



SUSTAINABILITY REPORT



2020

Orocobre is a dynamic global lithium and borate chemicals supplier and an established producer of boron.

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Highlights



COVID-19 Bio-Security Protocol

Successful and rapid deployment of safety measures for our employees and local communities in response to COVID-19



Board Sustainability Committee

Successful implementation of our Board Sustainability Committee



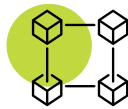
Increased Resource

Increase of resource at Olaroz/ Cauchari with the acquisition of Advantage Lithium



Increased Scope of Reporting

Inclusion of sustainability baseline data and GHG emissions inventory data for our Borax Argentina operations



Improved Sustainability Data Management

Implementation of Intelix *Sustainability Performance Index (SPIv4)* module



Updated Social Baseline

Updating of social baseline data to better understand the needs of the Olaroz Lithium Facility local communities



Reduction in Operational Emissions and Water Intensity

2.5% reduction in CO₂e emissions intensity for operations and 10.7% reduction in water intensity for the Olaroz Lithium Facility



Expansion Projects

70% complete

Naraha Lithium Hydroxide Plant

40% complete

Stage 2 Expansion at Olaroz Lithium Facility

Member of

Dow Jones Sustainability Indices

Powered by the S&P Global CSA

DJSI, ACSI and CDP Performance

Selected for inclusion in the Dow Jones Sustainability Index (DJSI) Australia Index

Evaluated as "Sector Leaders" in ESG criteria by *Australian Council of Superannuation Investors (ACSI)* for second consecutive year

Completed *Carbon Disclosure Project (CDP)* reporting for climate change and water security





“

I would like to thank each of our employees and contractors who have made a remarkable effort to meet the goals we set in spite of the difficult circumstances of this year.

Letter from the Managing Director and CEO



Thank you for your interest in Orocobre's 2020 Sustainability Report.

In a year marked by an unprecedented global crisis, we became a stronger organisation thanks to Orocobre's engaged staff. The COVID-19 pandemic increased our awareness about placing people at the centre of the organisation while working together to meet and overcome internal and external challenges.

Our priority was to ensure the health and safety of both our employees and their families, as well as taking care of our suppliers, contractors, and local Communities. We established mechanisms to provide quick, flexible, and concrete responses to our stakeholders, and we adapted ourselves within the boundaries of a long quarantine in Argentina, maintaining the continuity of our business without circulation of the virus within our operations.

We created a COVID 19 Safety Committee comprised of the Company's leaders to plan our response and introduced a Bio-security Protocol which was based on industry best practices, recommendations from governmental authorities, employees, local Communities, and the Mining Chamber. To alleviate the crisis in our Communities, we also undertook a donation program of medical and personal protection equipment, a greenhouse program for food security within local Communities, and a support program for our local suppliers. People in the management and administrative teams remained focussed on the Company's objectives while working remotely from home for many months.

Before the pandemic hit, we had already taken measures to adjust our business to softer demand and weak prices due to lithium market conditions. These preparations will not only make us stronger in the long term but also helped us in the short term, alleviating the impact of COVID-19 in our operations and financial performance.

During FY20 we focused on assuring our product quality, safety, and productivity. Products were consistently within specification and customer satisfaction continued to increase. Safety performance improved in the Sales de Jujuy ("SDJ") operations at Olaroz, and we have increased our focus on the higher inherent safety risks associated with construction of the Olaroz Expansion project. In Borax Argentina, following the deterioration of safety indicators late in the financial year, we commenced a company wide review of safety programs and a restructuring of the safety team.

During the year, water, energy consumption, and atmospheric emissions trended in the right direction, on both total figures and intensity (per tonne of product produced), yielding lower values at SDJ's operations (excluding expansion activities). This was a result of increased management focus; however, there is more work to do in this regard.

Despite COVID related restrictions in Argentina and Japan, the construction at both the Olaroz Expansion project and the Naraha Lithium Hydroxide project progressed. In addition, we acquired 100% of Advantage Lithium and its Cauchari resource located adjacent to the Olaroz Salar. This now allows us to optimise the management of the combined Olaroz and Cauchari basins.

Our environmental, social and governance performance continues to be reinforced. During the year, we established a Board Sustainability Committee and for the first time, we completed an external review of selected sustainability performance indicators published in this report. This demonstrates the strength of our commitment to transparency of our ESG performance.

Before reviewing Orocobre's sustainability performance for FY20, I would like to thank each of our employees and contractors who have made a remarkable effort to meet the goals we set in spite of the difficult circumstances of this year. I would also like to thank our suppliers from local Communities who turned out to be a critical link in supply chain continuity, our customers, joint venture partners, shareholders, and government entities, all of whom supported us in the difficult dynamics. Thanks to all of them, we have managed to maintain sound employment, productive responsiveness and the organisational strength that defines Orocobre.

I hope you enjoy reading our Sustainability Report and that you see our commitment and the progress and milestones achieved in each business area.

Martín Pérez de Solay
Managing Director and CEO

About this Report

Our 2020 financial year (FY20) Sustainability Report illustrates the sustainability performance of Orocobre Limited (**Orocobre** or **the Company**) in its role as majority shareholder and manager Sales de Jujuy S.A. (**SDJ**) which produces lithium carbonate from the **Olaroz Lithium Facility** and the owner of Borax Argentina S.A. (**Borax Argentina**) which produces borates minerals and chemicals from operations at Tincalayu, Sijes and Campo Quijano.

This report has been prepared in accordance with the [GRI Standards](#) (core) and documents the Company's progress against the 10 Principles of the [UN Global Compact](#) and contribution to the [UN Sustainable Development Goals \(SDG\)](#).

This year, we have expanded the scope of our sustainability reporting to include key performance data from Borax Argentina as well as our Olaroz Lithium Facility. The data and contents provided in this document, for both companies, cover the period between **1 July 2019 and 30 June 2020**.

The scope does not currently include the Naraha Lithium Hydroxide Project which is managed by our joint venture partner Toyota Tsusho Corporation.

