaction with product delivery
- Product Responsibility / product stewardship
- Ethics and Governance
- Energy and emissions profile of product
- Safety Performance of the operations
- Human Rights

# Health and Safety

## Strengthening Safety Culture and Performance

Workforce health and safety is the number one priority for Orocobre, particularly as Stage 2 Expansion activities intensify.

Orocobre maintains a ‘zero harm’ approach when it comes to the safety of employees, project contractors and local communities. The Company is committed to reducing workplace risks and incidents and has implemented an enhanced safety management system (Intelix) which is expected to provide both operational efficiencies and improved safety performance.

Intelix – a cloud based environmental, health, safety and quality management system – provides a centralised repository of policies and procedures, enabling real-time reporting of safety observations/ incidents and tracking of all incidents through cause-based investigations.

The construction phase of the Stage 2 Expansion is resulting in increased site activity and therefore an increased risk of safety incidents. Orocobre remains focussed on managing and mitigating these risks as effectively as possible through augmented training, engagement and control systems for employees and contractors.

Job hazard assessments are completed by all workers before undertaking any task. Supervisors have been trained to evaluate and assess the job hazard assessments and to approve them with their teams and any contractors operating in their area.

New projects and initiatives on site pass through a ‘HAZOP’ and/or a ‘What if?’ process to evaluate potential risks and impacts. A ‘Management of Change’ process is also in place to ensure risks, impacts and opportunities are considered across all areas and departments as a result of any change initiative.

In FY19, Orocobre recorded only a slight increase in incident frequency rates despite the increased activity.

Employees	2017	2018	2019
TRIFR	3.2	2.9	3.3
LTIFR	3.2	2.9	3.3
Contractors			
TRIFR	3.9	2	3.3
LTIFR	3.9	2	3.3
Total Workforce			
TRIFR	3.4	2.5	3.3
LTIFR	3.4	2.5	3.3

## Safety Leadership

Orocobre continued with DuPont’s Safety Leadership and Culture program during FY19, developing stronger ownership of safety responsibility across all levels of the business.

This program is targeted at Senior and Middle Management positions and seeks to promote effective safety communication and leadership across all areas of the business. As part of the program, the Company established a central safety committee and five subcommittees to provide better control and follow-up of safety issues.

**Central Safety Committee (led by the Operational Management Team):** meets once a month and reviews security indicators, action plans and accountability to ensure continuous improvement.

**Sub-Committees (each led by two managers and middle management representatives):** meet between 2 to 4 times a month to progress their specific work plans as outlined below.

- **Behavioural Observations:** develop teams of observers and ensure observation targets are adopted and achieved across Operations and Expansion.
- **Incident Management:** deploy methodology and strengthen leadership accountability in the investigation and analysis of accidents and incidents.
- **Risk Management:** create quantitative risk matrices and establish a baseline for process risk analysis.
- **Operational Discipline:** ensure appropriate training and certification for specific jobs and verify compliance.
- **Training:** ensure that leadership teams train their employees in work procedures.

It is anticipated that an additional subcommittee will be created in FY20 to specifically address contractor-related issues.

For more information about the Company's Health and Safety performance, please refer to the [Management Approach Disclosure](#) and [Performance Data](#).

### Case Study: Defensive Driving

Due to an observed increase in vehicular accidents within and around Sales de Jujuy's operations, the Company decided to deliver a defensive driving course for all employees required to manage a vehicle.

This Defensive Driving course introduced participants to defensive driving techniques that could be directly applied to enhance their safety on the roads. The course lasts 12 hours and consists of two components:

**Theoretical:** addressed reaction timing, night driving, difficult terrain and the capabilities of 4x4s and other vehicle types.

**Practical:** involved exercises on a designated driving course using standard Company vehicles, and simulations of extreme situations so that the driver can practice and apply defensive driving techniques.

The Defensive Driving course was delivered 3 times with a total of 102 people participating.

The Company also enlisted six employees in a Train-the-Trainer program so that they could continue to provide defensive driver training to Company employees and contractors.

The Train-the-Trainer course enhanced the theoretical knowledge and practical skills of participants through the application of different driving techniques. The course lasted 48 hours and included both theoretical and practical components. All six participants became CESVI approved instructors, a certification that lasts three years.



# Value Chain

## Product Quality

The Olaroz Lithium Facility currently produces purified and primary grades of lithium carbonate, which are sold into battery, technical and chemical markets.

Throughout FY19 SDJ focussed on improving operational process controls to enhance product quality. In addition, feedback was sourced from customers across the European Union (EU) and Asia so that plant operators could improve responsiveness to customer's specification requirements.

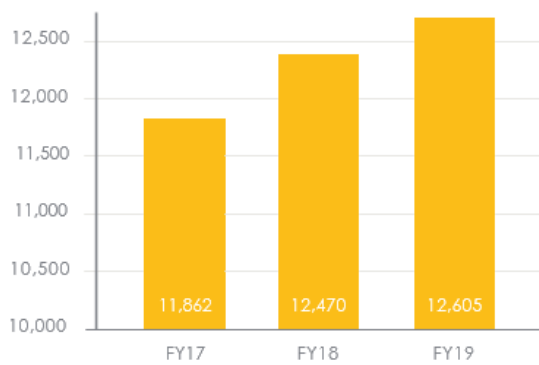
One specific quality improvement project developed in FY19 for implementation in FY20, will enhance the product packaging process to address customer feedback regarding the quality of delivered product.

By focusing on the sustained delivery of high-quality product, the Company aims to enhance customer relationships and secure long-term contracts.

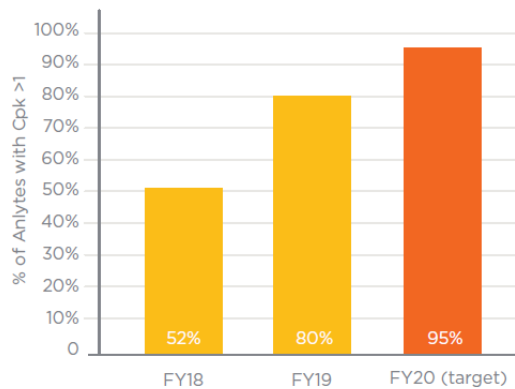
Quality remains a key strategic focus area, along with productivity and safety. Planned FY20 improvement initiatives include:

- Continue reducing product impurity levels to meet or exceed customer expectations
- Reduce variability and improve market perception of product quality.
- Implement further product packaging improvements

Annual Production (t LCE)



Process capability



For more information about the Company's product quality please refer to its [Quality Assurance Management Approach Disclosure](#) and [Performance Data](#).

## Supply Chain Control & Capability

To enhance product quality, workplace safety and operational productivity, Orocobre needs to maintain both visibility and control of its suppliers.

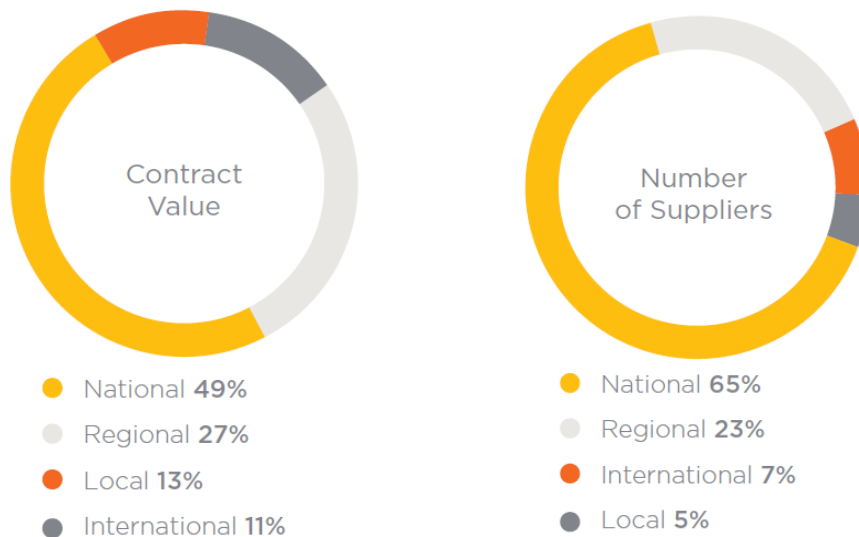
Quality of feedstock materials can impact the chemical production processes and in turn, the quality of the final product. The operational team is working to better control production inputs and processes so that quality and consistency of Orocobre's products can be further enhanced.

Contractor safety performance was a core focus during FY19. Contractor inductions and certifications were streamlined with evaluations now conducted at the SDJ office (in San Salvador de Jujuy) prior to arrival at the Olaroz Lithium Facility. This eliminated administrative tasks for onsite safety teams, ensuring all necessary safety training and certifications are approved prior to arrival. A Supplier Code of Conduct was introduced in FY19 outlining minimum standards required for all suppliers, including adherence to Orocobre's suite of social and environmental policies.

The focus for FY20 is:

- Enhance controls to ensure supplier compliance with performance standards
- Capacity building programs to support local suppliers' compliance with these standards
- Review criteria for the selection of suppliers to ensure the Company upholds its commitments to quality, cost, social and environmental performance.

### Breakdown of FY19 Suppliers and Procurement Spend by Region



For more information about the Company's Supply Chain approach please refer to its [Supply Chain Management Approach Disclosure](#) and its [Performance Data](#).



# Long Term Outlook

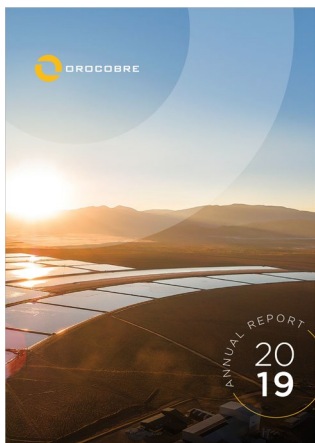
## Market Conditions

Market conditions are a material issue for our business. Quarterly updates on market conditions are provided in regular [ASX quarterly reports](#) published on the Orocobre website. Annual reviews are provided in the Company's [Annual Reports](#), available on the Orocobre website.

In response to difficult market conditions in FY19, the Company focussed on improving recovery rates, optimising reagent use and improving logistic efficiency. Operational reviews identified opportunities to improve plant equipment availability, minimise downtime and reduce soda ash consumption.

In addition to these cost-related initiatives, Orocobre continued to pursue strategies to mitigate price pressures. The Company explored various partnership structures, contract lengths and pricing mechanisms.

The formation of a Joint Marketing Committee in FY19 composed of Orocobre and TTC representatives provided the framework for ongoing product and customer development collaboration.



# Environment

## Operational Efficiency

Since commercial production commenced at the Olaroz Lithium Facility in 2016 the Company has remained focussed on minimising water and energy consumption.

As energy is a critical component of operational costs, opportunities were sought to reduce consumption both in the short and long term.

This includes heat capture technology as part of future energy contracts. Heat capture technology would involve harnessing the heat produced through electricity generation and it then being utilised in the production processes.

There was increased demand for information regarding the carbon and water intensity of operations from the Company's customers and the subsequent battery production chain. New regulation in the EU has lowered the acceptable emissions profile for vehicle manufacturers' products which in turn generated a stronger focus on securing low carbon technology suppliers.

As demonstrated in the following charts, total groundwater extraction in FY19 increased due to Stage 2 Expansion construction activities. This resulted in an increase in the Olaroz site intensity of water use, however this is expected to normalise at the completion of the Stage 2 Expansion.

Process energy consumption and energy intensity remained relatively stable and increased in line with production, however overall site fuel consumption and emissions increased due to higher diesel consumption which are also related to construction activities. These metrics would also be expected to normalise upon completion of Stage 2 construction.

Global concerns regarding water scarcity have led to an increase in requirements for companies to provide more transparent disclosure regarding current and future water use. Orocobre continues to clearly demonstrate it has one of the lowest emissions and water intensity profiles amongst global lithium producers.

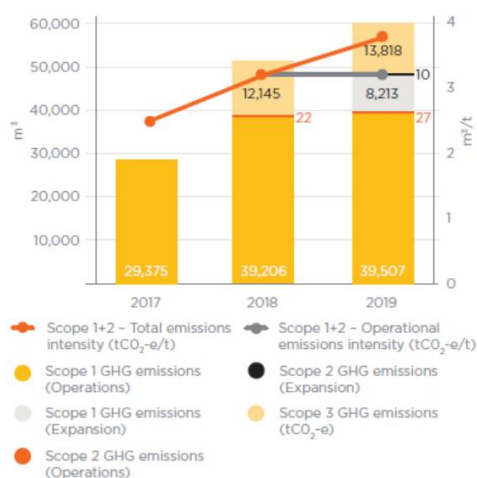
It is important to note that Orocobre does not extract any freshwater for its operations. It extracts only highly brackish groundwater (unfit for human consumption or any agricultural use) which is treated onsite (via reverse osmosis) to provide process water. The Company currently withdraws only one-third of the water it is legally permitted to extract and does not operate in any areas identified as water stressed. Water management initiatives will remain a key focus for the organisation.

### Energy

Energy Consumption



### Emissions



Includes immaterial amount of additional electricity consumed by Stage 2 Expansion construction personnel in camp and office facilities.

Heat intensity refers to process heat which is only used in operations. Electricity includes additional electricity consumed by Stage 2 Expansion construction activities and personnel on site and in office facilities.

Emissions inventory methodology in accordance with GHG Protocol was introduced in FY18. FY17 data only included material emissions sources: electricity generation, process heat and transport.

## Critical Infrastructure

FY19 has seen a significant increase in the number of personnel onsite primarily due to the increase in activities associated with the Stage 2 Expansion.

Orocobre has therefore been ensuring adequate site-based infrastructure is in place to manage the additional waste and effluents generated.

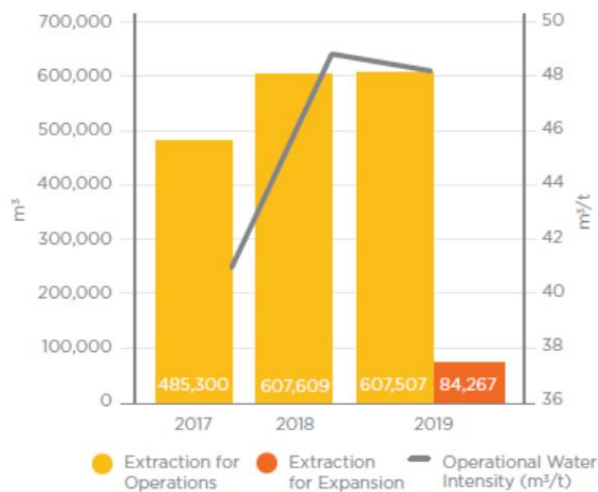
An additional sewage treatment plant (STP) was installed in FY18, and this has been made fully operational in FY19 with the installation of additional storage tanks and improved STP management.

General waste is normally disposed at the Jujuy waste disposal facility; however, its limitations required the implementation of additional local solutions which meet national environmental standards. This has enabled SDJ to maintain high standard waste disposal practices.

Orocobre will maintain a strong focus on waste and effluent management as expansion activities ramp up and the number of staff onsite continues to increase.

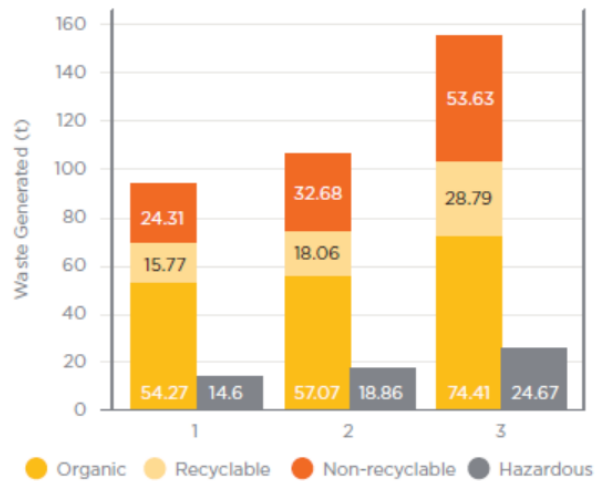
### Water

#### Groundwater\* Extraction (m<sup>3</sup>)



The highly brackish groundwater extracted at Olaroz is not suitable for human consumption or any agricultural use.

### Waste



For more detailed information about Orocobre's Environmental Performance, please refer to the management approach disclosures for [Biodiversity](#), [Climate](#), [Energy and Emissions](#), [Water and Effluents](#), and [Waste](#), and to the [Environmental Performance Data](#).

# Communities

## Supporting Changing Dynamics

Following three years of commercial production and over a decade of sustained community investment via the Company's Shared Value program, noticeable change is taking place within the local communities.

