



2019

SUSTAINABILITY OVERVIEW



Overview

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

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.

Orocobre has decided to cease producing hard copies of the annual Sustainability Report, opting to produce an electronic document that meets stakeholder needs. For more information on the Company's comprehensive disclosures in accordance with GRI Standards, visit Orocobre's online Sustainability Report at www.orocobre.com/corporate-responsibility/sustainability-report.

For any questions or feedback regarding this report, contact the Chief Sustainability Officer via sustainability@orocobre.com.



Contents

Highlights and Commitments

Letter from the Managing Director

Our Approach

Materiality

FY19 Focus

Health & Safety

Strengthening Safety
Culture & Performance
Safety Leadership

Value Chain

Product Quality
Supply Chain Control
& Capability

Long Term Outlook

Market Conditions

Environment

Operational Efficiency
Critical Infrastructure

Communities

Supporting Changing
Dynamics
Traditional Livelihoods

People & Culture

Talent Management
Performance Management
Culture Evaluation Program

This report, prepared by Orocobre, contains general information about the Company as at the date of publication, with certain statements being considered forward-looking statements.

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. There can be no assurance that forward-looking information contained within this report 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.

By accessing or reviewing this report, you acknowledge and agree to the terms set out in the Forward-Looking Statement section of the [Full Report](#). The Forward-Looking Statement section should be read in its entirety and in conjunction with this report.

FY19 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 m³ 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 3.14tCO₂-e per tonne of lithium produced.

Commitments

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

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.



“ We have increased our focus on talent management, ensuring we have the right people in the right roles to drive the Company forward.

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 & CEO



Our Approach

Governance

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

The Committee meets quarterly to review current and emerging risks, progress against targets and material disclosures including key investor surveys and the annual Sustainability Report.

For more information, including a copy of the Sustainability Committee Charter, refer to the Governance section of the [Full Report](#).

Strategy

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

In accordance with UN SDGs, Orocobre's Sustainability Strategy seeks to improve the quality of life of local communities and to contribute to the achievement of UN SDGs.

For more information, refer to the Strategy section of the [Full Report](#).

UN Sustainable Development Goals

In accordance with UN SDGs, Orocobre supports a systemic approach to sustainability, adopting a holistic view of social, environmental and economic performance across the Company's operations, products, supply chain and community relationships.



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.

For an overview of Company commitments and contributions to the UN SDGs, based on current activities and initiatives delivered in collaboration with the government and local communities, refer to the Strategy section of the Full Report.