Selected statements in this Report and in our [Performance Data](#) were checked by an external consultant, AG Sustentable. This check included the analysis of the application of GRI standards and the principles of content and quality. The selected GRI Standard indicators included in the external check are identified below.

Table 1 – GRI Indicators checked by external consultant

Energy	302-1	Energy consumption within the organization
	302-3	Energy intensity
Emissions	305-1	Direct (Scope 1) GHG emissions
	305-4	GHG emissions intensity
Water	303-1	Water withdrawal by source
	303-2	Water sources significantly affected by withdrawal of water
	303-3	Water recycled and reused
Waste	306-1	Water discharge by quality and destination
	306-2	Waste by type and disposal method
	306-3	Significant spills
	306-5	Water bodies affected by water discharges and/or runoff
Local Communities	413-1	Operations with local community engagement, impact assessments, and development programs
	204-1	Proportion of spending on local suppliers
Rights of Indigenous Peoples	411-1	Incidents of violations involving rights of indigenous peoples
Occupational Health and Safety	403-2	Types of injury and rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities
Training and Education – Diversity	404-1	Average hours of training per year per employee
	405-1	Diversity of governance bodies and employees

The specific topics addressed in this report were defined from a materiality assessment process which analysed public announcements, internal documentation and insights shared with the Company by stakeholder groups.

Further supporting information regarding performance in FY20 is available on our website as follows:

- [Performance Data](#): additional detailed sustainability indicators related to the performance of each of our focus areas
- [Case Studies](#): additional information relating to our community initiatives and programs where we create Shared Value
- [Management Approach Disclosures](#): outline of the strategic importance, scope, management approach and annual update of our different business areas and topics of relevance to our stakeholders
- [GRI Standards / UNGC Contents Index](#): outline of material topics and contents defined by the GRI Standard and the Principles of the UN Global Compact, which enables the reader to navigate the report and promptly locate such information in the Sustainability Report or other complementary documents.

We welcome any comment or suggestion you may wish to share on this report through our email address: sustainability@orocobre.com.

Forward Looking Projections

Reports published by the Company contain forward-looking projections (prospective 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 Lithium Facility, the forecasts relating to the lithium and borate 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 Lithium Facility, and its future financial and operating performance including production, rates of return, operating costs, capital costs and cash flows, potential operating synergies and other matters related to the development of Olaroz and Cauchari.

These reports also include references to operations of Borax Argentina corresponding to mining exploitations of Tincalayu and Sijes, as well as the Campo Quijano borate processing plant (including final disposal ponds) and the storage and warehousing facilities.

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 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; general risks associated with the feasibility of the Company's projects; risks associated with construction and development in the expansion of the Olaroz Lithium Facility; 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 and borates, the ability of the Company to operate in a safe, efficient and effective manner and to obtain financing 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 action results and future events could differ materially from those anticipated in such information. The Company does not undertake to update any forward-looking information, except in accordance with applicable securities laws.

About Orocobre

Orocobre is a global supplier of lithium and borate chemical products and is listed on the Australian (ASX:ORE) and Toronto (TSX:ORL) Stock Exchanges.

Our vision is to be a sustainable, world class supplier of lithium and borate chemicals. We invest in our people, our operations, and the communities where we operate, producing lithium and borate chemical products for our global customer base.

We are focusing our growth on our lithium operations and partnerships to contribute to the responsible development of this critical chemical for the transition to a net zero carbon future.

Input



People



Natural Resources



Energy



Financial Capital



Operations and Growth Projects

66.5%

Olaroz Lithium
Facility and Stage
2 Expansion

75% (economic interest)