The ten communities are benefiting from greater levels of local employment and procurement, improved access to energy and communications infrastructure, enhanced educational and recreational facilities and increased income-generating capacity. (See [Community Investment](#) and [Empowerment](#) disclosures, [Case Studies](#) and the [Communities Performance Data](#) for more detailed information.)

That said, challenges still arise and engagement methods continue to evolve in response to community stakeholder needs and changing community dynamics.

In FY19, as the Company's expansion activities required community consultation on sensitive topics including land use, local employment and supply contracts, Orocobre was compelled to assume a mediation role between community representative bodies and other community stakeholders. This was a unique situation and one which prompted the drafting of the [Landholder Cooperation Policy](#).

Orocobre has a conclusive land easement agreement with the community of Olaroz Chico to undertake production and expansion activities at the Olaroz Lithium Facility. While Orocobre's land access is assured on that basis, community engagement activities in FY19 highlighted the need to acknowledge traditional landholder boundaries and agreements and support the community of Olaroz Chico in maintaining a strong relationship with its members and neighbours.

Increased focus on employment and contract opportunities has seen commercial interests dominate community negotiations and decision-making. Orocobre is mindful of ensuring the communities' needs and interests are being given priority over specific commercial interests and will continue to work collaboratively with communities to safeguard traditional customs and values.

## Traditional Livelihoods

Another core focus has been traditional livelihoods, with Orocobre being called on to respect, protect and promote these in different circumstances.

The easement agreement with Olaroz Chico provides Orocobre with access to land required for operations in exchange for a series of investment and engagement commitments and defined direct payment figures based on theoretical production values. (See [Community Investment](#) disclosure for more information).

While no one inhabits the land defined in the agreement, there were members of both Olaroz Chico and Huáncar communities that had traditionally used the land for livestock grazing.

Orocobre worked closely with these affected land users to reach an agreement and develop a suitable Livelihood Restoration Plan, ensuring their quality of life would not be negatively impacted.

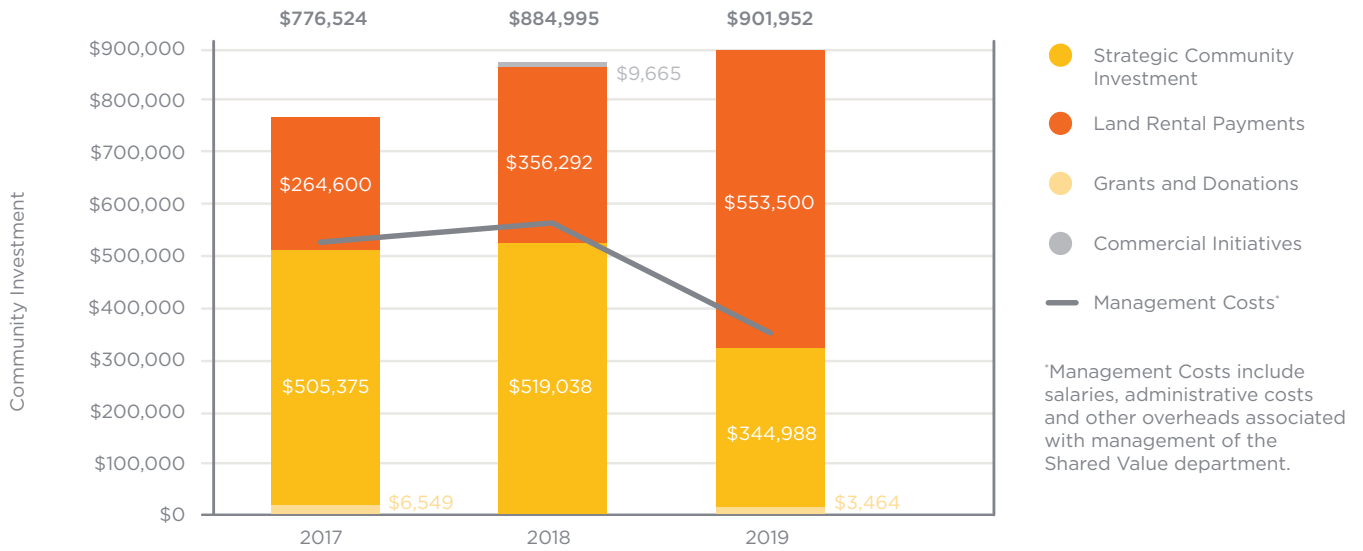
A [Landholder Cooperation Policy](#) was prepared outlining the Company's commitment to respecting, protecting and promoting traditional livelihoods in these situations.

The Company continues to promote traditional livelihoods through its Shared Value program, including the [Vicuña Shearing Project](#) underway in Olaroz Chico, the [Fibre Spinning Project](#) underway with artisanal women in Huancar, and the [Recycled Walls Project](#) to support local agricultural producers across the Puna.

Orocobre worked closely with affected land users to reach an agreement and develop a suitable Livelihood Restoration Plan, ensuring their quality of life would not be negatively impacted.

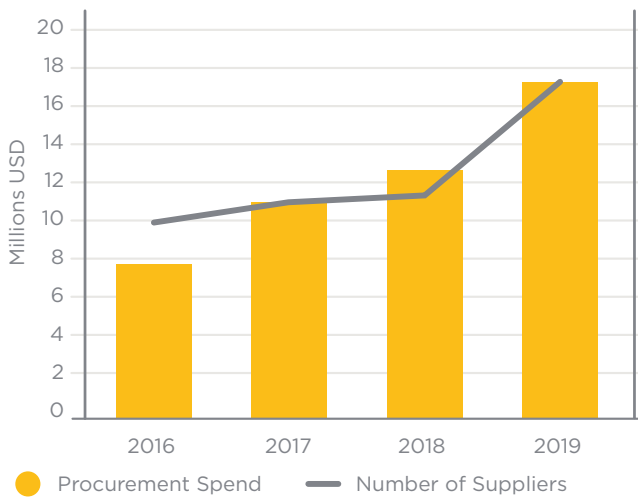
# Community Data

## Community Investment

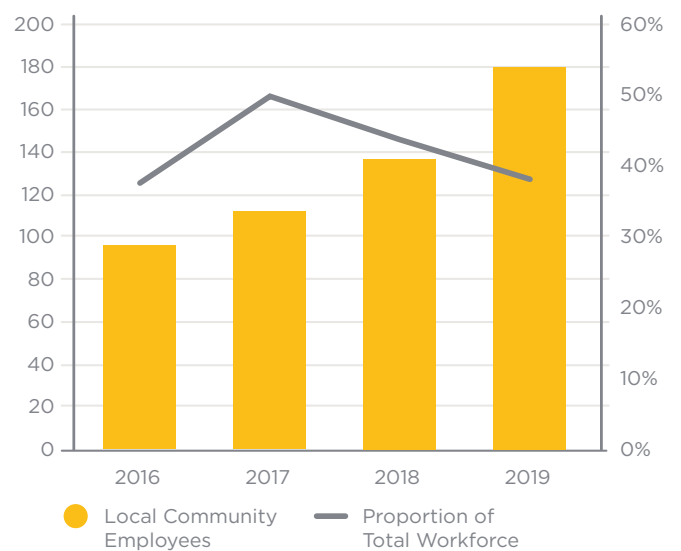


## Community Empowerment

### Local Community Suppliers



### Local Community Employees

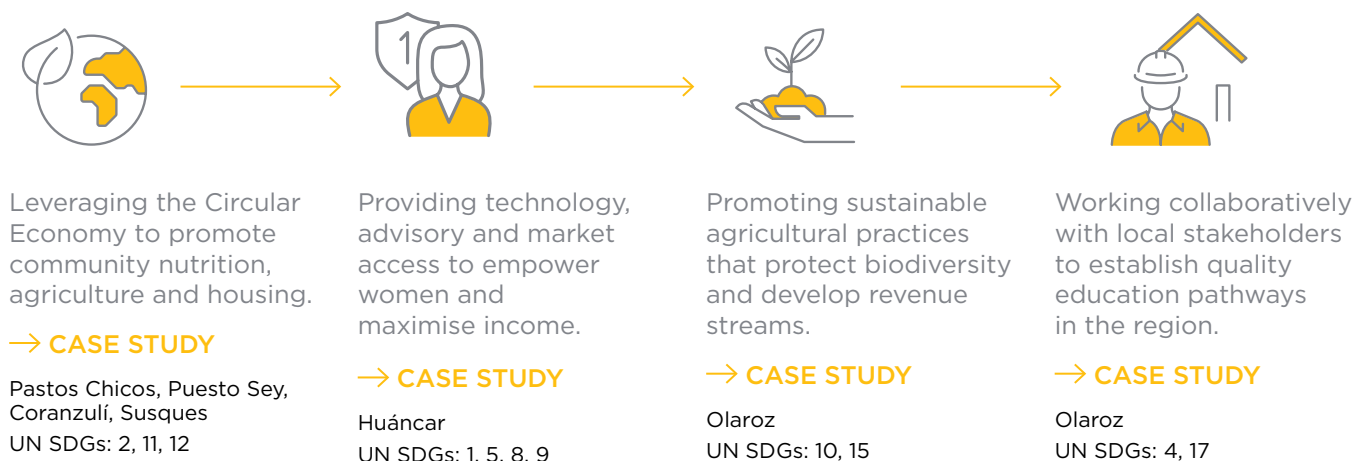


For more information about the Company's approach to Communities, please refer to the [Community Engagement](#), [Community Empowerment](#) and [Community Investment](#) disclosures, and to the [Community Performance Data](#).

## Shared Value Cases

Orocobre's Shared Value programs are developed collaboratively with local communities. The Company facilitates the process and empowers communities to achieve their objectives. Orocobre's Shared Value team work closely with local stakeholders and utilises cross-sectoral partnerships to develop programs that contribute directly to the achievement of the UN SDGs.

For more information, refer to the [Case Studies](#) section of our online [Report](#).



## Government Payments

Royalty and Other Government Payments	\$ USD
Provincial Royalty	1,694,533
Other Provincial and Municipal Taxes	196,567
Other National Taxes	2,551,283
Employment Taxes Paid by Sdj	2,861,811
<b>Total Paid by SDJ</b>	<b>7,304,194</b>
Provincial Withholding Tax to Local Business	1,757,491
National Withholding Tax on Salaries	1,221,370
National Withholding Tax to Local Business	9,586,231
<b>Total Withheld by SDJ</b>	<b>12,565,092</b>

\*Based on statutory rules SDJ is require to withhold applicable taxes to both employees and small businesses and submit such proceeds to the local authorities on a monthly basis.

Orocobre works closely with local stakeholders and utilises cross-sectoral partnerships to develop programs that contribute directly to the achievement of the UN SDGs.

# People and Culture

## Talent Management

During FY19, Orocobre's main employee focus was getting the right people in the right roles to enhance the productivity, quality and safety of operations.

Given the increase in operational and construction activity onsite, the total number of employees has grown substantially. Employee headcount has increased 51%, with new hires up from 20% in FY18 to 37% in FY19. The turnover rate dropped significantly, being just 7.3% in FY19 compared to 13.3% in FY18.

Internal and external recruitment processes have been enhanced to target highly skilled candidates for specialist tasks.

The Company anticipates an increase in turnover in FY20 as teams are consolidated and optimised, as well as a decrease in full-time employee headcount per tonne of lithium carbonate produced.

The Company also foresees an increase in employee development activities. Employee growth and development pathways are currently being reviewed to ensure employees are given ample opportunity to develop, advance and excel in their roles.

To support the development of the workforce, Orocobre is implementing a new online learning management system which will provide specific training to Company employees. This system is being used for all onsite inductions and for core training on Safety and Code of Conduct policies. The system will be expanded to include training for all employees in FY20.

## Performance Management

To enhance productivity and performance of operational teams, Orocobre has introduced a new Performance Management System that places greater focus on individual performance and the achievement of specific objectives.

Previously, performance evaluation and short-term incentive appraisal was based predominantly on departmental and Company performance, with only 20% based on individual performance. By increasing the individual component to 50%, Orocobre seeks to generate greater individual responsibility for key objectives that contribute to overall performance.

Employees are now required to define and agree on a series of quantifiable objectives with their managers and undertake regular performance reviews throughout the year to track their progress.

To support this process, Orocobre continues to explore and implement appropriate software and systems that promote data visibility and allow real-time performance monitoring.

The implementation of systems such as Intelx facilitates tracking of performance by department and the inclusion of objectives, limits and quotas for performance in areas of shared responsibility such as environmental, safety and quality.

## Culture Evaluation Program

In FY18, Orocobre noted that while employee engagement scores were increasing, employee participation in the survey was low.

Rather than undertaking another survey in FY19, Orocobre decided to undertake a detailed evaluation of workplace culture to identify any issues contributing to the decline of participation rates.

The evaluation, facilitated through external consultants, comprised two components: a qualitative component which involved interviews with employees across all parts of the Company; and a quantitative component which required employees to respond to a series of questions that indicate the perceived cultural performance of the Company against an established benchmark.

The employee interviews identified the existing culture of the organisation and values (both positive and negative) that underpin that culture.

The cultural evaluation indicated shared values of loyalty, commitment, respect and teamwork all contribute positively to the Company's corporate culture.

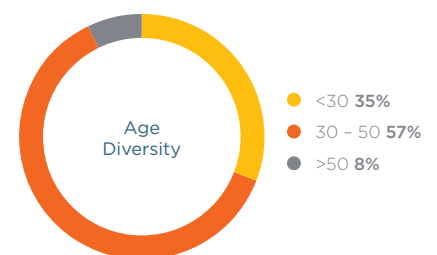
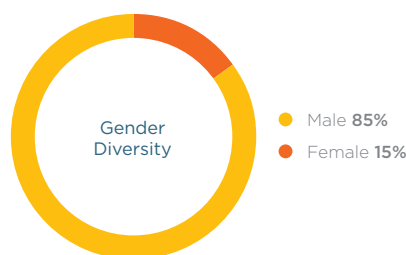
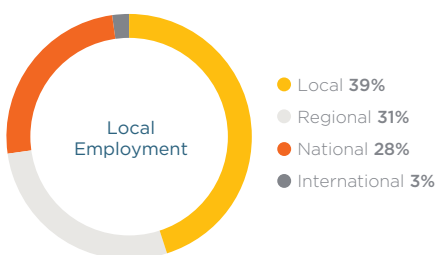
Areas identified as requiring greater focus in FY20 included: the creation of a 'one team' mentality to unite all departments and activities; greater transparency regarding performance, decision making and opportunities; enhanced safety focus; and performance management.