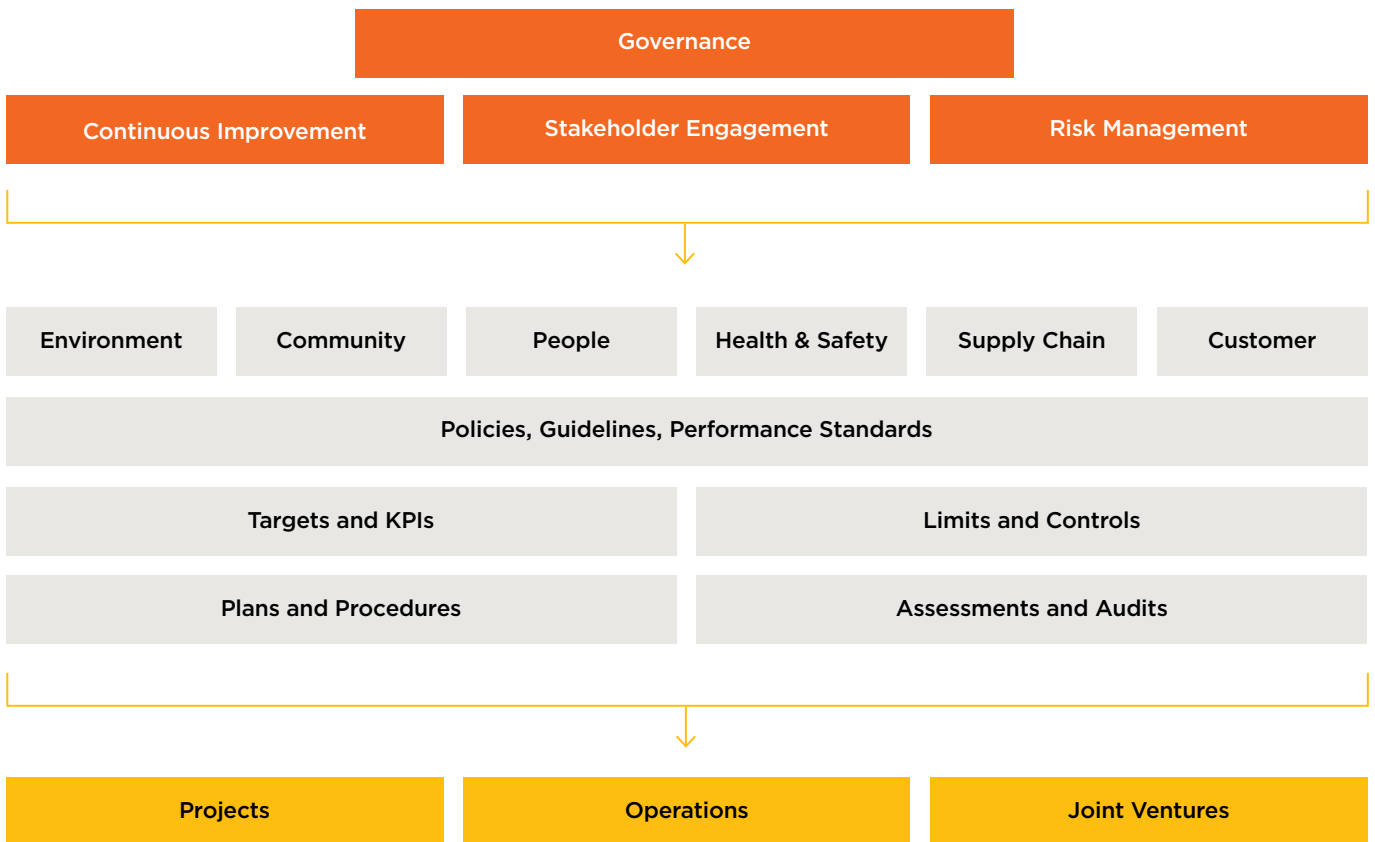
Management Framework

Orocobre is building the foundations for a robust data-driven approach to sustainability management.

The Company is undertaking a staged approach to the rollout of the Sustainability Management Framework, with all aspects scheduled to be finalised by 2022 in accordance with the Company’s 5-Year Plan.

For more information, refer to the Strategy section of the [Full Report](#).

“Orocobre is building the foundations for a robust data-driven approach to sustainability management.”



Risk Management

Enterprise Risk Framework

During FY19, Orocobre commissioned an external risk management review, formulating an enterprise-wide risk management framework based on ISO 31000 principles. The structure facilitates continuous improvement of Orocobre's risk management capabilities across all levels of the organisation.

For more information on the Company's approach to risk, refer to the Governance and Risk section of the [Full Report](#).

For risk evaluations requiring specific methodological approaches, such as human rights risk and climate risk, independent assessments will be conducted in accordance with Company policies.

Human Rights Risk

Orocobre has commenced a detailed Human Rights Risk Assessment, to be conducted in 2 Phases.

- **Phase 1:** high-level contextual risk analysis to identify the most salient human rights risk factors across the Company's operations and broader value chain. Phase 1 outcomes will inform the scope and focus for Phase 2.

Status: Completed.

- **Phase 2:** in-depth investigation into actual risks and impacts based on site-based evaluations, stakeholder engagement and a risk prioritisation and control evaluation process with Company management and operations teams.

Status: Commencing in 2020.

For more information on human rights risk refer to the [Human Rights Management Approach Disclosure](#).

“ The structure facilitates continuous improvement of Orocobre's risk management capabilities across all levels of the organisation.

Climate Risk

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 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 current and proposed portfolio of assets, products and markets, evaluated against a series of global climate scenarios.