Naraha Lithium
Hydroxide
Plant Project

100%

Cauchari
Lithium Resource

100%

Borax Argentina



Output and Stakeholder Groups

Products
Customers

Supply Chain Spend
Suppliers

Shared Value
Communities

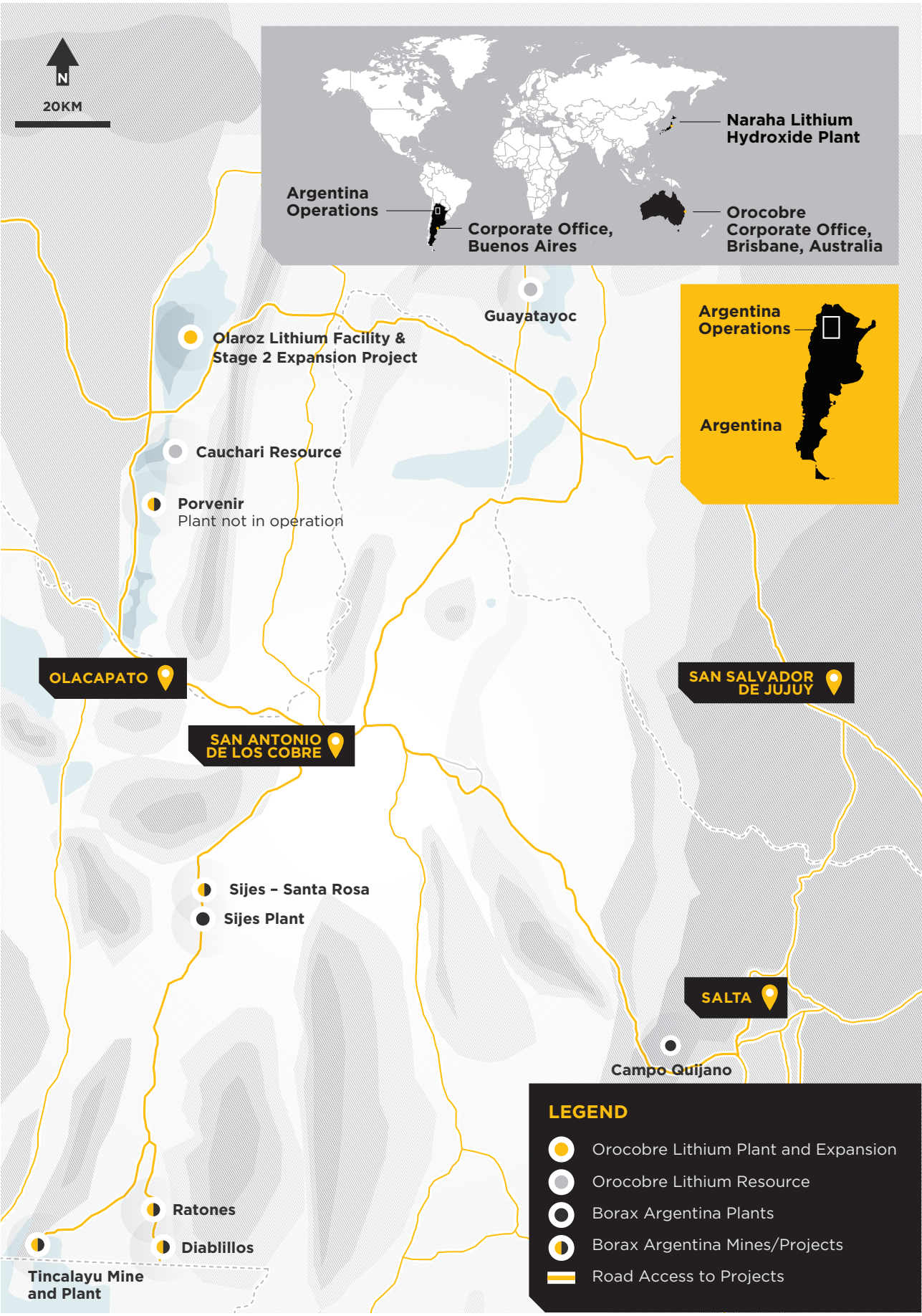
Emissions and Waste
Environment

Shareholder Value
Investors

Wages
Employees

Taxes and Royalties
Governments

Our Operations and Growth Projects



Orocobre's assets include a 66.5% effective equity interest in the Olaroz Lithium Facility, 100% ownership of the Cauchari resource (following acquisition of Advantage Lithium), 75% economic interest in the Naraha Lithium Hydroxide Plant in Japan, and 100% ownership of Borax Argentina.

Olaroz Lithium Facility

The Olaroz Lithium Facility is a large-scale brine-based operation located in Jujuy province in northern Argentina at an altitude of approximately 3,900 metres above sea level. The facility commenced operations in 2015.

The Olaroz Lithium Facility is managed by Sales de Jujuy S.A. (**SDJ**). The structure of this Joint Venture between Orocobre, Toyota Tsushu (**TTC**) and JEMSE (a mining investment company owned by the provincial government of Jujuy, Argentina), is outlined below.

The processing method used (outlined in Figure 1) begins with extracting brine from wells. Because the lithium at this location is contained within sedimentary aquifers within the salt flat with relatively low permeability, extraction has limited impact on freshwater resources outside the salt flat. The Olaroz Lithium Facility uses solar energy to concentrate the lithium in the brine in evaporation ponds.

The emissions intensity of our lithium carbonate continues to improve as we reduce fuel consumption and increase efficiency of our operations.