## People Data

### Workforce breakdown

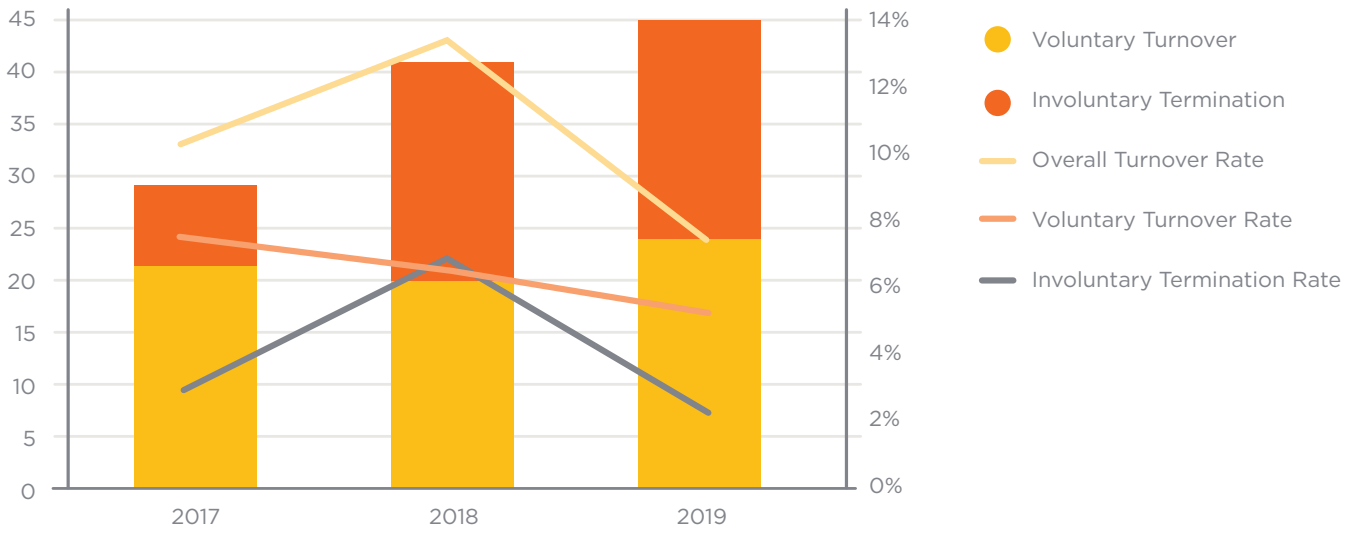
● Senior Managers ● Middle Managers ● Operators

	Total	Male	Female	Local	Provincial	National	International	<30	30 - 50	>50
2017	8	6	2			6	2		3	5
	67	53	14	21	23	22	2	7	54	7
	207	180	27	121	53	32		112	83	11
	282	239	43	142	76	60	4	119	140	23
2018	11	9	2			8	3		8	3
	92	78	14	5	40	44	3	8	77	7
	206	176	30	133	48	25		88	108	10
	309	263	46	138	88	77	6	96	193	20
2019	18	14	4			11	7		11	7
	105	88	17	5	41	54	5	12	82	11
	344	294	50	175	105	64		151	175	18
	467	396	71	180	146	129	12	163	268	36
		85%	15%	39%	31%	28%	3%	35%	57%	8%





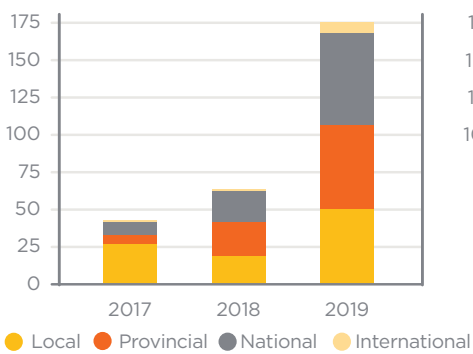
## Turnover



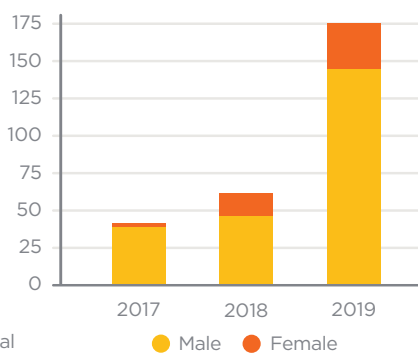
## New Hires

	Total	Male	Female	Local	Provincial	National	International	<30	30 - 50	>50
2017	42	40	2	27	6	8	1	24	16	2
2018	63	47	16	18	23	21	1	17	44	2
2019	175	147	28	51	55	62	7	66	97	12

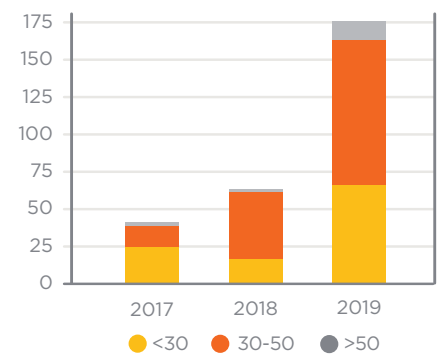
### New Hires by Region



### New Hires by Gender



### New Hires by Age



For more information about the Company's approach to People, please refer to the [Employee Engagement](#), [Training and Development](#), and [Diversity and Inclusion](#) disclosures, and to the [People Performance Data](#).

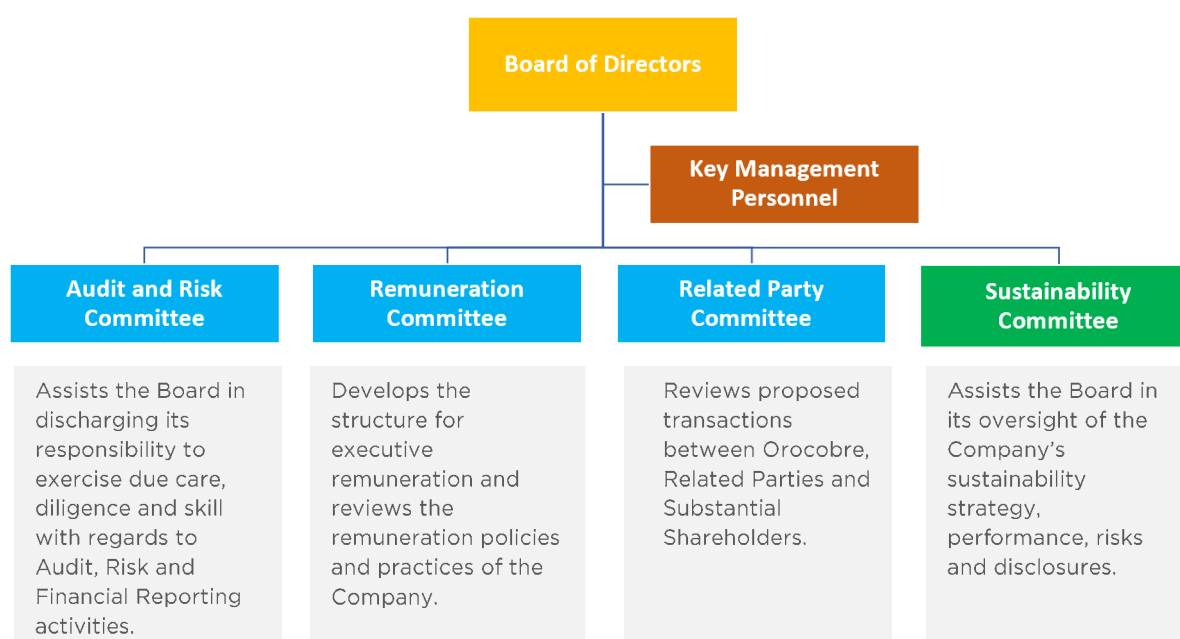
# Governance and Risk

## Governance

The Orocobre Board comprises eight Directors with significant public company management experience and strong backgrounds in exploration, project development, operations management, financial markets, accounting and finance. The Directors bring diversity of experience from different industry sectors and geographies.

In addition to these Directors, Orocobre also has an Executive Leadership Team that are responsible for all areas of the business.

Supporting the Board are a series of Committees, each with defined Charters and responsibilities.



Orocobre has created a Sustainability Committee of the Board, responsible for the governance of the Sustainability strategy, risk, performance management and reporting.

The Sustainability Committee has oversight on a number of areas including health and safety, environmental and social topics. Authority for these areas is delegated to the Company's Chief Sustainability Officer who is required to monitor sustainability risks and performance and provide regular updates and reports to both the Executive Leadership Team and the Sustainability Committee.

The Sustainability Committee provides guidance on the sustainability strategy of the organization, engages in the review of formal social and environmental risk assessments, and is responsible for the ultimate review and approval of the Company's annual sustainability report. The Sustainability Committee also oversees stakeholder concerns as presented in monthly reports and as part of the annual materiality process.

For more information, please refer to the [Governance Management Approach Disclosure](#) and [Governance Performance Data](#)

Additional documentation, including the code of conduct, charters for the operation of the Board and its committees, and other key policies supporting the Governance Framework, is fully disclosed on the Corporate Governance page of Orocobre's [website](#).

# Risk Management

## Enterprise Risk Framework

Within its operations in Argentina, the company is aligning with Risk Management standard ISO 31000 as part of its Integrated Management System, to enable a comprehensive approach to risk across all areas of activity.

During FY19 the Company commissioned an external risk management review to formulate a comprehensive enterprise-wide risk management framework based on the principles ISO 31000. The structure facilitates continuous improvement of Orocobre's risk management capability, with roles and responsibilities of varying degrees of accountability at all levels of the organisation.

Orocobre considers risk an inherent component of all business activities that can be minimised with effective identification and management strategies. The framework was developed on the basis that everyone involved with the Company's activities (e.g. employees, contractors, partners etc.) should be risk-aware, identify and manage sources of risk, and communicate incidents. Where risk presents itself as an opportunity or is connected to an opportunity, the business follows a structured risk process to determine the risk versus reward relationship.

For more information on Orocobre's Risk Framework, please refer to the [Risk Management Approach Disclosure](#).

## General Risk Overview

The Company has in place risk management policies and systems to mitigate these risks wherever possible, including monitoring ongoing exploration results, monthly review of operational results and continued discussions with Orocobre's partners and the government of Argentina.

The Company continues to identify and monitor the environmental, social and governance risks and opportunities associated with its activities and implement action and initiatives accordingly.

The organization also acknowledges that many of these risks and opportunities are dependent on, or affected by, third party activity – be it government, suppliers, or other operators in the region.

As such, a central component to the Company's risk and opportunity management approach lies in regular and proactive engagement with third parties.

The following is a breakdown of Orocobre's risk register, categorised in terms of environmental, social and governance risks.

Some of these challenges require a long-term approach, while others can start to be addressed immediately. The Company acknowledges that this is only its third year of production and as such there is still much to learn, adapt and refine over the coming years.

Orocobre is firmly committed to effectively minimising and mitigating these risks (and any others that may arise) whilst capitalising on opportunities to deliver transformative societal change, be it in the support of global energy transitions, or local socio-economic development.



**OPERATIONS**



**STAKEHOLDERS**



**PRODUCT**

**OPPORTUNITY**

**Resource and Process Performance**

The increase of Mineral Resources through drilling outside the currently defined Mineral Resource.

The optimisation of plant performance and the associated production rate ramp-up.

The application of new technologies to improve overall system recovery.

Benefit associated with higher evaporation rates resulting from climate change and consequent potential positive impacts on production rates.

**Energy, water & biodiversity**

Development of strong local partnerships to enhance community access to clean and affordable energy, clean water, and biodiversity.

**Low carbon future**

The continued growth and rate of growth in the demand for electric vehicles and the economic viability of electric vehicles relative to internal combustion engine vehicles.

**RISK**

**Environmental impact on production**

Risks associated with adverse weather patterns resulting from climate change and consequent potential negative impacts on production rates.

Damage, destruction or impact on plant, other physical assets or supply chain e.g. by on/offsite natural disaster, fire or explosion.

**The Resource**

The current size of the Mineral Resource at Olaroz and the current lack of Reserves (as defined under the JORC Code) or the inability to expand operations beyond current committed projects.

The brine grade and quality of the brine feedstock.

**Non-ORE managed assets**

Environmental or other accident/disaster at a non-Orocobre managed joint venture or investment.

**Government licenses & permits**

Argentina sovereign risk both at a national and provincial level and the political and financial risks typically associated with developing countries including reliance on government for the grant and renewal of mining concessions, environmental permits and water access rights.

**Environmental impact on communities**

Our activities might impact on the local environment in such a way as to affect the local communities.

**Perceptions of our impact on environment**

Stakeholder perceptions of our environmental impact may differ to our actual performance and generate reputational and social licence issues.

**Environmental impact on distribution**

Supply chain disruption due to natural disaster.

**New low-carbon alternatives**

The development and adoption of new battery technologies that may rely on inputs other than lithium.



**OPERATIONS**



**STAKEHOLDERS**



**PRODUCT**

OPPORTUNITY

**Diversity**

Benefits of a diverse and inclusive workforce, including innovative approaches, collaborative solutions, and positive, productive work environment.

**Community Quality of Life**

Initiatives to enhance quality of life of local communities through strategic investment and collaboration with government, NGOs and local stakeholders.

**Enhance Supplier Performance**

Development of local supply capability to promote local economic development and demonstrate social responsibility of product supply chain.

**Local Workforce**

Local communities engaged and trained as local workforce to operate and manage the facility.

RISK

**Health and Safety**

Ineffective management of health and safety resulting in injury/loss of life as well as operation, financial, reputational or regulatory implications.

**Community Safety**

Increased activity, movement of people and transportation through local communities negatively impacts the health and safety of inhabitants.

**Product Quality**

Production of in-specification product as required by customers for Stage 1 & Stage 2.

**Industrial Action**

Labour disputes

**Social Licence**

Loss of support by local communities and activism challenging Orocobre's "social licence" due to actual or perceived concerns.

**Product Quantity**

Not achieving the design production rates for Stage 1 and Stage 2.

**Talent Management**

The retention of key employees and availability of a skilled local workforce.

**Local Government Relations**

The ongoing working relationship between SDJ and the Province of Jujuy (JEMSE).

**Industrial Action**

Supply chain disruption due to commercial failure of operator, industrial action or other cause.

The loss of one or more key management or the inability to replace staff creating gaps in knowledge, experience and relationships.

**Joint Venture Relationship**

The on-going mutually beneficial relationship with joint venture partner, marketing partner and significant shareholder Toyota Tsusho Corporation or the risk of misalignment of interests.



**OPERATIONS**



**STAKEHOLDERS**



**PRODUCT**

**OPPORTUNITY**

**Multiple Phases of Expansion**

Long life asset with significant potential for higher levels of production.

**Collaborative Projects**

Unique operation delivering positive economic, social and environmental impacts locally and globally presents opportunities for innovative collaboration.

**Competitive Advantage in Growing Market**

Strong environmental and social performance differentiates the Company from its brine-based peers.

**RISK**

**Corruption**

Actual or alleged fraudulent or corrupt activities involving company assets.

**Stage 2 Expansion**

Not delivering on time and on budget the construction and commissioning of the Stage 2 Expansion of Olaroz.

Failing to achieve set performance targets for Stage 2 Olaroz expansion due to incorrect selection of technology, wrong planning assumptions, performance of contractors/subcontractors, incorrect operational assumptions, poor construction management etc.

**Mismanagement**

Inadequate, strategic and corporate planning leading management and the business to allocate time, effort and resources into the wrong priorities and initiatives.

**Intellectual Property**

The loss of intellectual property or commercially sensitive information from cyber security breaches, employees (or ex-employees), theft or other causes

**Operating Costs**

The expected operating costs including fluctuations in the energy and reagent cost and the comparison of these costs to the operating costs of competitors.

**Financial Obligations**

The meeting of all relevant banking covenants in respect to the operation of Olaroz.

**Changes in Legislation**

Changes in government taxes, levies, regulations, policies or legislation.

**Local Economy**

Sudden changes in the local financial system that may affect the operations.

The impact of high rates of inflation on local costs

The ongoing impact of devaluation of the ARS.

**Meeting Investor Expectations**

Benefits from future acquisitions may not be realised or unanticipated costs may occur during and after integration.

There may not be an active, liquid trading market for Orocobre securities.

The Orocobre securities price can fluctuate significantly and investors may not be able to sell their shares for the value of which they were purchased.

Board of Orocobre has not yet decided if/when it will declare dividends.

**Distribution of financial benefits**

Distribution of financial benefits is ineffective or perceived to be ineffective, thus placing strain on the Company's social licence.

**Product Price**

Fluctuations or decreases in product prices and currency.

**Market Competition**

Increasing competition from competitors and the prices for the commodities sold by the Company.

Competitors may develop more effective and successful products impacting sales and profitability the loss of one or more large customers

**Global Economic Downturns**

Adverse conditions in the global economy and financial markets or downturns in customers end markets, including the impact of natural disasters, climate change, pandemics and other major adverse events.

**Marketing Capability**

Ineffective marketing of Olaroz production due to lack of experience or resources leading to suboptimal commercial outcomes.

**Investor Confidence**

The quality of operational and financial management information leading to inaccurate forecasting and loss of confidence in the Company.

Standalone risk assessments are conducted in accordance with existing policies for areas requiring specific methodological approaches such as Climate and Human Rights. These assessments are conducted independently but considered in conjunction with Orocobre's enterprise risk management framework.

## Climate

Orocobre is currently undertaking its first formal Climate Risk Assessment.

The objective is to provide the Company greater understanding of climate-related risks and opportunities, so that they can be integrated into strategic, managerial and operational decision-making. The assessment of Orocobre's exposure to climate-related risks and opportunities is based on the Company's portfolio of assets, products and markets evaluated against a series of global climate scenarios.

The Climate Risk Assessment is a foundational step in understanding and quantifying the impacts of changing climate on its business strategy and financial performance.

The Assessment is being conducted in 2 stages:

- **Stage 1** involves desktop research and internal stakeholder engagement to evaluate the transitional and physical climate risks and opportunities on the Company's critical functions under different climate scenarios and across different timeframes.

Critical functions include:

- market demand and access to markets
  - built assets
  - supply and distribution routes
  - access to competitive and reliable inputs
  - people and workplace
  - regulatory compliance, license to operate and geopolitical stability
  - access to capital and insurance.
- **Stage 2** involves a more detailed review of the high priority risks and opportunities identified in Stage 1 and will provide clear strategies and frameworks for control and optimization action over the coming years.

A more detailed update will be provided in FY20 based on the outcomes and findings of that assessment.

For more detailed Climate Risk information, please refer to the [Climate Management Approach Disclosure](#).

## Human Rights

Orocobre has commenced a detailed Human Rights due diligence process, to be conducted in 2 Phases.

1. **Assessment of Contextual Issues:** evaluating the overarching human rights issues of relevance based on Orocobre's industry, operations, location and supply chain.
2. **Identification of Salient Issues:** evaluating the salient human rights issues based on more detailed evaluation of risks and impacts through on-site assessment and extensive stakeholder engagement.