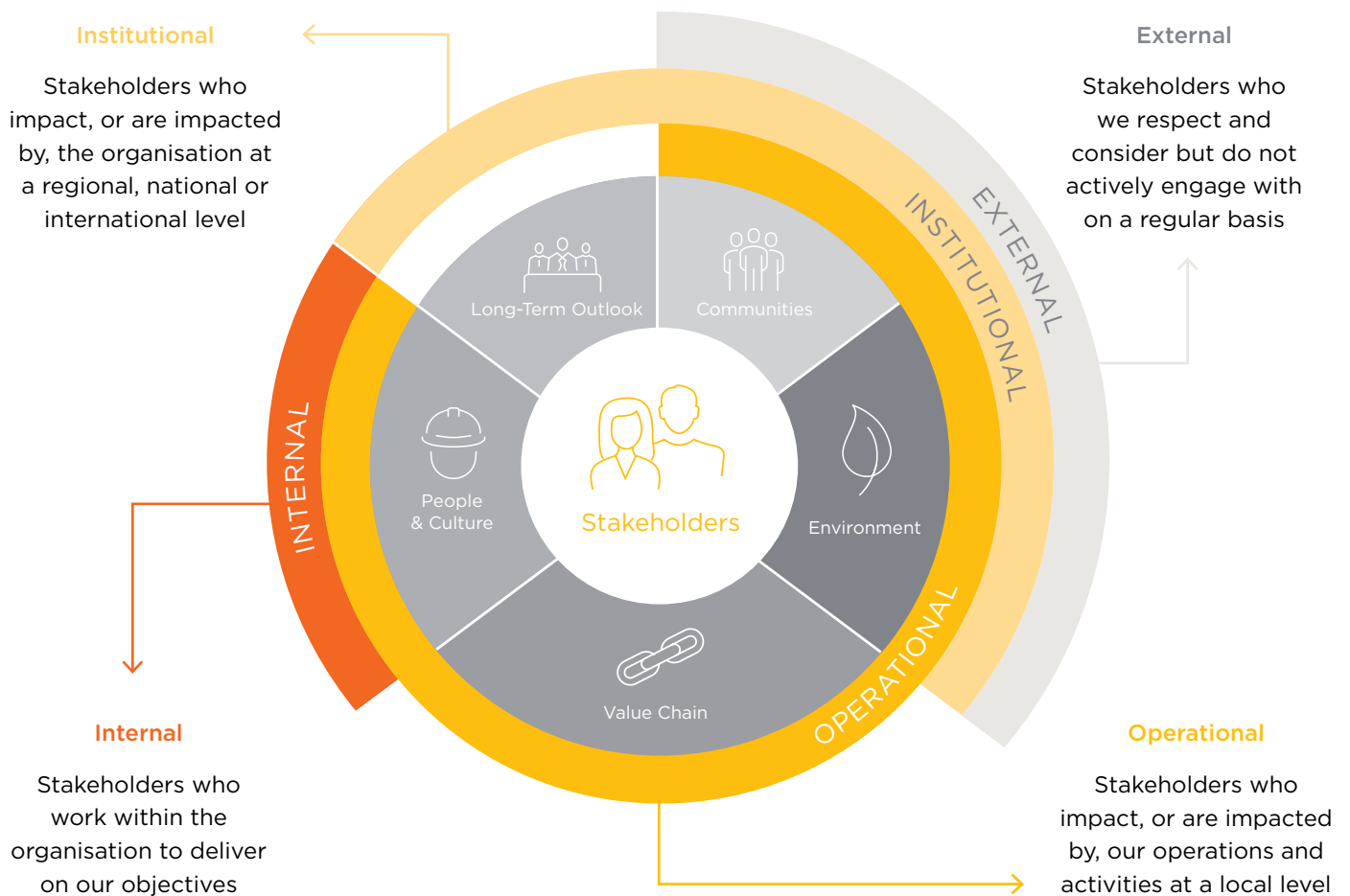
For more information on climate risk, refer to the [Climate Management Approach Disclosure](#).

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](#).