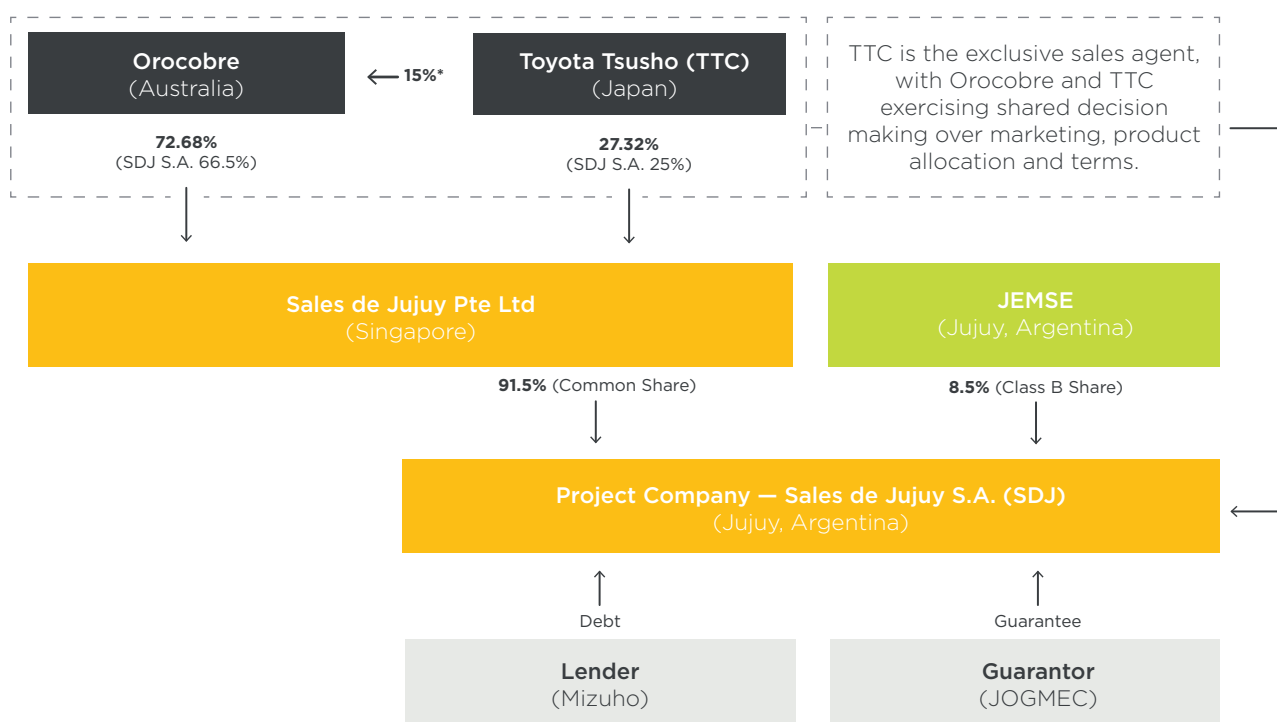
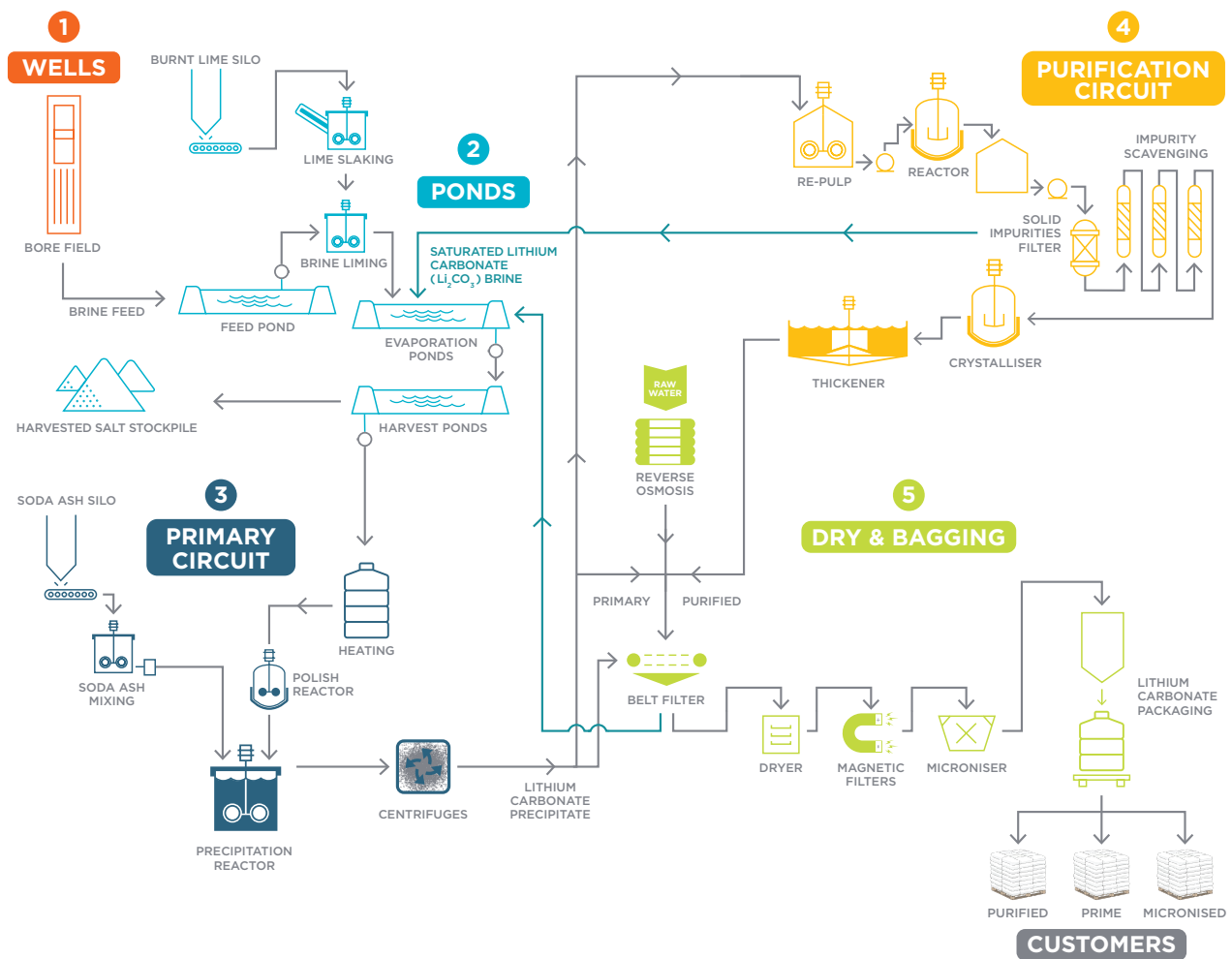


Figure 1 – Outline of brine extraction and processing at the Olaroz Lithium Facility



Olaroz Lithium Facility





Naraha Lithium Hydroxide Plant (under construction)

Operationally, through FY20 and prior, we have focused on pond management and increasing brine concentration to the plant. Not only has this resulted in higher plant recoveries, lower unit costs and improved product quality, but also reductions in carbon intensity.

The Olaroz Lithium Facility products are primary grade lithium carbonate and both micronized and non-micronised purified lithium carbonate. Products are sold to a diverse customer base in Asia, Europe and North America. The main markets for primary grade product are ceramics and glass sectors, and lithium hydroxide chemical production, predominantly used in battery cathodes. Purified lithium carbonate is typically sold directly to cathode and electrolyte manufactures for use in the production of lithium-ion batteries used in electric vehicles (EVs).

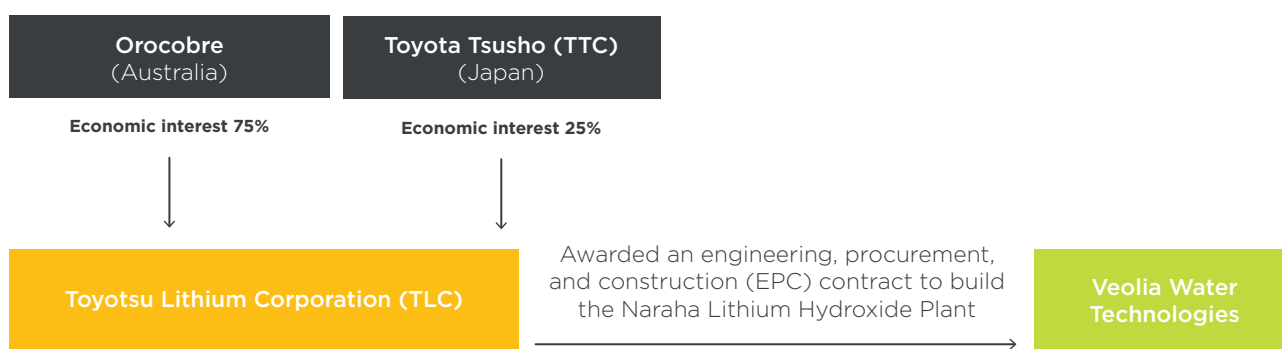
The adoption of EV technology by global auto manufacturers and commercial grade Energy Storage Systems (ESS) will drive growth in lithium demand over the next decade.