Phase 1 of the due diligence process is now complete. An expert human rights consultancy facilitated a desktop analysis of internal and external source documentation as well as a series of internal stakeholder interviews with members of Orocobre's Executive and Operational Management teams. Human rights issues were analysed and prioritized based on the Severity of the potential impact on the humans affected, and Relevance of the risk for the company.

The table below indicates the contextual human rights issues that emerged as having greatest potential impact on people and the greatest relevance for Orocobre given the nature of its operations and the jurisdictions in which it operates.

ISSUE	SIGNIFICANCE		
	High	Medium	Low
<b>Labour Rights</b>			
Health and Safety	High		
Gender based discrimination		Medium	
Harassment	High		
Freedom of association			Low
Access to employment opportunities		Medium	
<b>Supply Chain</b>			
Decent working conditions in global supply chain		Medium	
Decent working conditions in local supply chain	High		
<b>Environmental Impact</b>			
Access to water	High		
Public health and environmental impact		Medium	
<b>Indigenous Peoples</b>			
Free, Prior and Informed Consent		Medium	
Social and cultural identify, customs and traditions		Medium	
<b>Land</b>			
Right to livelihood and access to natural resources		Medium	
Ownership and access to land use		Medium	
<b>Cumulative Impacts</b>			
Access to water		Medium	
Right to an adequate standard of living		Medium	
<b>Access to Remedy</b>			
Access to remedy	High		
<b>Security</b>			
Life, Freedom and security; Opinion and expression			Low
<b>Bribery and Corruption</b>			
Decent working conditions; Adequate standard of living			Low

The assessment also identified the following three areas as opportunities to promote access to human rights, acknowledging that Orocobre already demonstrates actions and initiatives in each of these areas.

- **Community Development:** Including inclusive socio-economic development; access to basic services such as energy, education and health; participatory methodologies and inclusion of vulnerable populations; partnership with the government to avoid replacing the role of the state.
- **Local Economic Empowerment:** Promote local employment, both direct and indirect, through business management, entrepreneurship training and capacity building programs. Adapt to the opportunities that arise based on local traditions and culture.
- **Natural Resource Governance:** support efforts for the government and local communities to exert greater control over their natural resources and its revenues, be it through international initiatives like the EITI or local programs.

For more Human Rights information, please refer to the [Human Rights Management Approach Disclosure](#).



# Memberships and Affiliations

In addition to its involvement with industry bodies and associations, Orocobre seeks to align with recognised external initiatives that will support a robust and holistic approach to sustainability management and disclosure.

Orocobre operates in accordance with industry standards, and maintains certified management systems for Environment, Quality and Health & Safety.

## External Initiatives



## Memberships and Associations



## Certified Management Systems



## Other Management Systems



# References and Links

Report Section	Source or Link
Sustainability Report Overview	Overview Document
Management Approach Disclosures	<ul style="list-style-type: none"> <li>Health and Safety</li> <li>Quality Assurance</li> <li>Energy and Emissions</li> <li>Water and Effluents</li> <li>Waste</li> <li>Biodiversity</li> <li>Climate</li> <li>Community Engagement</li> <li>Community Empowerment</li> <li>Community Investment</li> <li>Diversity and Inclusion</li> <li>Employee Engagement</li> <li>Training and Development</li> <li>Supply Chain</li> <li>Stakeholder Relations</li> <li>Risk Management</li> <li>Governance and Ethics</li> <li>Human Rights</li> <li>Tax and Financials</li> </ul>
Performance Data	<ul style="list-style-type: none"> <li>Health and Safety</li> <li>Value Chain</li> <li>Economic Performance</li> <li>Environment</li> <li>People</li> <li>Communities</li> <li>Governance</li> </ul>
GRI Index	GRI Index
Case Studies	<ul style="list-style-type: none"> <li>Artisan Development Program</li> <li>Baccalaureate Program</li> <li>Raising Recycled Walls Program</li> <li>Vicuña Shearing Program</li> <li>Community Infrastructure Program</li> </ul>

# Case Studies



# Raising Recycled Walls



## Strategic Alignment with Sustainable Development Goals (SDGs)

<b>Project Name</b>	Raising Recycled Walls	
<b>Shared Value Pillar</b>	Production and Natural Resources	
<b>SDG in Focus</b>		
<b>Targets addressed</b>	<ul style="list-style-type: none"> <li>• <b>Target 2.1:</b> Ensure access by all people to safe, nutritious and sufficient food all year round <sup>i</sup></li> <li>• <b>Target 2.3:</b> Double the agricultural productivity and incomes of small-scale food producers <sup>ii</sup></li> <li>• <b>Target 2.4:</b> Ensure sustainable food production systems and implement resilient agricultural practices <sup>iii</sup></li> </ul>	
<b>Related Sustainable Development Goals</b>		
		

## Executive Summary

The “Raising Recycled Walls” project has enabled local communities to construct greenhouses, livestock pens and other agricultural facilities using recycled plastic bottles (collected from within the communities and the Olaroz Lithium Facility) to improve their future crop production, better retain their livestock and help to improve the quality of housing.

The project provides the construction materials used to establish agricultural production facilities for local communities, whilst also providing an effective way to recycle plastic bottles generated as waste in both local communities and onsite at the Olaroz Lithium Facility. The greenhouses enable local community members to produce fresh fruit and vegetables for local consumption (2.1), plant and grow crops all year round (2.2), and avoid production losses from harsh climatic conditions (2.3). They also help to promote climate resilience in local communities (11.5 <sup>iv</sup>) and provide an innovative solution for the disposal of community waste and part of the Company’s operational waste (12.5 <sup>v</sup>).

## Description of the Initiative

The “Raising Recycled Walls” project began in 2017 when members of local communities expressed an interest in exploring construction opportunities using recycled materials.

Over the following years, Sales de Jujuy’s Shared Value team worked collaboratively with the Pastos Chicos, Huancar and Coranzulí communities to:

- Build their capability and knowledge of construction techniques
- Transport recycled materials from the Olaroz Lithium Facility and local communities to the construction sites
- Source additional construction materials through suppliers and other local stakeholders
- Manage final construction projects in a safe and sustainable manner
- Understand the most effective crops and cultivation techniques for greenhouse production

The greenhouse at Pastos Chicos was completed in 2018 and is now producing crops such as lettuce, swiss chard (silverbeet), zucchini, pomegranate, aloe vera and strawberries. This particular greenhouse owner (who was president of the local producers’ group at the time) helped to inspire other producers through his participation, illustrating an innovative solution to common local production challenges.

The greenhouse in Huancar was slightly larger and was completed in 2019. To strengthen the overall structure during construction, sections of the walls were plastered using mud and a solid support post was erected in the centre of the building to reinforce the central beams and roof structure.

The greenhouse in Coranzulí, also completed in 2019, was constructed by the whole community to produce fruits and vegetables for local consumption. The greenhouse was formally opened with a traditional cultural ceremony and offering to [Pachamama](#).

**A video summarising the Coranzulí greenhouse project is available here: <http://bit.ly/SDJ-Reciclaje>**

The “Raising Recycled Walls” project is scalable and could easily be replicated across all ten local communities. The construction technologies are readily transferrable and could be applied to

support the development of other key community structures such as houses, stores, storage facilities and community buildings.

The Company will continue to provide updates on the outcomes and impacts of this project over the coming years.

### Indicators

<b>Input</b>	<ul style="list-style-type: none"> <li>• Recycled bottles collected from Olaroz Lithium Facility</li> <li>• Recycled bottles collected from local communities</li> <li>• Company investment (cash, time, in-kind)</li> <li>• Community investment (cash, time, in-kind)</li> </ul>
<b>Activity</b>	<ul style="list-style-type: none"> <li>• Communities participating</li> <li>• Greenhouses constructed</li> </ul>
<b>Output</b>	<ul style="list-style-type: none"> <li>• Greenhouse yield</li> <li>• Local consumption of fresh produce</li> </ul>
<b>Impact</b>	<ul style="list-style-type: none"> <li>• Income / revenue from production</li> <li>• Helping to improve community health and nutrition</li> <li>• Climate-related production losses</li> <li>• Emissions-avoided from the repurposing of plastic waste</li> </ul>

### Partnerships

The “Raising Recycled Walls” project was developed collaboratively with multiple stakeholders, including: local communities, municipal government, suppliers and civil society. The engagement with suppliers enabled the Company to access and transport additional construction materials to support the communities with their projects.

## Updates

Since first reporting on the “Raising Recycled Walls” project in the [FY18 Sustainability Report](#), the Company has finalised construction of two greenhouses (Huancar and Coranzulí) and commenced an additional three projects.

The Company is implementing data collection systems and processes to enable ongoing monitoring and evaluation of these projects in accordance with the indicators defined.



<sup>i</sup> By 2030, end hunger and ensure access by all people, in particular the poor and people in vulnerable situations, including infants, to safe, nutritious and sufficient food all year round.

<sup>ii</sup> By 2030, double the agricultural productivity and incomes of small-scale food producers, in particular women, indigenous peoples, family farmers, pastoralists and fishers, including through secure and equal access to land, other productive resources and inputs, knowledge, financial services, markets and opportunities for value addition and non-farm employment.

<sup>iii</sup> By 2030, ensure sustainable food production systems and implement resilient agricultural practices that increase productivity and production, that help maintain ecosystems, that strengthen capacity for adaptation to climate change, extreme weather, drought, flooding and other disasters and that progressively improve land and soil quality.



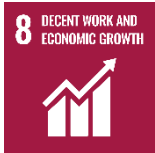


<sup>iv</sup> By 2030, significantly reduce the number of deaths and the number of people affected and substantially decrease the direct economic losses relative to global gross domestic product caused by disasters, including water-related disasters, with a focus on protecting the poor and people in vulnerable situations.

<sup>v</sup> By 2030, substantially reduce waste generation through prevention, reduction, recycling and reuse.

# Artisan Development Huancar Fibre Spinning



## Strategic Alignment with Sustainable Development Goals (SDGs)

<b>Project Name</b>	Artisan development Huancar Fibre Spinning		
<b>Shared Value Pillar</b>	Production and Natural Resources		
<b>SDG in Focus</b>			
<b>Targets addressed</b>	<ul style="list-style-type: none"> <li>• <b>Target 9.2:</b> Promote inclusive and sustainable industrialisation. <sup>i</sup></li> <li>• <b>Target 9.3:</b> Increase the access of small-scale industrial and other enterprises to financial services and their integration into value chains and markets. <sup>ii</sup></li> </ul>		
<b>Related Sustainable Development Goals</b>			
			



## Executive Summary

The “Huancar Llama Fibre Spinning” project was selected as the pilot project for the “Artisan Development Project” and it will be used as the model for future local economic development projects in other communities. The project aims to strengthen the production and commercialisation of the community’s female artisans, by providing them the necessary infrastructure and capabilities to work in a sustainable and autonomous way.

The project provides training and machinery to support the production of high-quality fibre thread, with project partners identifying there is currently a gap in the market for high-quality yarn.

The project has enabled the development of skills, adoption of technology (8.2 <sup>iii</sup>), and access to markets (9.3) required to significantly increase the revenue generating potential of participating community members (1.4 <sup>iv</sup>), all of whom were women (8.5 <sup>v</sup>, 5.5 <sup>vi</sup>).

## Description of the Initiative

Sales de Jujuy, through its Shared Value policy, seeks to promote development projects in the local communities that are independent of the Company’s economic activity.

In 2018, proposals to develop and implement a local economic development project were requested from a range of local consultants. [The National Institute of Industrial Technology \(INTI\)](#) was selected as project partner.

The Artisan Development Project was launched in April 2018 with a workshop that sought to align the individual, community and institutional objectives with the overarching objective of the project:

- Stimulate production and commercialisation of local entrepreneurs, developing their capability to work sustainably and without dependence on public or private institutions.

It was determined that for the Artisan Development Project to successfully achieve this objective it would require:

- Development of sustainable businesses that leverage traditional cultural activities
- Development of tools and capabilities at SDJ that enable the replication of similar socio-economic development projects in other communities.

The community of Huancar’s llama fibre spinning was selected as the pilot project and the model for future local economic development projects in other communities.

When developing a sustainable business model, market constraints were analysed in relation to the artisanal products that the Huancar community’s llama fibre spinning project could produce.

Due to the high variability in the quality of the yarn that each artisan produced, a textile design style training process was not viable. A new yarn production scheme was developed to standardise and optimise the yarn manufacturing process, enabling the Huancar community to establish solid foundations for long-term growth.

After INTI had identified there was a gap in the market for high-quality yarn they proposed that the group of artisans unite to enhance the standardisation and optimisation of the yarn manufacturing process. By shifting the focus to yarn production, the group of artisanal women could manufacture a product in the short term that can be easily marketed locally or even nationally.

While the ultimate objective is the production of quality garments, focusing on yarn production in the initial stages will enable production of a transitional product that garners high market demand. It would also ensure uniformity of raw material for future production and enable greater productive synergy with artisans achieving higher production volumes working as a group.

The project thus set out to provide essential support equipment to produce yarn without losing the 'artisanal' character. Given that the production equipment will reduce water consumption in the washing process by at least 60%, the sustainability benefits of the project have extended well beyond the initial financial investment.

### Indicators

<b>Input</b>	<ul style="list-style-type: none"> <li>• Funds invested (machinery, consultants, training etc)</li> <li>• Time invested (workshops, training)</li> </ul>
<b>Activity</b>	<ul style="list-style-type: none"> <li>• Number of artisans participating at project outset</li> <li>• Percentage women</li> <li>• Average revenue per artisan (pre-project)</li> <li>• Number of people currently employed/contracted</li> </ul>
<b>Output</b>	<ul style="list-style-type: none"> <li>• Yarn produced</li> <li>• Yarn sold to market</li> <li>• Number of customers</li> <li>• Location of customers</li> </ul>
<b>Impact</b>	<ul style="list-style-type: none"> <li>• Income / revenue from production</li> <li>• Number of artisans currently participating in project</li> <li>• Percentage women</li> <li>• Average revenue per artisan (current)</li> <li>• Quality of life indicators</li> <li>• Other local economic benefits (employment, procurement etc)</li> </ul>

### Partnerships

The Huancar Fibre Spinning project was developed collaboratively with Local artisans and the National Institute of Industrial Technology (INTI).

### Updates

In 2019 the production space was secured, and new production machinery (such as spinning wheels, washing machines, dryers etc) made operational. Technical workshops in fibre spinning were carried out, introducing new techniques and standardising the development of the product. The artisans collected raw material, and after completing the training workshops were able to improve and standardize the yarn produced. Samples were taken to different customers and a marketing line was achieved.

Feedback from the market has been positive, given the quality of the yarn the women of Huancar are producing, and market demand for the product remains strong.



<sup>i</sup> Promote inclusive and sustainable industrialization and, by 2030, significantly raise industry's share of employment and gross domestic product, in line with national circumstances, and double its share in least developed countries

<sup>ii</sup> Increase the access of small-scale industrial and other enterprises, in particular in developing countries, to financial services, including affordable credit, and their integration into value chains and markets.

<sup>iii</sup> Achieve higher levels of economic productivity through diversification, technological upgrading and innovation, including through a focus on high-value added and labour-intensive sectors.

<sup>iv</sup> By 2030, ensure that all men and women, in particular the poor and the vulnerable, have equal rights to economic resources, as well as access to basic services, ownership and control over land and other forms of property, inheritance, natural resources, appropriate new technology and financial services, including microfinance.

<sup>v</sup> By 2030, achieve full and productive employment and decent work for all women and men, including for young people and persons with disabilities, and equal pay for work of equal value.





<sup>vi</sup> Ensure women's full and effective participation and equal opportunities for leadership at all levels of decision making in political, economic and public life.



# Community Infrastructure



## Strategic Alignment with Sustainable Development Goals (SDGs)

<b>Project Name</b>	Community Infrastructure	
<b>Shared Value Pillar</b>	Empowerment	
<b>SDG in Focus</b>		
<b>Targets addressed</b>	<ul style="list-style-type: none"> <li>• <b>Target 11.3:</b> enhance inclusive and sustainable urbanization and capacity for participatory, integrated and sustainable human settlement planning and management in all countries.</li> <li>• <b>Target 11.7:</b> provide universal access to safe, inclusive and accessible, green and public spaces, particularly for women and children, older persons and persons with disabilities.</li> <li>• <b>Target 11.c:</b> Support least developed countries, including through financial and technical assistance, in building sustainable and resilient buildings utilizing local materials.</li> </ul>	
<b>Related Sustainable Development Goals</b>	 	

## Executive Summary

The “Community Infrastructure” project began in 2018 through collaborative discussion between Orocobre and its 10 communities to identify projects that would create a benefit and positive impact on the entire community. Having attended regular community assemblies, the Company identified that the majority of the local communities did not have a common use space for meetings, training or large school activities, and that many were in need of funding to build spaces that would encourage development and wellbeing of its people.