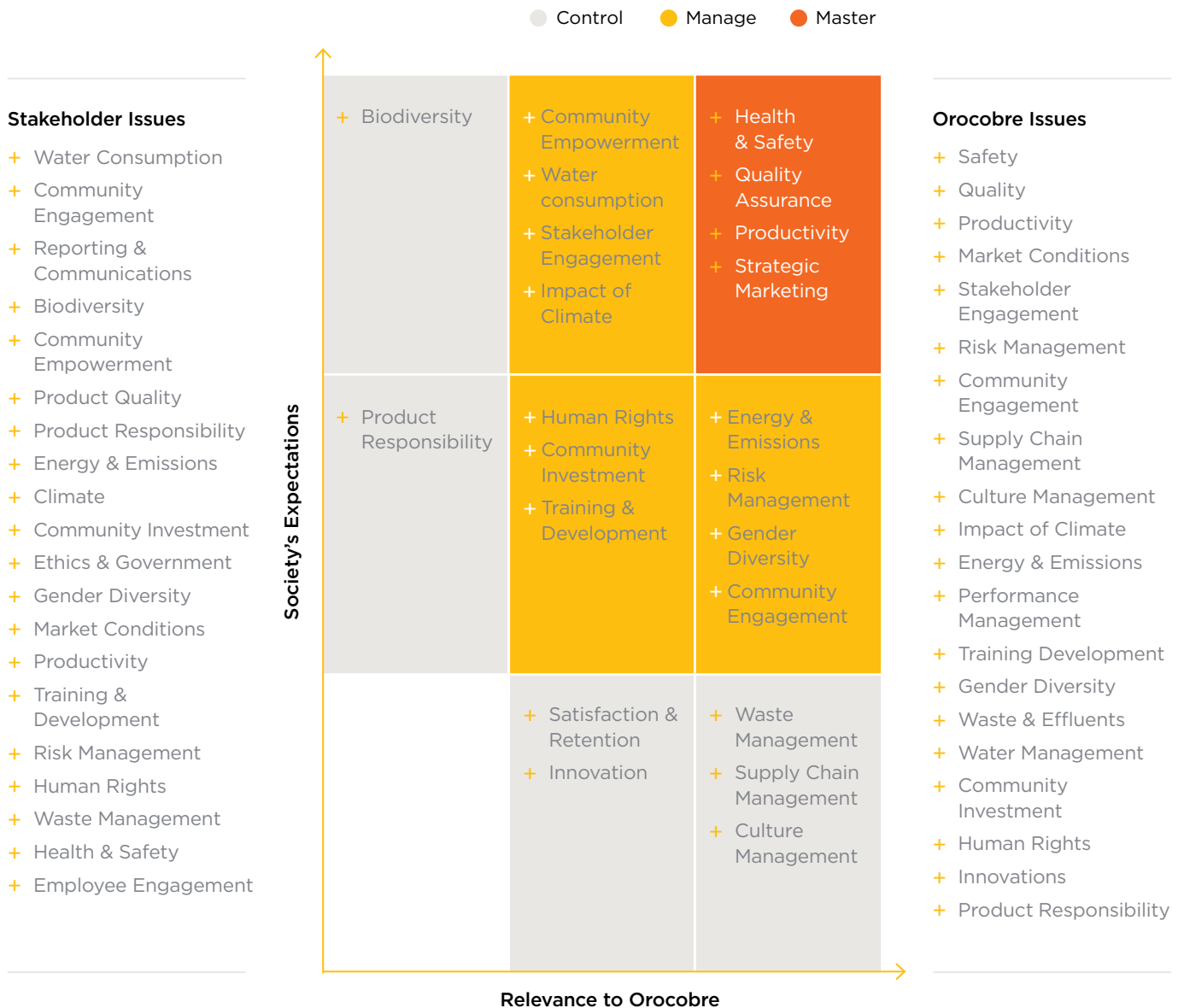
Materiality

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 Materiality Matrix determined the content of Orocobre's 2019 Sustainability Report.

For more information, refer to the Materiality section of the [Full Report](#).

Materiality Matrix



FY19 Focus



Health & Safety

Strengthening Safety Culture & 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 (Intelex) which is expected to provide both operational efficiencies and improved safety performance.

Intelex — 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		Contractors	
TRIFR		TRIFR	
FY19	FY18	FY19	FY18
3.3	2.9	3.3	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 [Health and Safety Management Approach Disclosure](#) and [Performance Data](#).

Case Study

Defensive Driving Program

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 Europe Union (EU) and Asia so that plant operators could improve responsiveness to customer’s specification requirements.