The increase in use of these technologies will play a crucial role in the removal of hydrocarbon vehicle emissions pollution and the global transition to a net zero carbon economy.

Olaroz Stage 2 Expansion Project

Recognising the future demand for high quality primary grade lithium carbonate feedstock, Orocobre commenced an expansion of the Olaroz Lithium Facility. During the reporting period, the Stage 2 Expansion was adversely impacted by the workforce constraints imposed by COVID 19 and reached a construction completion rate of 40%. At completion, the Stage 2 Expansion will include additional bores, new ponds and processing plant. The Stage 2 Expansion plant will comprise a primary lithium carbonate production circuit and is designed to deliver an additional 25,000 tonnes per year of primary grade lithium carbonate. Approximately 9,500 tonnes of this new production output is expected to be utilised as feedstock for the Naraha Lithium Hydroxide Plant.

Naraha Lithium Hydroxide Plant JV Structure



Naraha Lithium Hydroxide Plant Project

The Naraha Lithium Hydroxide Plant, the first of its kind to be built in Japan, is designed to convert primary grade lithium carbonate feedstock into purified battery grade lithium hydroxide. The joint venture structure of the plant is shown above. Although Orocobre has 75% economic interest in the Toyotsu Lithium Corporation (TLC), and significant influence, the operational control is exercised by Toyota Tsushu Corporation (TTC).

TTC manage the delivery of this project and will have management responsibility once operations commence, with input from Orocobre technical personnel. A technical oversight committee of Orocobre and TTC personnel is in place to provide strong governance and reporting practices. The project is being delivered by an engineering, procurement, and construction contract with Veolia and during the reporting period, the Naraha Lithium Hydroxide Project achieved 70% completion. We have not included the Naraha Project in the scope of the performance data in this report.

When operational, the sales function of lithium hydroxide will be managed by TTC with both joint venture partners having responsibility for strategic marketing through a joint marketing committee arrangement. This product will be used primarily by the Japanese battery industry supporting the transition to EVs by global auto manufacturers.

Cauchari Resource

During FY20 we acquired 100% of Advantage Lithium, and its Cauchari mineral resource located adjacent to the southern boundary of the Olaroz Lithium Facility. This investment provides new growth and development options beyond the projected expansion of the Olaroz Lithium Facility and more effective basin management. With the acquisition of Cauchari, the mineral resources owned by Orocobre have now increased to a total of 11.2 Mt of lithium carbonate equivalent.

Borax Argentina

Orocobre owns 100% of Borax Argentina which is a producer of borates minerals and refined chemical products located in northwest Argentina.

Borax Argentina has operations in Campo Quijano, Tincalayu and Sijes. Campo Quijano, 1,500 metres above sea level also houses the main offices, boric acid plant, fusion plant and logistics facilities for dispatch of Borax products.

Operations at the Porvenir ulexite mine ceased in mid-2015. The ulexite ore was used as a feedstock for boric acid production at Campo Quijano and was replaced by hydroboracite minerals from Sijes mine. As there are no plans to resume mining activities in the short term, the mine is not included in the scope of this report as it is not material. Although the mine is not currently active, Borax Argentina continues to adhere to all municipal, provincial and national legal requirements for the site.

Refined products produced by Borax Argentina include borax decahydrate, borax pentahydrate, borax anhydrous and boric acid. These products are produced from tincal and hydroboracite ores, mined at the Tincalayu and Sijes mines respectively. Hydroboracite is the primary feedstock for producing boric acid at Campo Quijano whilst tincal is the feedstock for the borax suite of chemicals produced at Tincalayu mine. Hydroboracite concentrate and the refined products have applications in a wide range of markets including agriculture, ceramics, glass, insulation fibreglass, detergents and microelectronics.

Borax Argentina has been engaged in mining operations in the region for over 50 years and has a demonstrated long-term commitment to meeting the needs of the industrial and agricultural sectors in Argentina and South America.

Governance and Risk Management

Governance

The **Orocobre** Board comprises eight Directors with significant public company management experience and strong backgrounds in exploration, project development, operations management, financial markets, and accounting. The Directors bring a diversity of experience from different industry sectors and geographies. We have adopted a gender diversity target for the Board of a minimum two female directors or 30% of the Board.

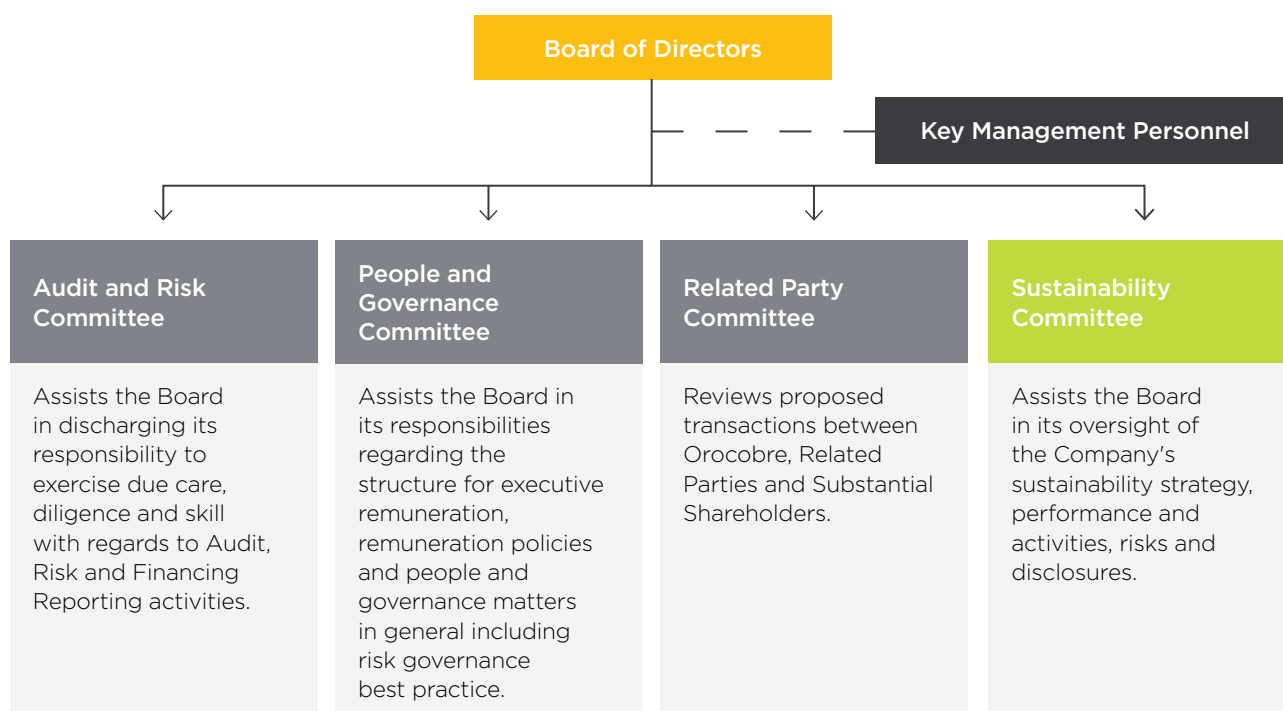
Orocobre also has an Executive Leadership Team responsible for all areas of the business. The Board are supported by a series of Committees, each with defined Charters and responsibilities.