Considering the complexity and the resources available for each case, Orocobre initiated a series of cross-sectoral partnerships between communities, suppliers, government, and a local consulting firm specializing in architecture and construction. Through effective cross-sectoral collaboration (17.16 %), and supported by a budget of ARS \$2 million (~USD \$52,000) for each project, the Company was able to deliver quality infrastructure that empowered the community and provided social and economic inclusion for all (10.2 %). Out of the ten projects initiated, seven are already finished and currently in use, and three remain under construction for completion in 2020.

## Description of the Initiative

Originating from the needs and desires expressed by the communities and aligned with the Convention for Indigenous and Tribal Peoples, the Community Infrastructure project was designed to support the construction of key infrastructure within each of the Company’s 10 communities of influence. In some cases, communities only required funding to complete previous projects that had been prematurely abandoned – for example community halls without solid roofs, walls, bathrooms and kitchens; in other cases, the infrastructure projects were built from scratch.

The engagement and project designed had several stages:



1. Preliminary meetings were held with representatives of each community to explain the Community Infrastructure project and to request the identification of possible projects through discussion with their community members.
2. Each representative was invited to share the full list of proposed ideas at the community assembly so that the community members could vote on the most appropriate project option.
3. Once the project was approved by the assembly, meetings were conducted with all project partners to review requirements and define scope.
4. Costs were defined and presented to local suppliers and other partners in order to verify feasibility and project boundaries and promote local investment.
5. A second assembly was held to get the community’s approval of the project scope and contractors. This stage was mandatory, as formal project requests could only be finalised with the approval of the entire community in assembly. This process ensured democracy in decision making with inclusion of every member of the community in project definition and approval. In some cases, communities had to settle certain political differences to reach

agreement and advance with the project. While this delayed some projects, ensuring complete community agreement, approval and buy-in to the project was a critical success factor.

6. To end the decision-making process, an agreement was signed between the Company, the community, and the suppliers to formalize the relationship between all parties. In some projects, participation of government institutions such as Municipal Commissions or the Provincial Government was also required.

The community infrastructure projects developed in 2019 were predominantly common spaces for large group activities such as training and meetings. Given that the communities were often unable to carry out such group activities due to harsh climate conditions and inadequate infrastructure, these installations were considered a priority for the development of community members and the performance of community institutions.

Orocobre was involved in the decision-making process and the construction process of community halls in **Pastos Chicos**, **Huancar**, **San Juan de Quillaques** and **Catua**. In **Puesto Sey**, additional classrooms were built as well as a fence to protect the community “Stone of Desires”. In **Olaroz**, a music hall and a chemistry lab was built, and in **Jama** an entire gas network was installed to provide the service into every house of the neighbourhood and some institutional buildings such as school and community halls.

## Indicators

<b>Inputs</b>	<ul style="list-style-type: none"> <li>• Investment funds</li> <li>• Agreements</li> </ul>
<b>Activity</b>	<ul style="list-style-type: none"> <li>• Number of meetings carried out</li> <li>• Number of assemblies carried out</li> <li>• Number of communities participating</li> </ul>
<b>Output</b>	<ul style="list-style-type: none"> <li>• Works and buildings completed</li> <li>• Local suppliers hired</li> </ul>
<b>Impact</b>	<ul style="list-style-type: none"> <li>• Community members</li> <li>• Total beneficiaries</li> <li>• Benefited institutions</li> </ul>

## Partnerships

Orocobre was able to define and finalise these projects through collaborative partnerships with each of the 10 communities, contractors, suppliers, municipal commissions, and the provincial government.

## Updates

Of the 10 initiatives projected, 7 were completed in 2019 and 3 remain under construction.

The department of **Susques** benefited significantly from the Community Infrastructure initiative, with nine of the 10 companies responsible for construction originating from communities in that region, including the community of Susques itself with approximately 3,000 inhabitants.

For all projects, the Company offered support through to project completion and building inauguration. At that point, the communities assumed full responsibility for maintenance and activation of the installation. The communities are empowered to organize the activities and assemblies they consider necessary and to coordinate special training with teachers in chemistry, physics, or any other field in which the community members would like to develop. In addition, the Company runs training programs for the communities on health and safety, entrepreneurship, recycling of wood pallets (furniture construction), upcycling of waste and spinning, among others.

## Olaroz



In **Olaroz**, 320 residents have benefited from the construction of a music hall and a chemistry lab. This big common space is used not only by community members but also by contractors and their families who are living in the community while they work at the Olaroz Lithium Facility.

This space is also used to train and develop people from neighbouring communities that wish to pursue a secondary education program specialised in chemistry.

## Puesto Sey



**Puesto Sey** had two projects: the construction of additional classrooms for the children of 50 families living in the community, and the installation of a fence to protect "La Piedra de los Deseos" ("The Stone of Desires"), a local attraction that was being vandalised by tourists. The Stone of Desires is an important symbol for the 160 community members, and it is also a tourist attraction. The new fence allows tourists to visit the stone, but not inflict damage.

## San Juan De Quillaques



In **San Juan de Quillaques**, a construction project abandoned over 20 years ago was revived and inaugurated, providing the community with a valuable multi-purpose centre. A new roof was added as well as a kitchen, offices and bathrooms, positively benefitting the 25 families that make up that community. The space was designed to host trainings, assemblies, and other kind of events.





## Jama

Located near a border crossing between Argentina and Chile, **Jama** proposed that the gas network servicing the border control area be extended to reach the community. The Company accepted the challenge and through collaborative engagement with the government, community and the gas network provider was able to support the community of Jama in securing access to energy. 280 people now have direct access to gas at home and in community installations. The project was financed by both the government and the Company.



## Pastos Chicos

In **Pastos Chicos**, a community of 150 people, the infrastructure project consisted of extending and renovating the existing community hall. A kitchen, bathroom and offices were added to the installation, and significant work was done to renovate and revive the existing common space.



## Huancar

In **Huancar**, a community of 430 people, the existing community hall was repaired and renovated. This hall was also extended to provide more space for different large-group activities.

## Catua



In **Catua**, a community of 450 people, a new community hall was constructed with two bathrooms, an office and an additional multi-purpose room. Surplus funds were used to renovate another community building providing additional facilities

The Community Infrastructure project has an extensive scope, positively impacting community members across all the Company's ten communities with over 2,500 beneficiaries in total. The project also constitutes the largest investment made by any company in the area. The link with the Provincial Government, Municipal Governments and local institutions fulfills the objectives of all the parties involved and empowers every community to make its own decision with full compliance of all, with the future commitment of taking care of what is a tangible positive impact and that is now theirs.

Three infrastructure projects are still underway. A project in El Toro is half-way through construction, with completion anticipated in the first half of 2020. The other two projects are in stand-by due to changes in local government and political differences between community members. The communities involved are aware of these issues and are not expecting the Company to complete the project until they have resolved their differences internally. The Company respects the autonomy of the communities and does not involve itself in issues relating to community management and administration.

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<sup>i</sup> Enhance the global partnership for sustainable development, complemented by multi-stakeholder partnerships that mobilize and share knowledge, expertise, technology and financial resources, to support the achievement of the sustainable development goals in all countries, in particular developing countries.





<sup>ii</sup> By 2030, empower and promote the social, economic and political inclusion of all, irrespective of age, sex, disability, race, ethnicity, origin, religion or economic or other status.



# Regional Baccalaureate Program



## Strategic Alignment with Sustainable Development Goals (SDGs)

<b>Project Name</b>	Regional Baccalaureate program	
<b>Shared Value Pillar</b>	Education	
<b>SDG in Focus</b>		
<b>Targets addressed</b>	<ul style="list-style-type: none"> <li>• <b>Target 4.4:</b> Increase the number of youth and adults who have relevant skills, including technical and vocational skills, for employment, decent jobs and entrepreneurship. <sup>i</sup></li> <li>• <b>Target 4.5:</b> ensure equal access to all levels of education and vocational training for the vulnerable, including indigenous peoples. <sup>ii</sup></li> <li>• <b>Target 4.6:</b> ensure that all youth and a substantial proportion of adults, both men and women, achieve literacy and numeracy. <sup>iii</sup></li> </ul>	
<b>Related Sustainable Development Goals</b>	 	

## Executive Summary

The Baccalaureate education program is a public-private partnership between the Company and the provincial government of Jujuy (17.17 °), which offers employees and members of the local communities a second chance to complete their secondary studies. This program is aligned to the UN Agenda 2030 and reinforces the Company's commitment to achieving Sustainable Development Goal 4: Quality Education.

Due to the isolated location of the Olaroz lithium facility, the Company acknowledges the benefits of developing a local workforce through direct employment of our local communities. These communities are relatively small indigenous communities that are isolated with limited connectivity and limited access to education. Since the outset of the program in 2014, Orocobre has been ensuring equal access to education for indigenous peoples (4.5) and providing equal opportunities to learn literacy and numeracy as well as other subjects such as history, geography, technology and ethics (4.6) for a proportion of adults that would otherwise not have had the possibility of finishing their secondary studies. (10.3 °).

## Description of the Initiative

In 2014, Orocobre started a partnership with the Provincial government to develop a Regional Baccalaureate Program, to support the development of its local workforce.

Classes began in February 2015 with 25 students attending. The Jujuy Ministry of Education's Distance Learning Coordinator appointed a professor to deliver classes based on a semi-attendance modality. Classes last 2 hours and are held at 5pm and 7pm from Tuesday to Thursday to allow the attendance by employees working both day and night shifts. The program has grown in popularity over the years, attracting not only direct employees, but also employees of contractor companies and community members who are looking to obtain secondary qualifications.

The Baccalaureate Program runs from February to December each year and is divided in three levels. Students have a certain number of subjects they must pass in order to progress to the next level. Assuming no prior schooling, the entire program takes 3 years to complete. In December 2016, the program reached its first milestone with the graduation of 19 students. The ceremony was held in Susques and was attended by key representatives of both the Company and the Provincial Government.

Since the program began, the level of enthusiasm amongst students remains high and it is expected that enrolment numbers and graduations will remain high.

## Indicators

<b>Input</b>	<ul style="list-style-type: none"> <li>• Funds invested in training</li> <li>• Students enrolment</li> </ul>
<b>Activity</b>	<ul style="list-style-type: none"> <li>• Students attendance</li> <li>• Grades</li> <li>• Total amount of studding hours</li> </ul>
<b>Output</b>	<ul style="list-style-type: none"> <li>• Course level approved</li> <li>• Students graduated</li> </ul>
<b>Impact</b>	<ul style="list-style-type: none"> <li>• Quality of life indicators</li> <li>• Value generated (value of associated employment, procurement, etc.)</li> </ul>

## Partnerships

The program is possible due to the Company’s partnership with Jujuy’s Ministry of Education and the enthusiasm of students.

## Updates

In 2019, The Baccalaureate program had 21 students, 17 of whom were Sales de Jujuy employees. These students represented 21% of the total number of community employees that are yet to complete secondary education.





The objective is that 100% of the Company's employees will have completed their secondary studies by 2025.

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<sup>i</sup> By 2030, substantially increase the number of youth and adults who have relevant skills, including technical and vocational skills, for employment, decent jobs and entrepreneurship.

<sup>ii</sup> By 2030, eliminate gender disparities in education and ensure equal access to all levels of education and vocational training for the vulnerable, including persons with disabilities, indigenous peoples and children in vulnerable situations.

<sup>iii</sup> By 2030, ensure that all youth and a substantial proportion of adults, both men and women, achieve literacy and numeracy.

<sup>iv</sup> Encourage and promote effective public, public-private and civil society partnerships, building on the experience and resourcing strategies of partnership.

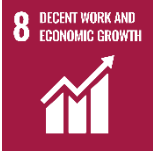




<sup>v</sup> Ensure equal opportunity and reduce inequalities of outcome, including by eliminating discriminatory laws, policies and practices and promoting appropriate legislation, policies and action in this regard.



# Sustainable Vicuña Shearing



## Strategic Alignment with Sustainable Development Goals (SDGs)

<b>Project Name</b>	Sustainable Vicuña Shearing
<b>Shared Value Pillar</b>	Production and Natural Resources
<b>SDG in Focus</b>	
<b>Targets addressed</b>	<ul style="list-style-type: none"> <li>• <b>Target 8.2:</b> Achieve higher levels of economic productivity through diversification, technological upgrading and innovation. <sup>i</sup></li> <li>• <b>Target 8.3:</b> Promote development-oriented policies that support productive activities and encourage the formalization and growth of micro-, small- and medium-sized enterprises. <sup>ii</sup></li> <li>• <b>Target 8.4:</b> Improve global resource efficiency in consumption and production and endeavour to decouple economic growth from environmental degradation. <sup>iii</sup></li> </ul>
<b>Related Sustainable Development Goals</b>	   

## Executive Summary

The “Sustainable Vicuña Shearing” project supports community members to become camelid fibre<sup>iv</sup> producers, enabling sustainable long-term revenue and quality of life through traditional production-based livelihoods rather than mining-related activity. The project provides training, equipment and administrative support to establish sustainable vicuña management and shearing processes and practices.

The project will enable community members to increase economic activity through improved shearing technology (8.2, 1.4 <sup>v</sup>), encourage the formalisation and growth of community-based micro-enterprises (8.3, 9.3 <sup>vi</sup>), and decouple economic growth from environmental degradation (8.4) due to the project’s beneficial symbiotic relationship with local biodiversity (15.5 <sup>vii</sup>).

## Description of the Initiative

The “Sustainable Vicuña Shearing” project was proposed as an opportunity to leverage traditional livelihoods to generate sustainable long-term revenue, minimising dependence on mining activity.

This is a long-term project to be delivered over multiple stages. Given the vicuña holds significant biodiversity value in the region, a core focus of the project is the safeguarding and promotion of vicuña numbers through sustainable flock management and shearing practices.

In Stage 1, which commenced in 2019, participating families were trained in the management, capture, shearing and census of vicuñas. SDJ collaborated with materials for the construction of livestock pens.

In FY19 the Management Plan was sent to government for review and approval, but due to changes in government the review of the management plan was delayed.

While awaiting government approval, participating families met with other communities engaged in shearing projects to gain insights that will further enrich their working model and management plan.

In FY20, the primary focus will be:

- Determining vicuña numbers, with census activities in November 2020 and April 2021.
- Acquiring machinery to equip the group (shearing machines, light generators, tents)

Stage 2 will begin after shearing activities commence and will focus on group organization, fibre selection and value-add opportunities such as fibre spinning.

The shearing project is not restricted exclusively to vicuña, and the community is also exploring opportunities to leverage shearing equipment and infrastructure to expand production activities associated with traditional livestock such as llama and sheep.

The Company will continue to provide updates on the outcomes and impacts of this project over coming years.



## Indicators

<b>Input</b>	<ul style="list-style-type: none"> <li>• Funds invested in training</li> <li>• Funds invested in supporting infrastructure</li> </ul>
<b>Activity</b>	<ul style="list-style-type: none"> <li>• Communities participating</li> <li>• Vicuña numbers (census total)</li> <li>• Other livestock numbers (census total)</li> </ul>
<b>Output</b>	<ul style="list-style-type: none"> <li>• Vicuña numbers (sheared)</li> <li>• Other livestock (sheared)</li> <li>• Number of families participating</li> <li>• Number of paid employees / contractors</li> </ul>
<b>Impact</b>	<ul style="list-style-type: none"> <li>• Income / revenue from production</li> <li>• Vicuña numbers (census total)</li> <li>• Quality of life indicators</li> <li>• Value generated (value of associated employment, procurement, etc.)</li> </ul>

## Partnerships

The “Sustainable Vicuña Shearing” project was developed collaboratively with multiple stakeholders, including: local communities, municipal government and government institutions.

## Updates

FY19 is the first year the Company is reporting on the Sustainable Vicuña Shearing project. The first steps were training in the management, capture, shearing and census of vicuñas.





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<sup>i</sup> Achieve higher levels of economic productivity through diversification, technological upgrading and innovation, including through a focus on high-value added and labour-intensive sectors

<sup>ii</sup> Promote development-oriented policies that support productive activities, decent job creation, entrepreneurship, creativity and innovation, and encourage the formalization and growth of micro-, small- and medium-sized enterprises, including through access to financial services.

<sup>iii</sup> Improve progressively, through 2030, global resource efficiency in consumption and production and endeavour to decouple economic growth from environmental degradation, in accordance with the 10-year framework of programmes on sustainable consumption and production, with developed countries taking the lead.

<sup>iv</sup> Camelid fiber primarily refers to hair from the camelid (Camelidae) family, including llamas, alpacas, vicuñas, and guanacos.

<sup>v</sup> By 2030, ensure that all men and women, in particular the poor and the vulnerable, have equal rights to economic resources, as well as access to basic services, ownership and control over land and other forms of property, inheritance, natural resources, appropriate new technology and financial services.