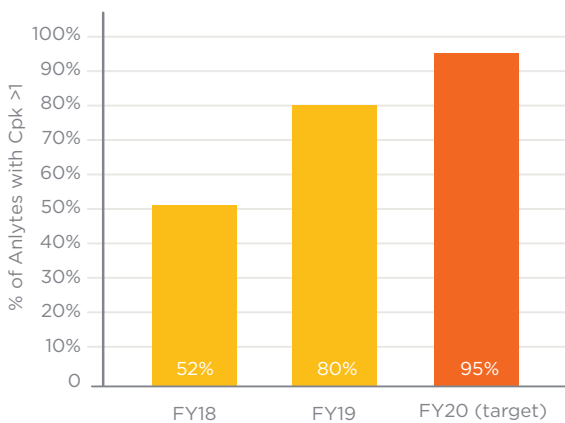
One specific quality improvement project developed in FY19 for implementation in FY20, will enhance the product packaging process to address customer feedback regarding the quality of delivered product.

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

Process capability



For more information about Product Quality refer to the [Quality Assurance Management Approach Disclosure](#).

Supply Chain Control & Capability

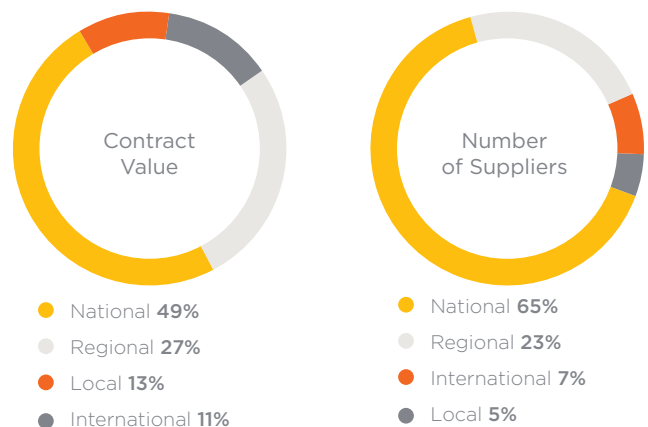
To enhance product quality, workplace safety and operational productivity, Orocobre needs to maintain both visibility and control of its suppliers. Quality of feedstock materials can impact the chemical production processes and in turn, the quality of the final product. The operational team is working 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 please refer to the [Supply Chain Management Approach Disclosure](#).

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 focused 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 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 associated with 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.

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.

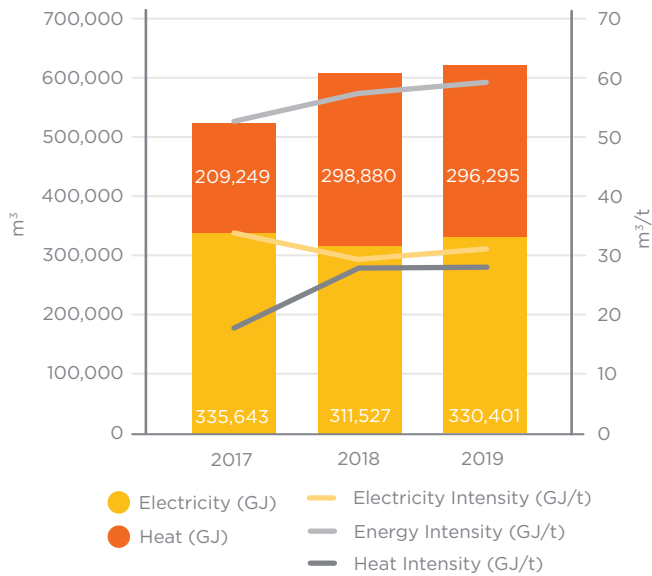
Orocobre will maintain a strong focus on waste and effluent management as expansion activities ramp up and the number of staff onsite continues to increase.

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](#).

Environment Data

Energy

Energy Consumption



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.

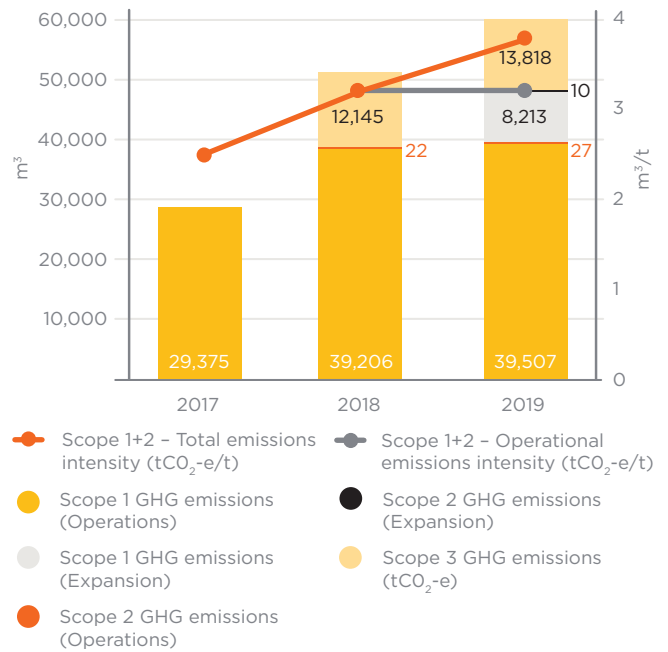
Water

Groundwater* Extraction (m³)