During FY20, the Orocobre Board Sustainability Committee was formed and met twice. The Board Sustainability Committee is responsible for the governance of the strategy, performance, risk management, and reporting in the area of sustainability.

During FY20, the sustainability area was led by the Orocobre Chief Sustainability Officer, who monitored sustainability risks and performance, and provided reports to both the Executive Leadership Team and the Sustainability Committee.

For more information on how we manage governance at Orocobre, see the [Governance and Ethics Management Approach Disclosure](#) and [Governance Performance Data](#). To access additional documentation such as Code of Conduct, and other key policies supporting the Orocobre governance framework, please refer to the [Corporate Governance](#) page of the Orocobre website.

Board Sustainability Committee



Sustainability Strategy

We believe that our Sustainability Strategy needs to be evident in the way all our employees contribute to the long-term value of our company. The central focus of this Strategy is on three aspects: These are safe and sustainable operations, thriving communities, and responsible products that promote the transition to a net zero carbon future.

Figure 2 – SDG links with our Sustainability Strategy

Vision:

“To be a sustainable, world class supplier of lithium and borate chemicals”



Safe and Sustainable Operations

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

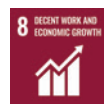
We set clear safety, environmental and social objectives and foster a culture of collaboration and continuous improvement to drive efficiency, quality, and sustainable development.



Thriving Communities

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

The Community Investment Strategy defines how Orocobre manages, monitors, and reports performance against community-based sustainable development commitments. We believe in creating shared value.



Responsible Products

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

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



We are aware of the role our company plays in contributing to the United Nations Sustainable Development Goals (SDGs). We continue to develop our understanding of the links between the activities associated with our operations, our communities and our products and the SDGs. As demonstrated in Figure 2, we have identified SDGs that are central to the way that we develop our shared value initiatives in the communities where we operate. We illustrate these further in our community [case studies](#). We also make significant contributions to economic activity and job creation in these communities and provinces.

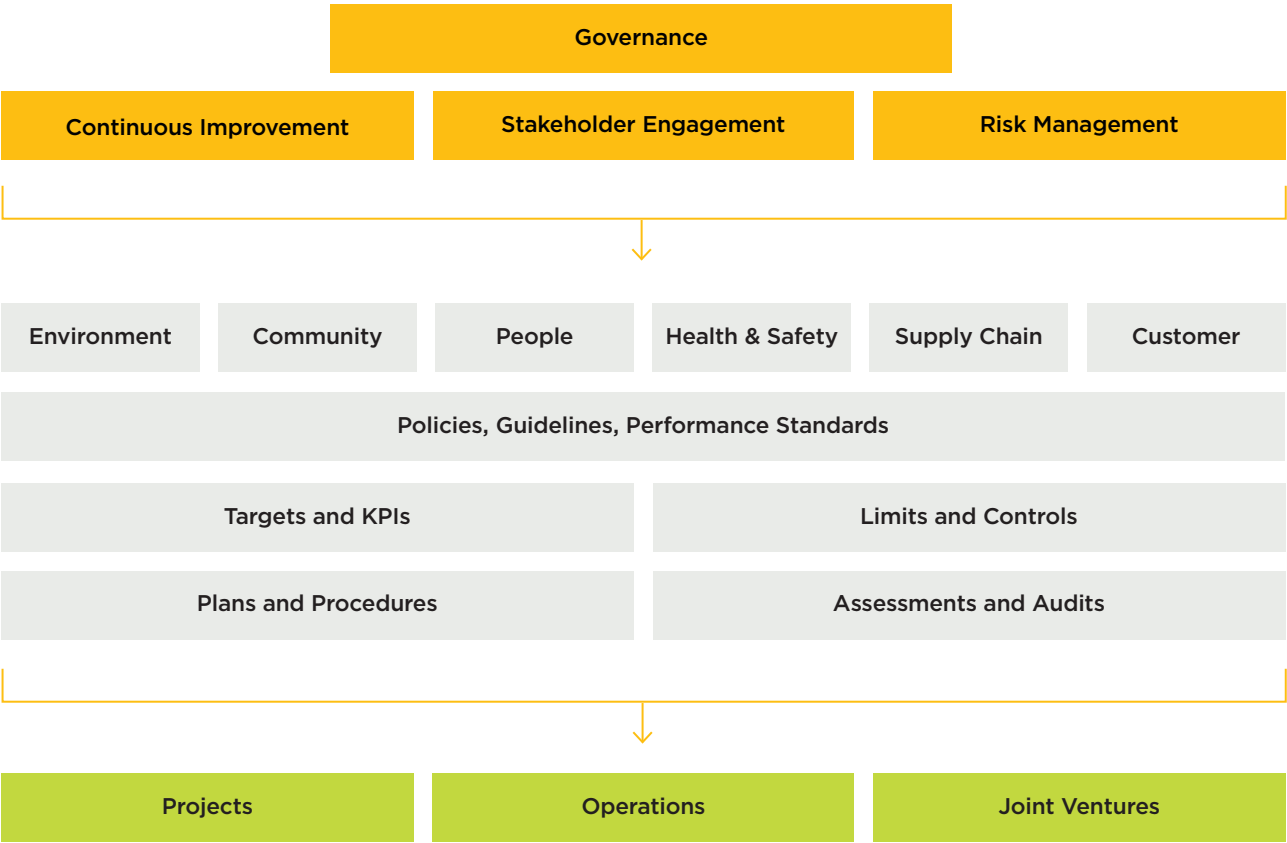
Our lithium products form part of a critical, sustainable supply chain for battery products that support the transition to sustainable energy for storage and electronic vehicles.