<sup>vi</sup> Increase the access of small-scale industrial and other enterprises to financial services and their integration into value chains and markets.

<sup>vii</sup> Take urgent and significant action to reduce the degradation of natural habitats, halt the loss of biodiversity and, by 2020, protect and prevent the extinction of threatened species.



# Performance Data



# Health and Safety

## Key Performance Indicators (KPIs)<sup>1</sup>

### General KPIs

Workforce Safety	2017	2018	2019
Total Recordable Injury Frequency Rate (TRIFR) <sup>1</sup>	3.4	2.5	3.3
Lost-Time Injury Frequency Rate (LTIFR) <sup>2</sup>	3.4	2.5	3.3

<sup>1</sup> TRIFR: number of lost time, medical treatment, restricted work and fatality incidents per million man hours worked.

<sup>2</sup> LTIFR: number of lost time injuries per million man hours worked

Note: LTIFR and TRIFR rates have been identical due to Argentine authority automatically assigning 10 days leave in the event of medical treatment. In future, we will be reporting a Lost Time rate based on the medical assessment of each incident, to gain a more constructive insight into incident trends and severity.

## Performance Data

### Workplace Safety

#### Safety Performance

Workforce safety performance (per million man hours)	2017	2018	2019
Total Recordable Injury Frequency Rate (TRIFR) <sup>1</sup>	3.4	2.5	3.3
Lost-Time Injury Frequency Rate (LTIFR) <sup>2</sup>	3.4	2.5	3.3
Severity Rate <sup>3</sup>	67.1	177.2	35.9
Fatalities	0	0	0

#### Employee safety performance

Total Recordable Injury Frequency Rate (TRIFR)	3.2	2.9	3.3
Lost-Time Injury Frequency Rate (LTIFR)	3.2	2.9	3.3
Severity Rate	86.4	284.2	14.3
Fatalities	0	0	0

#### Contractor safety performance

Total Recordable Injury Frequency Rate (TRIFR)	3.9	2	3.3
Lost-Time Injury Frequency Rate (LTIFR)	3.9	2	3.3
Severity Rate	19.6	145.1	48.7
Fatalities	0	0	0

#### Workforce Safety Data per 200,000 man hours

	2017	2018	2019
Recordable Incident Rate (RIR)	0.7	0.5	0.7
Lost-Time Injury Rate (LTIR)	0.7	0.5	0.7
Severity Rate	13.4	35.4	7.2

Note: Restatement of employee and contractor data from previous reports (including FY19 Annual Report) following detailed review and categorisation of 2017-2019 health and safety data. Injury rates are subject to change over time as we improve our health and safety management and reporting methodologies, and as case classifications change in accordance with applicable regulatory requirements.

<sup>1</sup> TRIFR: number of lost time, medical treatment, restricted work and fatality incidents per million man hours worked.

<sup>2</sup> LTIFR: total incidents resulting in lost time by million man hours worked

<sup>3</sup> Severity rate: number of lost or restricted work days per million man hours

## Health and Wellbeing

### Health Services

Occupational Illnesses <sup>1</sup>	2017	2018	2019
Occupational illnesses related to the Company's operations	0	0	0
Incidents of work-related ill health	0	0	0
<b>Health Assessments</b>			
New site-based workforce that received pre-work medical assessments <sup>2</sup>	100%	100%	100%
Site-based workforce that received an annual medical assessment <sup>3</sup>	100%	100%	100%

<sup>1</sup> Health evaluations are conducted annually to identify potential illnesses. As yet, no occupational illnesses or incidents of work-related ill health have been identified for the Olaroz Lithium Facility.

<sup>2</sup> All new contractors and employees are required to complete a medical assessment prior to accessing the Olaroz Lithium Facility

<sup>3</sup> All workers involved in site-based activities are required by law to undergo a periodic (annual) medical assessment

# Value Chain

Key Performance Indicators (KPIs) <sup>1</sup>			
General KPIs <sup>1</sup>			
	2017	2018	2019
Lithium Carbonate Production (t)	11,862	12,470	12,605
Process Capability Index <sup>2,3</sup>	NA	52%	80%
Claims Index (%) <sup>3,4</sup>	NA	0.58%	0.87%
Community Suppliers as % of Total Supplier Base (by number)	4%	4%	5%
Community Suppliers as % of Total Supplier Base (by contract value)	15%	14%	13%

<sup>1</sup> Sales de Jujuy exclusively

<sup>2</sup> Process Capability Index: % of Analytes with  $C_{pk} > 1$

<sup>3</sup> Data not available for 2017

<sup>4</sup> Claimed Product / Total Product Dispatched

Performance Data			
Production			
	2017	2018	2019
Lithium Carbonate Production (t)	11,862	12,470	12,605
Core Input Materials			
	2017	2018	2019
Soda Ash Consumption (t)	36,314	41,157	38,368
Lime Consumption (t)	30,063	45,176	51,005

Customers			
Product Quality			
	2017	2018	2019
Process Capability Index	NA	52%	80%
Satisfaction			
	2017	2018	2019
Number of claims / 1000 dispatches <sup>2</sup>	NA	23.4	39.3
Claims Index (%) <sup>2,3</sup>	NA	0.58%	0.87%

<sup>1</sup> Process Capability Index: % of Analytes with  $C_{pk} > 1$

<sup>2</sup> Data not available for 2017

<sup>3</sup> Claimed Product / Total Product Dispatched

Suppliers			
Supplier Base			
	2017	2018	2019
Local Communities	28	29	43
Provincial	166	176	181
National	448	461	523
International	44	42	53
Percentage of Total Suppliers			
	2017	2018	2019
Local Communities	4%	4%	5%
Provincial	24%	25%	23%
National	65%	65%	65%
International	6%	6%	7%
Percentage of Total Procurement Spend			
	2017	2018	2019
Local Communities	15%	14%	13%
Provincial	22%	26%	27%
National	56%	54%	49%
International	7%	6%	11%
Supplier Performance			
	2017	2018	2019
Breach of Supplier Code of Conduct <sup>1</sup>	NA	NA	NA
- Suppliers sanctioned	NA	NA	NA
- Suppliers terminated	NA	NA	NA
New suppliers screened using environmental criteria <sup>2</sup>	NA	NA	NA
New suppliers screened using social criteria <sup>2</sup>	NA	NA	NA

<sup>1</sup> Supplier Code of Conduct was established in FY19. Methodology for tracking and measuring training and compliance not yet complete.

<sup>2</sup> Methodology for quantifying new suppliers screened not yet established. Contract-specific screening criteria is used when inviting vendors to provide products or services. The criteria incorporate social, environmental and financial factors and consider vendor capability, reputation and performance in the marketplace including reference validation.

# Economic Performance

## Key Performance Indicators (KPIs)<sup>1</sup>

General KPIs			
	2017	2018	2019
Revenues	\$ 120,064,797	\$ 148,881,700	\$ 124,683,826
Profit / Loss (before tax)	\$ 51,778,289	\$ 64,851,774	\$ 19,978,938
Tax and other payments to government <sup>2</sup>	\$ 9,575,594	\$ 10,509,395	\$ 19,869,286
Economic Value Retained	\$ 40,139,470	\$ 60,929,446	-\$ 24,114,270

<sup>1</sup> Sales de Jujuy operations exclusively. All values in USD.

<sup>2</sup> Argentina exclusively

## Performance Data

Economic Value Generated and Distributed			
	2017	2018	2019
<b>Direct Economic Value Generated</b>			
Sales Revenue	\$ 120,064,797	\$ 148,881,700	\$ 124,683,826
Other Revenue	\$ -	\$ 14,666	\$ -
<b>Direct Economic Value Generated</b>	<b>\$ 120,064,797</b>	<b>\$ 148,896,366</b>	<b>\$ 124,683,826</b>
<b>Economic Value Distributed</b>			
Operating Costs <sup>1</sup>	-\$ 42,859,176	-\$ 44,429,927	-\$ 48,495,985
Employee wages and benefits	-\$ 14,460,451	-\$ 15,314,652	-\$ 15,143,414
Payments to providers of capital	-\$ 12,601,361	-\$ 17,350,015	-\$ 64,287,564
Total payments to government	-\$ 9,575,594	-\$ 10,509,395	-\$ 19,869,286
- <i>Payments to government in Argentina</i>	-\$ 9,575,594	-\$ 10,509,395	-\$ 19,869,286
Community investments	-\$ 428,745	-\$ 362,931	-\$ 1,001,847
<b>Economic Value Distributed</b>	<b>-\$ 79,925,327</b>	<b>-\$ 87,966,920</b>	<b>-\$ 148,798,096</b>
<b>Economic Value Retained</b>			
<b>Economic Value Retained</b>	<b>\$ 40,139,470</b>	<b>\$ 60,929,446</b>	<b>-\$ 24,114,270</b>

<sup>1</sup> Excludes impairment loss of US \$ 3.4M as at June 30, 2019.

Tax			
	2017	2018	2019
Corporate income tax paid on a cash basis	-	-	-
Corporate income tax accrued on profit / loss	-\$ 18,655,345	-\$ 21,942,696	-\$ 17,726,050
Difference between tax accrued and tax due	-\$ 18,655,345	-\$ 21,942,696	-\$ 17,726,050
<b>Argentina</b>			
Provincial Royalty	\$ 167,515	\$ 1,641,172	\$ 1,694,533
Other provincial and municipal taxes	\$ 1,474,137	\$ 132,995	\$ 196,567
Other national taxes	\$ 57,277	\$ 849,644	\$ 2,551,283
Employment taxes paid by SDJ	\$ 2,122,897	\$ 1,486,995	\$ 2,861,811
<b>Total Paid by SDJ</b>	<b>\$ 3,821,826</b>	<b>\$ 4,110,806</b>	<b>\$ 7,304,194</b>
Provincial withholding tax to local business	\$ 636,729	\$ 582,780	\$ 1,757,491
National Withholding tax on salaries	\$ 5,117,039	\$ 550,341	\$ 1,221,370
National withholding tax to local business	\$ -	\$ 5,265,468	\$ 9,586,231
<b>Total Withheld by SDJ<sup>1</sup></b>	<b>\$ 5,753,768</b>	<b>\$ 6,398,589</b>	<b>\$ 12,565,092</b>

<sup>1</sup> Based on statutory rules SDJ is require to withhold applicable taxes to both employees and small businesses and submit such proceeds to the local authorities on a monthly basis

Financial Assistance from Government			
	2017	2018	2019
Tax relief and tax credits <sup>1</sup>	-\$ 6,450,107.00	-\$ 7,590,806.00	-\$ 4,856,304.00

<sup>1</sup> Puna Refund.

# Environmental Performance

## Key Performance Indicators (KPIs)<sup>1</sup>

### General KPIs

	2017	2018	2019
Total greenhouse gas emissions (Scope 1 & 2) (tCO <sub>2</sub> e) <sup>1</sup>	29,375	39,228	47,756
Operational emissions intensity (tCO <sub>2</sub> e/t) <sup>2</sup>	2.48	3.15	3.14
Water extraction (m <sup>3</sup> )	485,300	607,609	691,324
Operational water intensity (m <sup>3</sup> /t) <sup>3</sup>	40.98	48.73	48.16
Waste generated (t)	108.95	126.67	181.50

<sup>1</sup> Sales de Jujuy exclusively

<sup>2</sup> Intensity value based on total emissions by tonne of lithium produced. Only considers operational emissions to ensure comparability over time.

<sup>3</sup> Intensity value based on total water extraction by tonne of lithium produced. Only considers water extraction for operations to ensure comparability over time.

## Performance Data

### EHS Management & Compliance

Notices of violation (NOVs)/citations	2017	2018	2019
Environmental	0	0	0
Safety	0	0	0
<b>Fines</b>			
Environmental fines paid	\$0	\$0	\$0
Number of environmental fines	0	0	0
Safety fines paid	\$0	\$0	\$0
Number of safety fines	0	0	0

### Energy

Energy Consumption	2017	2018	2019
Electricity (GJ)	335,643	311,527	330,401
Heat (GJ)	209,249	298,880	296,295
<b>Total Energy Consumption (GJ)</b>	<b>544,892</b>	<b>610,406</b>	<b>626,696</b>
Electricity Intensity (GJ/t)	28.30	24.98	26.21
Heat Intensity (GJ/t)	17.64	23.97	23.51
<b>Energy Intensity (GJ/t)</b>	<b>45.94</b>	<b>48.95</b>	<b>49.72</b>
Fuel Consumption	2017	2018	2019
Natural Gas (GJ) <sup>1</sup>	544,892	610,407	626,696
Diesel (Stationary) (GJ) <sup>2</sup>	-	14,084	21,152
- Operations	-	14,084	12,897
- Expansion	-	-	8,255
Diesel (Transport) (GJ) <sup>2,3</sup>	-	47,664	145,666
- Operations	-	47,664	44,670
- Expansion	-	-	100,996
Petrol (Transport)	-	222	0
<b>Total Fuel Consumption (non-renewable)</b>	<b>544,892</b>	<b>672,377</b>	<b>793,514</b>
- Operations	-	61,748	684,263
- Expansion	-	-	109,251

NOTE: Restatement of figures from 2018 report due to methodology changes

<sup>1</sup> Natural Gas: m3 to GJ conversion factor of 0.03451

<sup>2</sup> Diesel: L to GJ conversion factor of 0.0366

<sup>3</sup> Increase in Transport Diesel attributable to Stage 2 Expansion and increased construction activity on site.

<b>Emissions</b>			
<b>Carbon Emissions</b>			
<b>GHG Emissions Summary*</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>
Scope 1 greenhouse gas emissions (tCO <sub>2</sub> -e)	29,375	39,206	47,719
- Operations	29,375	39,206	39,507
- Expansion	-	-	8,213
Scope 2 greenhouse gas emissions <sup>2</sup> (tCO <sub>2</sub> -e)	-	22	37
- Operations	-	22	27
- Expansion	-	-	10
Scope 3 greenhouse gas emissions <sup>3</sup> (tCO <sub>2</sub> -e)	-	12,145	13,818
Scope 1+2 - Total emissions intensity <sup>4</sup> (tCO <sub>2</sub> -e/t)	0.17	3.15	3.79
Scope 1+2 - Operational emissions intensity <sup>5</sup> (tCO <sub>2</sub> -e/t)	2.48	3.15	3.14
Production (t)	11,862	12,470	12,605
<b>Scope 1 Emissions (as % of total Scope 1 emissions)*</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>
Natural gas (for electricity generation)	62%	45%	39%
Natural gas (for processes)	38%	43%	35%
Stationary Diesel	-	3%	3%
Transport Diesel	1%	10%	23%
Transport Petrol	-	0%	0%
Petroleum based oils and greases	-	0%	0%
<b>Scope 2 Emissions (as % of total Scope 2 emissions)*</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>
Purchased electricity - Jujuy office	-	100%	73%
Purchased electricity - Expansion office	-	-	27%
<b>Scope 3 Greenhouse Gas (GHG) Details (tCO<sub>2</sub>-e)*</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>
Waste generated in operations (emissions from disposal and treatment)	NA	196	283
Employee business travel <sup>6</sup>	NA	132	261
Purchased goods and services <sup>7</sup>	NA	5,680	5,295
Fuel and energy-related activities not included in Scope 2 <sup>8</sup>	NA	6,136	7,980
Capital goods <sup>9</sup>	NA	NA	NA
Upstream transportation and distribution	NA	NA	NA
Downstream transportation and distribution <sup>10</sup>	NA	NA	NA
Employee commuting	NA	NA	NA
GHG emissions from use of sold products	NA	NA	NA
End-of-life treatment of sold products	NA	NA	NA
<b>Total</b>	NA	12,145	13,818

\* Complete emissions inventory methodology in accordance with GHG Protocol was introduced in FY18. Emissions reporting in FY17 included only our material emissions sources: electricity generation, process heat, and transport.

<sup>2</sup> Reported using Scope 2 location-based value in accordance with the Greenhouse Gas Protocol.

<sup>3</sup> Tracking of our Scope 3 emissions began in 2018

<sup>4</sup> Intensity value based on total emissions on site (Operations + Expansion) by tonne of lithium produced.

<sup>5</sup> Intensity value based on total emissions by tonne of lithium produced. Only considers operational emissions to ensure comparability over time.

<sup>6</sup> Business Travel: Emissions calculated based on km travelled and short, medium and long-haul flight emissions factors.

<sup>7</sup> Emissions associated with the production of soda ash, and with the provision of water at Jujuy offices.

<sup>8</sup> Extraction, production, and transportation of fuels and energy purchased or acquired

<sup>9</sup> Construction materials and services

<sup>10</sup> Transportation and distribution of lithium carbonate from plant to ports (road/rail) and from ports to customers (ship)

NA: Not available.

Note: We will expand coverage of our Scope 3 emissions over time to include those not currently available.