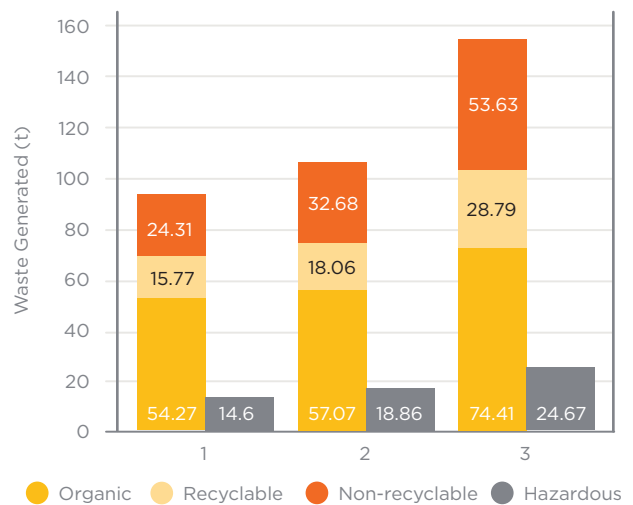
The highly brackish groundwater extracted at Olaroz is not suitable for human consumption or any agricultural use.

Emissions



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.

Waste



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.

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.

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.

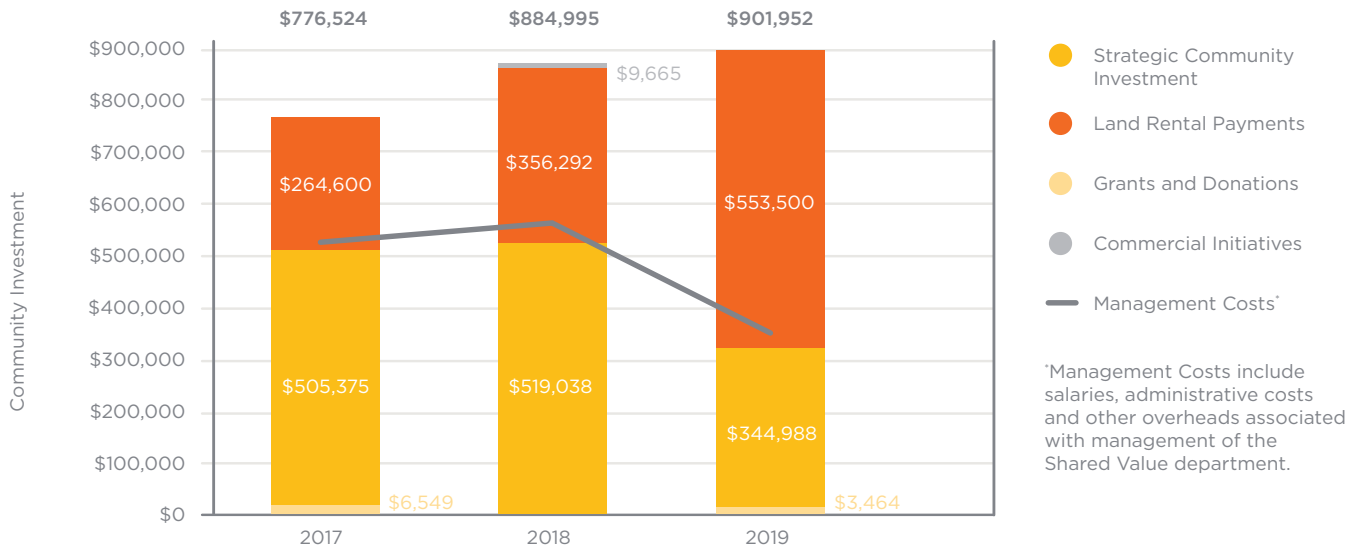
The Company continues to promote traditional livelihoods through its Shared Value program, including the [Vicuña Shearing Project](#) underway in Olaroz Chico, the [Fibre Spinning Project](#) underway with artisanal women in Huáncar, and the [construction of greenhouses](#) to support local agricultural 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.