We are particularly interested in how our products contribute to an increase in the availability of clean fuels and energy, reducing the consumption of non-renewable fuels. We have a long-standing commitment to reporting the GHG emissions associated with the extraction and processing of our lithium products and have put in place targets to further reduce our emissions intensity.

At our operations, we focus on minimising environmental impacts, increasing resource use efficiency and looking after the health, safety and labour rights of our workforce. We also address potential risks and opportunities with contractors and throughout our supply chain.

Sustainability Framework

The Orocobre sustainability management framework is shown below.



This is a dynamic framework and so we will continuously develop and implement the policies, guidelines, targets, plans and procedures for each area.

Risk Management

Orocobre Risk Management Framework

Orocobre implements the Risk Management Standard ISO 31000, which enables a comprehensive risk approach across all areas of activity. A breakdown of our key risks and mitigation actions during FY20 can be found in the [Orocobre Annual Report](#). Standalone risk assessments are also conducted in accordance with existing policies for areas requiring specific methodological approaches. These assessments are conducted independently but the outcomes are considered in conjunction with our enterprise risk management framework.

Environment and Social Risk Assessment

Environmental Impact Reports required for each of our operations provide a more detailed breakdown of actual or potential impacts on local communities and the environment surrounding our operations. Further information regarding these risk assessment processes and associated stakeholder engagement can be found in the [Community Engagement Management Approach Disclosure](#).

Climate Change Risk Assessment

We acknowledge that our climate is changing, and risks and opportunities are emerging across medium and long-term horizons. These risks need to be identified and assessed in the short term to be effectively managed in the future.

During the reporting period, and consistent with the commitment in our FY19 report, we have been continuing our first formal Climate Risk Assessment in line with recommendations of the Task Force on Climate-related Financial Disclosures (TCFD). The objective of this assessment is to provide greater understanding of climate-related risks and opportunities so that they can be integrated effectively into strategic, and operational decision-making.

A summary of our progress against the recommendations of the TCFD is outlined below.

Governance

We have established a robust governance structure for the management of climate-related issues at the Board level, with the Sustainability Committee and Audit and Risk Committee having oversight of climate-related issues. Our focus is now on education across the broader group to clarify management's roles and responsibilities, and their interaction with the Board level committees.

Risk Management

We completed a top-down risk assessment during this year, identifying both physical and transitional climate-related risks and opportunities along the value chain.

A climate risk matrix has also been developed to assess the potential financial materiality of the identified risks and opportunities. Our executive team have applied this matrix to the identified risks and opportunities to prioritise them. Our focus for FY21 is for our climate related risks and opportunities to be integrated into the Orocobre risk management processes.

Strategy

We have defined what short, medium and long-term mean to our business from a climate change perspective. Two climate scenarios out to 2040 were used to guide the identification of risks and opportunities in the climate risk assessment. A summary of each of the scenarios we used in our assessment is included on the next page.

Our climate management approach acknowledges the impact of climate-related issues on our business and strategy, across products and services, supply chain, communities, adaptation and mitigation activities, investment in research and development, and operations.

2040 Climate Scenario Summaries



Scenario 1

Ambitious, coordinated global action

In this scenario, the goals of the Paris Agreement are achieved with signatories of the Paris Agreement significantly ramping up their ambition from 2020 onwards. This would result in global emissions peaking shortly after 2020 and trending down thereafter, achieving a 30% (for a below 2°C pathway) to 50% (for a 1.5°C pathway) reduction by 2030 (on current levels).

- The shift in the global economy is supported by international, national and sub-national policy and market frameworks, global emissions trading, and action by businesses and consumers.
- The growth in residential and commercial renewable energy deployment and the rapid move to EVs is accompanied by a significantly increased demand for battery storage systems.
- Consequences of physical risks are contained, even though already locked-in impacts are still felt.



Scenario 2

Patchy, insufficient progress

This scenario is set in a world where governments deliver on policies presently in place at the time the assessment was carried out, but nothing else. This results in about 3.2°C warming above pre-industrial levels, missing the goals of the Paris Agreement.

- Continued reduction in cost of new energy technologies assists the clean energy transition; however, the momentum is not enough to offset the effects of an expanding global economy and growing population.
- Limited policy intervention results in an uncoordinated transition, both at the national and international levels.
- Physical aspects of climate change are increasingly felt across the world. Uncertainty on when climate thresholds will be crossed remains.

Metrics and Targets

We monitor climate-related metrics, such as water usage and intensity, energy consumption and intensity, absolute emissions and emissions intensity, waste and biodiversity at the Olaroz Lithium Facility. This year we have been implementing the measurement of these metrics for the Borax Argentina segment of our business. Preliminary emissions reduction targets have also been established for the Olaroz Lithium Facility and are stated below.

Preliminary Targets

Indicator	FY20	FY 20 Achieved	FY25	FY30
Process Heat intensity (GJ/t LCE)	< 23.5	20.74	< 22	< 20
Operational Scope 1 emissions (tCO ₂ -e)	< 39,500	36,422	< 38,000	< 35,000
Operational emissions intensity (tCO ₂ -e / t LCE)	< 3.14	3.06	< 3	< 2
% Energy from Renewables	0	0	5%	20%

For detailed information on how **Orocobre** manages the Company's risks, see **Risk Management** and **Climate Management Approach Disclosures**.