<b>Water</b>			
<b>Water Extraction by Source (m<sup>3</sup>)</b>			
	2017	2018	2019
Groundwater <sup>1</sup>	485,300	607,609	<b>691,324</b>
- Operations	485,300	607,609	607,057
- Expansion	-	-	84,267
<b>Water Intensity (m<sup>3</sup>/t)</b>			
	2017	2018	2019
Total Water intensity (m <sup>3</sup> /t) <sup>2</sup>	40.91	48.73	<b>54.85</b>
Operational Water intensity (m <sup>3</sup> /t) <sup>3</sup>	40.91	48.73	<b>48.16</b>
Production (t)	11,862	12,470	12,605
<b>Water Risk by Region (m<sup>3</sup>)</b>			
<b>Olazoz - Current<sup>4</sup></b>			
	Low	Medium	High
Water Stress	<b>691,324</b>	-	-
Overall Water Risk	<b>681,324</b>	-	-
<b>Olazoz - Future<sup>5</sup></b>			
Water Stress	<b>691,324</b>	-	-
Overall Water Risk	<b>681,324</b>	-	-
<b>Water Discharges</b>			
	2017	2018	2019
Water bodies affected by water discharges and/or runoff <sup>6</sup>	0	0	<b>0</b>

NOTE: Olazoz does not extract any fresh water for use in operations.

<sup>1</sup> The ground water extracted is highly saline and not suitable for human consumption or agricultural use.

<sup>2</sup> Intensity value based on total water extraction (Operations + Expansion) by tonne of lithium produced.

<sup>3</sup> Intensity value based on operational water extraction by tonne of lithium produced. Only considers water extraction for operations to ensure comparability over time.

<sup>4</sup> Based on the WRI Aqueduct Tool "Water Risk Atlas".

Low: 0-2 (<20%) includes Low and Low-Medium; Medium: 3 (20-40%) includes Medium-High; High: 4-5 (>40%) includes High and Extremely High

<sup>5</sup> Based on the WRI Aqueduct Tool "Water Risk Atlas" Pessimistic Future Outlook: Projected Change in Water Stress value to 2030.

Low: 0-2 (<20%) includes Low and Low-Medium; Medium: 3 (20-40%) includes Medium-High; High: 4-5 (>40%) includes High and Extremely High

<sup>6</sup> The Company does not have water run-off or effluent discharges to water bodies.

<b>Waste</b>			
<b>Waste Generated by Type (t)</b>			
	2017	2018	2019
<b>Non-Hazardous</b>	94.35	107.81	<b>156.83</b>
Organic	54.27	57.07	74.41
Recyclable	15.77	18.06	28.79
Non-recyclable	24.31	32.68	53.63
<b>Hazardous</b>	14.6	18.86	<b>24.67</b>
<b>Total Waste Generated</b>	108.95	126.67	<b>181.5</b>
<b>Non-Hazardous Waste by Disposal Method (t)</b>			
Landfill	78.58	89.75	<b>128.34</b>
Recycled	15.77	18.06	<b>28.79</b>
<b>Hazardous Waste by Disposal Method (t)</b>			
Recovery	5.44	4.36	-
Treatment and Disposal	11.82	14.53	<b>24.67</b>
<b>Spills</b>			
Significant spills <sup>1</sup>	0	0	<b>0</b>

<sup>1</sup> We have had minor spills which we have reported in our annual sustainability disclosures, but none that are significant.

<b>Biodiversity</b>			
<b>Biodiversity Impact</b>			
	2017	2018	2019
Number of sites used for production, extraction or plantation activities	1	1	1
Total land area of production sites (ha)	18,000	18,000	18,000
Land area used or impacted by Company's activities and installations <sup>1</sup>	1,529	1,529	1,529
Number of sites assessed and mapped for biodiversity (past 5 years)	1	1	1
Total land area of said sites (ha)	18,000	18,000	18,000
Operational sites that contain or are adjacent to globally or nationally important biodiversity area <sup>2</sup>	0	0	0

<sup>1</sup> Figure refers to total anticipated land coverage for Company-related assets as disclosed in the 2017 EIA Addenda (Stage 2 Expansion).

<sup>2</sup> Operational site is not located within a national or international protected area. The 18,000ha is located within the Olazoz-Cauchari reserve.

# People

## Key Performance Indicators (KPIs)\*

General KPIs			
Headcount	2017	2018	2019
Total SDJ Headcount	282	309	467
ORE Corporate Headcount <sup>1</sup>	11	16	16
Diversity & Inclusion	2017	2018	2019
Women on the ORE Board	13%	13%	13%
Women in ORE executive roles <sup>2</sup>	0%	14.3%	9.1%
Women in SDJ senior management roles <sup>3</sup>	25%	18%	22%
Local Community Employment	39%	45%	39%
Engagement	2017	2018	2019
Response rate to the Employment Engagement Survey <sup>4</sup>	59%	53%	-
Engagement Score on Employment Engagement Survey	99%	99%	-

<sup>1</sup> Sales de Jujuy exclusively, unless stated otherwise.

<sup>2</sup> These figures do not relate to SDJ data and are provided for indicative reference only.

<sup>3</sup> "Executive" refers to members of the ORE Leadership Team. These figures do not relate to SDJ data and are provided for indicative reference only. Percentage change from 2018 to 2019 due to increase in size of Executive Team.

<sup>4</sup> "Senior Management" is defined as SDJ General Manager and direct SDJ reports.

<sup>5</sup> An Engagement Survey was not conducted in 2019. This was to avoid survey fatigue given that a Cultural Review, involving extensive employee engagement, was undertaken in 2019.

NOTE: ORE Total Workforce breakdown (including ORE and BRX) can be found in ORE's Corporate Governance Statement

## Performance Data

Workforce Data			
Total Workforce	2017	2018	2019
Total SDJ Headcount	282	309	467
ORE Corporate	11	16	16
Workforce Breakdown	2017	2018	2019
Activity	2017	2018	2019
Operations	282	293	425
Expansion	-	16	42
Contract type	2017	2018	2019
Full Time Contract	282	309	467
- Permanent	278	289	422
- Fixed Term	4	20	45
Part Time / Casual	0	0	0
Employment category	2017	2018	2019
Executives <sup>1</sup>			2
Managers	8	11	16
Middle Management	67	92	105
Operators	207	206	344
Gender	2017	2018	2019
Men	239	263	396
Women	43	46	71
Region	2017	2018	2019
Local <sup>2</sup>	142	138	180
Regional <sup>3</sup>	76	88	146
National	60	77	129
International	4	6	12
Age	2017	2018	2019
<30	119	96	163
30-50	140	193	268
>50	23	20	36

<sup>1</sup> Executive figures indicate SDJ employees involved in ORE Executive Meetings. For all workforce calculations they are considered SDJ Management.

<sup>2</sup> Local refers to employees from the 10 local communities

<sup>3</sup> Regional refers to employees from the Province of Jujuy (excluding 10 local communities)

## Diversity & Inclusion

### GENDER DIVERSITY

Women in Workforce (% by contract type)	2017	2018	2019
Full Time Contract	15.2%	14.9%	15.2%
- Permanent	14.4%	13.8%	13.5%
- Fixed Term	75.0%	30.0%	31.1%
Part Time / Casual	0	0	0
Total Female Employees	43	46	71
Women in Workforce (% by employment category)	2017	2018	2019
Executives <sup>1</sup>			0%
Managers	25.0%	18.2%	22.2%
Middle Management	20.9%	15.2%	16.2%
Operators	5.3%	14.6%	14.5%

### CULTURAL DIVERSITY

Local Community Employees (% by contract type)	2017	2018	2019
Full Time Contract	39.4%	44.7%	38.5%
- Permanent	39.9%	47.8%	40.5%
- Fixed Term	0%	0%	20.0%
Part Time / Casual	0	0	0
Total Local Community Employees	111	138	180
Local Community Employees (% by employment category)	2017	2018	2019
Executives	0%	0%	0%
Managers	0%	0%	0%
Middle Management	31.3%	5.4%	4.8%
Operators	58.5%	64.6%	50.9%

### PARENTAL LEAVE

Parental Leave	2017	2018	2019
Employees Eligible for Parental Leave	13	24	22
- Male	8	22	19
- Female	5	2	3
Employees that Took Parental Leave	13	24	22
- Male	8	22	19
- Female	5	2	3
Parental Leave Return Rate	2017	2018	2019
Returned from Parental Leave	13	24	22
- Male	8	22	19
- Female	5	2	3
Left following Parental Leave	0	0	0
- Male	0	0	0
- Female	0	0	0
Return Rate (6 months)	100%	100%	100%
Retention Rate (12 months)	100%	100%	100%

<sup>1</sup> Executive figures indicate SDJ employees involved in ORE Executive Meetings. For all calculations they are considered SDJ Management, not Executive.

## Compensation

Employee Compensation	2017	2018	2019
Total compensation paid to employees/payroll, including benefits	\$14,460,451	\$15,314,652	\$15,143,414
Executive Employee Ratio	2017	2018	2019
Ratio of annual total compensation for highest paid individual in the country to the median annual total compensation for all employees in the country	5.04	4.78	5.98
Ratio of percentage increase in annual total compensation for the organisation's highest-paid individual to the median percentage increase in annual total compensation for all employees	1.19	0.68	0.43
Gender Salary Ratio	2017	2018	2019
Senior Managers	1	0.91	0.86
Middle Managers	0.96	0.97	0.89
Operators	0.92	0.92	1.03
Ratio Total Employees	0.96	0.93	0.93

Number of Employees	282	309	467
<b>Turnover Rates</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>
Overall turnover rate <sup>1</sup>	10.3%	13.3%	7.3%
Voluntary turnover rate	7.4%	6.5%	5.1%
Involuntary termination rate	2.8%	6.8%	2.1%
<sup>1</sup> Includes all types of turnover, including restructuring.			
<b>Turnover by Gender*</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>
Male	NA	9.1%	5.8%
<i>Voluntary turnover rate</i>	NA	5.5%	4.1%
<i>Involuntary termination rate</i>	NA	3.6%	1.7%
Female	NA	4.2%	1.5%
<i>Voluntary turnover rate</i>	NA	2.9%	1.1%
<i>Involuntary termination rate</i>	NA	1.3%	0.4%
<b>Turnover by Region*</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>
Local <sup>1</sup>	NA	1.9%	1.7%
Regional <sup>2</sup>	NA	5.5%	1.9%
National	NA	5.5%	2.8%
International	NA	0.3%	0.9%
<b>Turnover by Age*</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>
<30	NA	8.7%	1.3%
30-50	NA	4.2%	5.4%
>50	NA	0.3%	0.6%

\* Breakdown of turnover data not available for FY17

<sup>1</sup> Local refers to employees from the 10 local communities

<sup>2</sup> Regional refers to employees from the Province of Jujuy (excluding 10 local communities)

<b>New Hires</b>			
<b>New Hires</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>
Total New Hires	42	63	175
Hire rate*	14.9%	20.4%	37.5%
<b>New Hires by Gender</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>
Male hires	40	47	147
Male hire rate	14.2%	15.2%	31.5%
Female hires	2	16	28
Female hire rate	0.7%	5.2%	6.0%
<b>New Hires by Region</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>
Local hires <sup>1</sup>	27	18	51
Local hire rate	9.6%	5.8%	10.9%
Regional hires <sup>2</sup>	6	23	55
Regional hire rate	2.1%	7.4%	11.8%
National hires	8	21	62
National hire rate	2.8%	6.8%	13.3%
International hires	1	1	7
International hire rate	0.4%	0.3%	1.5%
<b>New Hires by Age</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>
Number of hires <30	24	17	66
<30 hire rate	8.5%	5.5%	14.1%
Number of hires 30-50	16	44	97
30-50 hire rate	5.7%	14.2%	20.8%
Number of hires >50	2	2	12
>50 hire rate	0.7%	0.6%	2.6%

\* Percentage of new hires in the total onboard head count; regular employees only.

<sup>1</sup> Local refers to employees from the 10 local communities

<sup>2</sup> Regional refers to employees from the Province of Jujuy (excluding 10 local communities)

## Employee Engagement

Employee Engagement Survey	2017	2018	2019
Response rate to the Employment Engagement Survey	59%	53%	-
Engagement Score on Employment Engagement Survey <sup>1</sup>	99%	99%	-

Note: Engagement Survey was not conducted in 2019 to avoid survey fatigue: a Cultural Review, involving extensive employee engagement, was undertaken in 2019

<sup>1</sup> The Engagement Index is a composite that averages scores measured from three aspects: "Engaged," "Enabled," and "Energized."

## Freedom of Association and Collective Bargaining

	2017	2018	2019
Percentage of workers covered by Collective Bargaining Agreements	40%	36%	41%

## Learning and Development

Training and Education <sup>1</sup>	2017	2018	2019
Hours of training for all employees	NA	NA	12,951
Average training hours per employee	NA	NA	27.73
Total investment in training (USD)	NA	NA	\$ 83,333
Average investment per employee (USD)	NA	NA	\$ 178
Total training courses	NA	NA	48

Training and Education (by gender)			
Male employees total training hours	NA	NA	11,076
Average training hours per male employee	NA	NA	27.97
Female employees total training hours	NA	NA	1,875
Average training hours per female employee	NA	NA	26.41

Performance Reviews	2017	2018	2019
Percentage of employees who have received a formal performance evaluation	100%	100%	100%
Overall achievement of stated objectives <sup>2</sup>	100%	100%	82%

Achievement of stated objectives (by employment category)			
Executive <sup>3</sup>	NA	NA	NA
Senior Management	100%	100%	67%
Middle Management	100%	100%	73%
Operators	100%	100%	75%

Stated objectives achieved (by gender)			
Male	100%	100%	74%
Female	100%	100%	72%

<sup>1</sup> New methodology for tracking and measuring employee training hours implemented in 2019. All data shown is for the period from January to June 2019 only.

<sup>2</sup> In FY19 there were changes to the performance objectives process, defining more targeted and challenging organizational and individual objectives.

<sup>3</sup> Executive positions are held at ORE level – not applicable for SDI.

# Communities

## Key Performance Indicators (KPIs)<sup>1</sup>

### General KPIs

	2017	2018	2019
Community Investment	\$ 511,924	\$ 528,703	\$ 348,452
Easement Agreement <sup>1</sup>	\$ 264,600	\$ 356,292	\$ 553,500

<sup>1</sup> Agreement with direct impact community only: Olaroz Chico

## Performance Data

### Community Empowerment

#### Local Communities' Revenue

	2017	2018	2019
Salaries and benefits paid to local community employees (USD) <sup>1</sup>	NA	\$ 1,940,616	\$ 2,582,784
Value of supply contracts awarded to community suppliers (USD)	\$ 4,876,439	\$ 6,798,099	\$ 18,328,599
Easement Agreement <sup>2</sup>	\$ 264,600	\$ 356,292	\$ 553,500

<sup>1</sup> Salary breakdown for local community employees not available for FY17

<sup>2</sup> Agreement with direct impact community only: Olaroz Chico

#### Local Communities' Share in Revenue

	2017	2018	2019
Local communities represented in SDJ's FTE <sup>1</sup> Headcount	142	138	180
Local community businesses with SDJ supply contracts	28	29	43

#### Local Communities' Rights

	2017	2018	2019
Incidents of violations involving rights of communities or indigenous peoples	0	0	0

<sup>1</sup> FTE = Full time employee

### Community Investment

#### Community Investment (by Activity)

	2017	2018	2019
Grants and Donations	\$ 6,549	\$ -	\$ 3,464
Strategic Community Investment	\$ 505,375	\$ 519,038	\$ 344,988
Commercial Initiatives	\$ -	\$ 9,665	\$ -
<b>Total Investment</b>	<b>\$ 511,924</b>	<b>\$ 528,703</b>	<b>\$ 348,452</b>

#### Community Investment (by Input)

	2017	2018	2019
Cash grants and contributions	\$ 398,594	\$ 510,862	\$ 345,252
In-kind donations	\$ 113,330	\$ 17,840	\$ 2,869
Valuation of employee volunteer time	-	-	\$ 331
<b>Total Investment</b>	<b>\$ 511,924</b>	<b>\$ 528,702</b>	<b>\$ 348,452</b>
Management Costs	\$ 524,354	\$ 564,417	\$ 375,781
<b>Total Investment (incl. Management Costs)</b>	<b>\$ 1,036,278</b>	<b>\$ 1,093,119</b>	<b>\$ 724,233</b>

#### Other Community Contributions

	2017	2018	2019
Easement Agreement <sup>1</sup>	\$264,600	\$356,292	\$553,500
<b>Total Cash Value of Community Contributions<sup>2</sup></b>	<b>\$776,524</b>	<b>\$884,994</b>	<b>\$901,952</b>

<sup>1</sup> Agreement with direct impact community only: Olaroz Chico

<sup>2</sup> Total community investment (excl. management costs) including Olaroz Agreement

# Governance

## Key Performance Indicators (KPIs)<sup>1</sup>

### General KPIs

	2017	2018	2019
Independent Directors - Full Board	88%	75%	63%
Attendance - Full Board	96%	95%	97%
Average tenure	6	6	6

<sup>1</sup> Sales de Jujuy operations exclusively

## Performance Data

### Corporate Governance

	2017	2018	2019
Total Directors on Board	8	8	8
- Non-Executive Directors	7	7	7
- Female Directors	1	1	1
Average tenure (years)	6	6	6
Separate Chairman of the Board and CEO	Yes	Yes	Yes
Number of countries/cultures represented	4	4	4
Independent Directors - Full Board <sup>1</sup>	88%	75%	63%
- Audit and Risk Committee <sup>2</sup>	100%	100%	67%
- Remuneration Committee <sup>3</sup>	100%	100%	100%
- Related Party Committee <sup>4</sup>	-	100%	84%
- Sustainability Committee <sup>5</sup>	-	-	-
Number of Board meetings scheduled or held	14	11	10
Attendance - Full Board <sup>6</sup>	96%	95%	97%
- Audit and Risk Committee <sup>2</sup>	80%	56%	93%
- Remuneration Committee <sup>3</sup>	100%	100%	100%
- Related Party Committee <sup>4</sup>	-	100%	93%
- Sustainability Committee <sup>5</sup>	-	-	-
Independent Performance Review	Yes	Yes	Yes
Board Review and Approval of Sustainability Report	Yes	Yes	Yes
Shareholder support of the advisory vote on executive compensation	89%	96%	95%

<sup>1</sup> Masaharu Katayama, Richard Seville and Martin Perez de Solay are all considered non-Independent Directors. Masaharu Katayama joined the Board in 2018 following T

<sup>2</sup> Audit & Risk Committee has 3 members and meets 3 times a year

<sup>3</sup> Remuneration Committee has 3 members and meets once a year

<sup>4</sup> Created in 2018, the Related Party Committee has 7 members and meets 4 times a year

<sup>5</sup> Created in 2019, the Sustainability Committee has 3 members. Meeting schedule commences 2020.