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

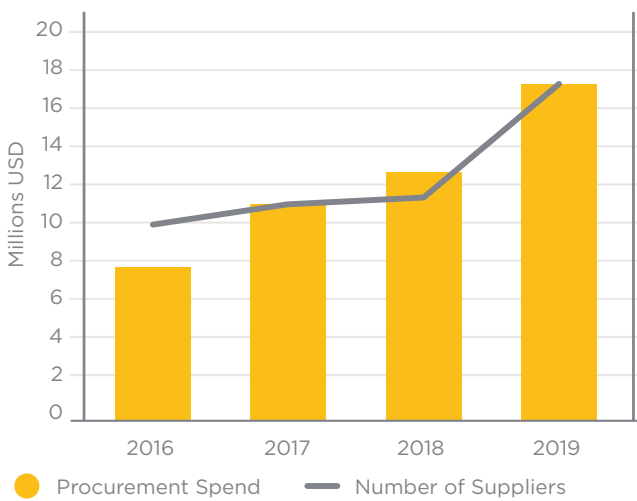
Community Data

Community Investment

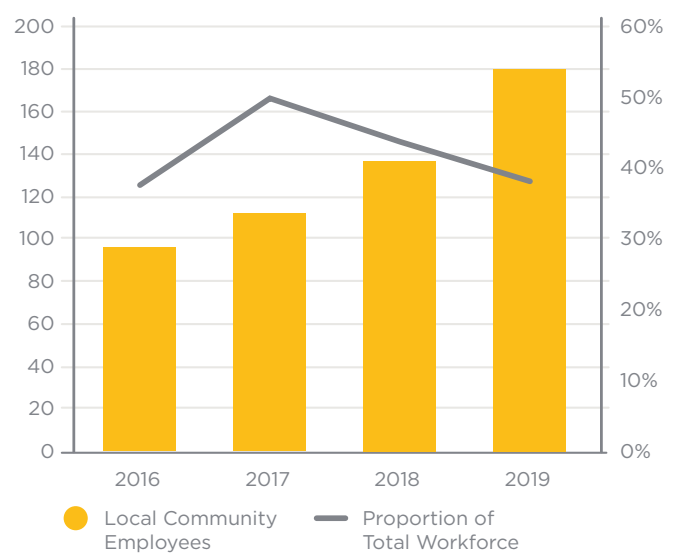


Community Empowerment

Local Community Suppliers



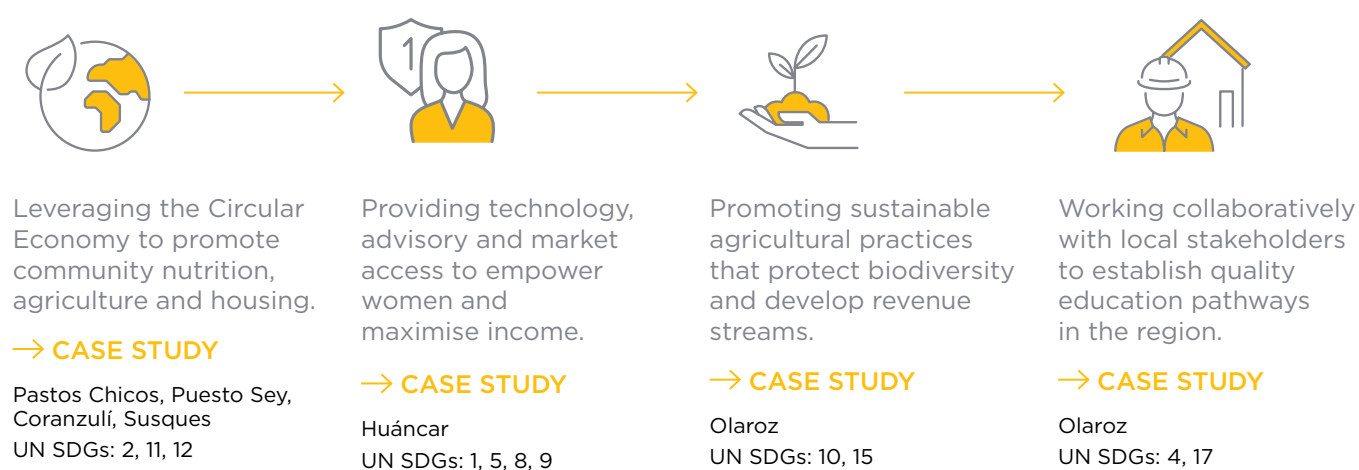
Local Community Employees



Shared Value Case Studies

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 works 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 the [Full 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
Total Paid by SDJ	7,304,194
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
Total Withheld by SDJ	12,565,092

*Based on statutory rules SDJ is required 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 & 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 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.

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

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

People Data

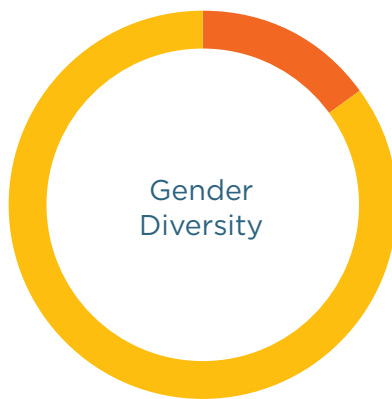
Workforce breakdown

● Senior Managers ● Middle Managers ● Operators

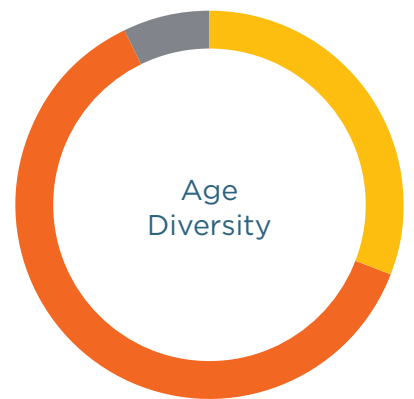
	Total	Male	Female	Local	Provincial	National	International	<30	30 - 50	>50
2017	8	6	2			6	2		3	5
	67	53	14	21	23	22	2	7	54	7
	207	180	27	121	53	32		112	83	11
	282	239	43	142	76	60	4	119	140	23
2018	11	9	2			8	3		8	3
	92	78	14	5	40	44	3	8	77	7
	206	176	30	133	48	25		88	108	10
	309	263	46	138	88	77	6	96	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%



● Local 39% ● National 28%
● Regional 31% ● International 3%



● Male 85%
● Female 15%

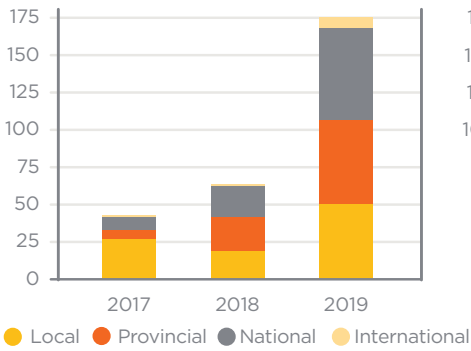


● <30 35%
● 30 - 50 57%
● >50 8%

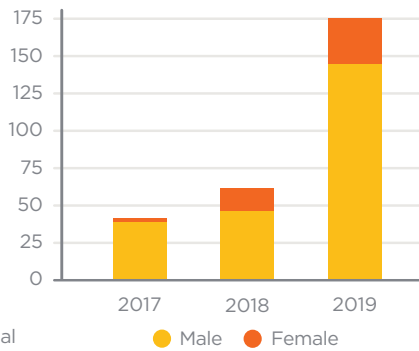
New Hires

	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

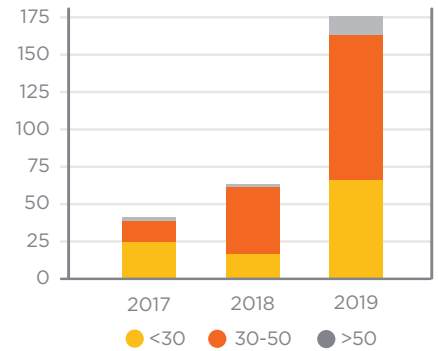
New Hires by Region



New Hires by Gender



New Hires by Age



Turnover