<sup>6</sup> Meetings held in person or via teleconference

## Ethics

### Code of Conduct

Employees <sup>1</sup>	2017	2018	2019
Percentage of employees who have read and signed the Code of Conduct	100%	100%	100%
Percentage of employees trained on Code of Conduct	NA	NA	100%
New employees trained on Code of Conduct	NA	NA	88
Hours given on training of Code of Conduct	NA	NA	22
Employees trained on grievance channels	NA	NA	58
Hours of training on grievance channels	NA	NA	58
Employee training on Human Rights policies or procedures	NA	NA	NA
Third Parties <sup>2</sup>	2017	2018	2019
Suppliers trained on the Code of Conduct	NA	NA	NA
Business Partners trained on the Code of Conduct	NA	NA	NA
Breaches <sup>3</sup>	2017	2018	2019
Concerns brought to the company's attention regarding Code of Conduct issues	NA	-	-
Allegations investigated for noncompliance with company policy	NA	1	2
Ratio of substantiated allegations to concerns/issues raised	NA	100%	100%
Employees dismissed due to substantiated corporate policy violations	NA	1	2
Employees who received disciplinary actions as a result of substantiated concern	NA	1	2

<sup>1</sup> 2017 and 2018 not available. New methodology for tracking and measuring employee training implemented in FY19. Data shown is for the period from January to June 2019 only.

<sup>2</sup> Methodology for tracking Supplier and Business Partner training on Code of Conduct yet to be implemented.

<sup>3</sup> Tracking of Code of Conduct breaches and disciplinary actions began in 2018.

# GRI / UNGC Index





# GRI Standards and UNGC Contents Index

## Foundations

GRI	Disclosure	Location or comments	UNGC	Additional location
Gri 100: General Disclosures				
Organizational profile				
102-1	Name of the organization	<a href="#">About the Report</a>		
102-2	Activities, brands, products, and services	<a href="#">About the Report</a>		
102-3	Location of headquarters	<a href="#">About the Report</a>		
102-4	Location of operations	<a href="#">About the Report</a>		
102-5	Ownership and legal form	<a href="#">About the Report</a>		
102-6	Markets served	<a href="#">About the Report</a>		<a href="#">Supply Chain MAD</a>
102-7	Scale of the organization	<a href="#">About the Report</a>		
102-8	Information on employees and other workers	<a href="#">FY19 Focus</a>	Principle 6	<a href="#">Diversity and Inclusion MAD</a>
102-9	Supply chain	<a href="#">FY19 Focus</a>		<a href="#">Supply Chain MAD</a>
102-10	Significant changes to the organization and its supply chain	<a href="#">FY19 Focus</a>		
102-11	Precautionary Principle or approach	<a href="#">Sustainable Development Policy</a>	Principle 7	
102-12	External initiatives	<a href="#">Memberships and Affiliations</a>		<a href="#">Stakeholder Relations MAD</a>
102-13	Membership of associations	<a href="#">Memberships and Affiliations</a>		
Strategy				
102-14	Statement from senior decision-maker	<a href="#">Letter from the CEO</a>		
102-15	Key impacts, risks, and opportunities	<a href="#">Governance and Risk</a>		<a href="#">Risk Management MAD</a>
Ethics and Integrity				
102-16	Values, principles, standards, and norms of behavior	<a href="#">FY19 Focus</a>	Principle 10	<a href="#">Governance and Ethics MAD</a>
102-17	Mechanisms for advice and concerns about ethics	<a href="#">Governance and Ethics MAD</a>	Principle 10	
Governance				
102-18	Governance structure	<a href="#">Governance and Risk</a>		<a href="#">Governance and Ethics MAD</a>
Stakeholder Engagement				
102-40	List of stakeholder groups	<a href="#">FY19 Focus</a>		<a href="#">Stakeholder Relations MAD</a>
102-41	Collective bargaining agreements	<a href="#">Diversity and Inclusion MAD</a>	Principle 3	<a href="#">People Performance Data</a>
102-42	Identifying and selecting stakeholders	<a href="#">FY19 Focus</a>		<a href="#">Stakeholder Relations MAD</a>
102-43	Approach to stakeholder engagement	<a href="#">FY19 Focus</a>		<a href="#">Stakeholder Relations MAD</a>
102-44	Key topics and concerns raised	<a href="#">FY19 Focus</a>		
Reporting Practice				
102-45	Entities included in the consolidated financial statements	<a href="#">Annual Report</a>		
102-46	Defining report content and topic boundaries	<a href="#">About the Report</a>		
102-47	List of material topics	<a href="#">FY19 Focus</a>		
102-48	Restatements of information	<a href="#">About the Report</a>		
102-49	Changes in reporting	<a href="#">About the Report</a>		
102-50	Reporting period	<a href="#">About the Report</a>		
102-51	Date of most recent report	<a href="#">Orocobre web</a>		

102-52	Reporting cycle	<a href="#">About the Report</a>		
102-53	Contact point for questions regarding the report	<a href="#">About the Report</a>		
102-54	Claims of reporting in accordance with the GRI Standards	<a href="#">About the Report</a>		
102-55	GRI content index	<a href="#">GRI Index</a>		

## Material Topics

GRI	Disclosure	Location or comments	UNGC	Additional location
<b>Gri 200: Economic disclosure</b>				
<b>Economic Performance</b>				
103-1	Explanation and Boundaries	<a href="#">Tax and Financials MAD</a>		
103-2	Management Approach	<a href="#">Tax and Financials MAD</a>		
201-1	Direct economic value generated and distributed	<a href="#">Tax and Financials MAD</a>		<a href="#">Economic Performance Data</a>
201-2	Financial implications and other risks and opportunities due to climate change	<a href="#">Governance and Risk</a>	Principle 7	<a href="#">Risk Management MAD</a>
201-4	Financial assistance received from government	<a href="#">Economic Performance Data</a>		
<b>Market Presence</b>				
103-1	Explanation and Boundaries	<a href="#">Diversity and Inclusion MAD</a>		
103-2	Management Approach	<a href="#">Diversity and Inclusion MAD</a>		
202-1	Ratios of standard entry level wage by gender compared to local minimum wage	<a href="#">People Performance Data</a>		
202-2	Proportion of senior management hired from the local community	<a href="#">Diversity and Inclusion MAD</a>		<a href="#">People Performance Data</a>
<b>Indirect Economic Impacts</b>				
103-1	Explanation and Boundaries	<a href="#">Community Investment MAD</a>		
103-2	Management Approach	<a href="#">Community Investment MAD</a>		<a href="#">FY19 Focus</a>
203-1	Infrastructure investments and services supported	<a href="#">Community Investment MAD</a>		<a href="#">Case Studies</a>
203-2	Significant indirect economic impacts	<a href="#">Community Investment MAD</a>		<a href="#">Community Performance Data</a>
<b>Procurement Practices</b>				
103-1	Explanation and Boundaries	<a href="#">Supply Chain MAD</a>		
103-2	Management Approach	<a href="#">Supply Chain MAD</a>		
204-1	Proportion of spending on local suppliers	<a href="#">Supply Chain MAD</a>		<a href="#">Community Performance Data</a>
<b>Gri 300: Environment Disclosure</b>				
<b>Energy</b>				
103-1	Explanation and Boundaries	<a href="#">Energy and Emissions MAD</a>		<a href="#">Environment Performance Data</a>
103-2	Management Approach	<a href="#">Energy and Emissions MAD</a>		<a href="#">Environment Performance Data</a>
302-1	Energy consumption within the organization	<a href="#">Energy and Emissions MAD</a>	Principle 8,9	<a href="#">Environment Performance Data</a>
302-3	Energy intensity	<a href="#">Energy and Emissions MAD</a>	Principle 8,9	<a href="#">Environment Performance Data</a>
302-4	Reduction of energy consumption	<a href="#">Energy and Emissions MAD</a>	Principle 8,9	<a href="#">Environment Performance Data</a>
<b>Water</b>				
103-1	Explanation and Boundaries	<a href="#">Water and effluents MAD</a>		
103-2	Management Approach	<a href="#">Water and effluents MAD</a>		
303-1	Water withdrawal by source	<a href="#">Water and effluents MAD</a>	Principle 8	
303-2	Water sources significantly affected by withdrawal of water	<a href="#">Water and effluents MAD</a>	Principle 9	
303-3	Water recycled or reused	<a href="#">Water and effluents MAD</a>	Principle 8	<a href="#">Environment Performance Data</a>

GRI	Disclosure	Location or comments	UNGC	Additional location
<b>Biodiversity</b>				
103-1	Explanation and Boundaries	<a href="#">Biodiversity MAD</a>		
103-2	Management Approach	<a href="#">Biodiversity MAD</a>		
304-1	Operational sites in, or adjacent to, protected areas and areas of high biodiversity value	<a href="#">Biodiversity MAD</a>	Principle 8	<a href="#">Environment Performance Data</a>
<b>Emissions</b>				
103-1	Explanation and Boundaries	<a href="#">Energy and emissions MAD</a>		
103-2	Management Approach	<a href="#">Energy and emissions MAD</a>		
305-1	Direct (Scope 1) GHG emissions	<a href="#">Energy and emissions MAD</a>	Principle 7	<a href="#">Environment Performance Data</a>
305-4	GHG emissions intensity	<a href="#">Energy and emissions MAD</a>	Principle 8	<a href="#">Environment Performance Data</a>
305-5	Reduction of GHG emissions	<a href="#">Energy and emissions MAD</a>	Principle 8	
<b>Effluents and Waste</b>				
103-1	Explanation and Boundaries	<a href="#">Water and effluents MAD</a>		<a href="#">Waste MAD</a>
103-2	Management Approach	<a href="#">Water and effluents MAD</a>		<a href="#">Waste MAD</a>
306-1	Water discharge by quality and destination	<a href="#">Water and effluents MAD</a>	Principle 8	<a href="#">FY19 Focus</a>
306-2	Waste by type and disposal method	<a href="#">Waste MAD</a>	Principle 8	<a href="#">Environment Performance Data</a>
306-3	Significant spills	Non applicable. The Company does not discharge any water.		
306-4	Transport of hazardous waste	<a href="#">Waste MAD</a>	Principle 8	
306-5	Water bodies affected by water discharges and/or runoff	Non applicable. The Company does not discharge any water.		
<b>Environmental Compliance</b>				
103-1	Explanation and Boundaries	<a href="#">Biodiversity MAD</a>		<a href="#">Water and effluents MAD</a>
103-2	Management Approach	<a href="#">Biodiversity MAD</a>		<a href="#">Water and effluents MAD</a>
307-1	Non-compliance with environmental laws and regulations	No fines related to this indicator during FY19.		<a href="#">Environment Performance Data</a>
<b>Supplier Environmental Assessment</b>				
103-1	Explanation and Boundaries	<a href="#">Supply Chain MAD</a>		
103-2	Management Approach	<a href="#">Supply Chain MAD</a>		
308-1	New suppliers that were screened using environmental criteria	<a href="#">Value Chain Performance Data</a>	Principle 8	
308-2	Negative environmental impacts in the supply chain and actions taken	<a href="#">Value Chain Performance Data</a>	Principle 8	
<b>Gri 400: Social</b>				
<b>Employment</b>				
103-1	Explanation and Boundaries	<a href="#">Employee engagement MAD</a>		<a href="#">Training &amp; Development MAD</a>
103-2	Management Approach	<a href="#">Employee engagement MAD</a>		<a href="#">Training &amp; Development MAD</a>
401-1	New employee hires and employee turnover	<a href="#">People Performance Data</a>	Principle 6	
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	Not applicable. They company does not have part-time employees.		
401-3	Parental leave	<a href="#">Employee engagement MAD</a>	Principle 6	<a href="#">People Performance Data</a>
<b>Occupational Health and Safety</b>				
103-1	Explanation and Boundaries	<a href="#">Health and Safety MAD</a>		<a href="#">H&amp;S Performance Data</a>
103-2	Management Approach	<a href="#">Health and Safety MAD</a>		<a href="#">FY19 Focus</a>
403-1	Occupational health and safety management system	<a href="#">Health and Safety MAD</a>		<a href="#">FY19 Focus</a>

GRI	Disclosure	Location or comments	UNGC	Additional location
<b>Occupational Health and Safety</b>				
403-2	Hazard identification, risk assessment, and incident investigation	Health and Safety MAD		
403-3	Occupational health services	Health and Safety MAD		
403-4	Worker participation, consultation, and communication on occupational health and safety	Health and Safety MAD		
<b>Training and Education</b>				
103-1	Explanation and Boundaries	Training & Development MAD		
103-2	Management Approach	Training & Development MAD		
404-1	Average hours of training per year per employee	People Performance Data	Principle 6	
404-2	Programs for upgrading employee skills and transition assistance programs	Training & Development MAD		People Performance Data
404-3	Percentage of employees receiving regular performance and career development reviews	People Performance Data	Principle 6	
<b>Diversity and Equal Opportunity</b>				
103-1	Explanation and Boundaries	Diversity & Inclusion MAD		
103-2	Management Approach	Diversity & Inclusion MAD		
405-1	Diversity of governance bodies and employees	Diversity & Inclusion MAD	Principle 6	FY19 Focus
405-2	Ratio of basic salary and remuneration of women to men	People Performance Data	Principle 6	
<b>Rights of Indigenous Peoples</b>				
103-1	Explanation and Boundaries	Human Rights MAD		Community Investment MAD
103-2	Management Approach	Human Rights MAD		Community Investment MAD
411-1	Incidents of violations involving rights of indigenous peoples	No incidents during 2019.	Principle 1	Community Performance Data
<b>Human Rights Assessment</b>				
103-1	Explanation and Boundaries	Human Rights MAD		
103-2	Management Approach	Human Rights MAD		
412-1	Operations that have been subject to human rights reviews or impact assessments	Human Rights MAD	Principle 1,4	Governance & Risk
412-2	Employee training on human rights policies or procedures	Governance Performance Data	Principle 1-6	
<b>Local Communities</b>				
103-1	Explanation and Boundaries	Community Investment MAD		Community Engagement MAD
103-2	Management Approach	Community Investment MAD		Community Engagement MAD
413-1	Operations with local community engagement, impact assessments, and development programs	Community Performance Data		Case Studies
413-2	Operations with significant actual and potential negative impacts on local communities	Community Engagement MAD	Principle 1	
<b>Supplier Social Assessment</b>				
103-1	Explanation and Boundaries	Supply Chain MAD		
103-2	Management Approach	Supply Chain MAD		
414-1	New suppliers that were screened using social criteria	Value Chain Performance Data	Principle 1-6	
414-2	Negative social impacts in the supply chain and actions taken	Value Chain Performance Data	Principle 2,5	