Human Rights Risk Assessment

During the reporting period, we conducted the first phase of our Human Rights Risk Assessment. This assessment followed the guidelines of the UN Guiding Principles for Business and Human Rights. Where potential issues were identified, their extent, scale and remediation actions were analysed and prioritised based on the severity of the actual and potential impact on those affected, and relevance of the issue to Orocobre.

This assessment also forms the basis for the development of our annual Modern Slavery Statement that we will submit to the Australian Government in early 2021. Practices that constitute modern slavery include forced labour, debt bondage and the worst forms of child labour. Where any potential risk factors are identified in our supply chain we will work with our partners and suppliers to increase transparency and minimise risk.

We acknowledge that to respect human rights, we need to take the approach that we should aim to '*Do no harm anywhere*' in relation to contextual human rights issues in our operations and supply chain including addressing:



- Operations and Supply Chain
- Labour Rights and Safety
- Access to Remedy



- Cumulative Impacts
- Land
- Environmental Impact



- Free, Prior and Informed Consent, Social and Cultural Identity
- Indigenous Peoples
- Bribery and Corruption

Orocobre has been active in *promoting* human rights for many years in the communities where we operate. More information about these activities can be found in the Communities section of this report and in our [Management Approach Disclosure on Human Rights](#), [Community Engagement](#), [Community Empowerment](#) and [Community Investment](#).

Future Focus for FY21



Continue implementation of our TCFD roadmap.



Submit our Modern Slavery Statement to the Australian Government.



Train and define working groups to make up a Sustainability Taskforce who will take long-term ownership of achieving our sustainability goals across our operations.



Develop training courses on Human Rights for leaders at Olaroz Lithium Facility and Borax Argentina.



Continue aligning our actions with the Sustainable Development Goals (SDGs) and prioritising using the SDG Compass.



COVID-19 Impact and Response

As of 30 June 2020, Argentina had recorded nearly 65,000 cases of COVID-19 and nearly 3,500 deaths. Despite these conditions we managed to successfully prevent any infections of personnel at our operations in FY 2020. Subsequent to the end of the year, worldwide cases increased significantly and a COVID-19 infection was identified for the first time at our operations.

In accordance with the Orocobre Bio-Security Protocol, isolation procedures and contact tracing were conducted. Affected staff were relocated to Jujuy for medical treatment as required and have since recovered and returned to work. Operations were suspended for two days to allow cleaning and rotation of staff.

As the worldwide pandemic took hold the immediate impacts experienced at our sites were related to a lockdown of operations during March and April 2020. Activities were halted for 21 days at the Olaroz Lithium Facility and for 6 days at Borax Argentina, following the issue of government regulations. During this time, our priority was the health and safety of our employees and their families as well as the impacts on our suppliers, contractors, and local communities.

A COVID-19 Safety Committee was set up and put in place mechanisms to maintain transparent communication and provide prompt and responsive feedback to our stakeholders.

We developed and implemented a Bio-security Protocol which was based on industry best practices, recommendations from governmental authorities, employees, local communities, and the Mining Chamber. After being declared *Essential Services* by the government of Argentina we resumed production at our sites with adapted operating practices allowing for continuity of business whilst minimising contagion risk in our operations and within the communities where our people live.

Our Stage 2 Expansion Project at Olaroz experienced delays due to restrictions placed on movements of people throughout the region. This resulted in a reduction in the available onsite construction workforce. During the final four months of the reporting period, contractor working hours were reduced by approximately 90% compared with pre COVID-19 hours. Through the remainder of the year, we continued to respond to the changing needs of our stakeholders as outlined below.

Our People

During the period of reduced site-based activity, our people in management and administrative teams remained engaged with the company while working remotely from home.

In order to take care of employees and their families' health, Human Resources and Risk Management teams undertook special preventive actions such as follow-up of employees with symptoms, online cafés where we assessed our employees home working environment, and daily health checks and controls for all staff travelling to our operating sites.

Our Biosecurity Protocol implemented during the reporting period included the following actions to help keep our people and communities safe:

- Tests for all employees and contractors 48/72 hours before the start of each roster
- Preparation of an isolation module and emergency plan to be implemented in the case of any on-site infection exposure
- Daily medical checks and follow-up of all employees and contractors for symptoms
- Implementing a transport protocol including checklist to minimise potential close contacts during travel to site.
- Providing a list of prevention actions to all families of employees to reduce community spread minimise risk of infection during non-work periods
- Requiring transport drivers to have a negative test (no more than 48 hours before being on site)
- Ensuring rosters did not include employees from any COVID-19 community circulation areas (Red zones).

Communities

Our commitment to developing strong stakeholder relationships in our communities enabled us to quickly mobilise and assist our communities adapt to the changing requirements of the pandemic. The following case studies, available on our website, outline examples of how we worked with our communities to reduce impacts of the pandemic by facilitating the local production of fresh food and donating approximately AR\$10,600,000 in health and medical equipment.



Case Study

Family Food Production Units (UPAF)

Direct Contribution



Indirect Contribution

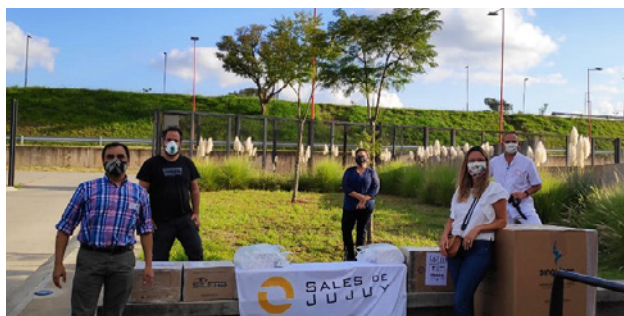


Shared Value Pillar

Health

Communities

Coranzulí, Huáncar, Susques



Case Study

Donations Program

Direct Contribution



Indirect Contribution



Shared Value Pillar

Health

Communities

Area of influence of the Company

Suppliers and Contractors

With our assistance, many local suppliers were able to implement versions of our Bio-security Protocol within their organisations and maintain their operations. A Support to Local Suppliers program was also designed to assist local suppliers minimise negative financial impacts to their companies during this period. As part of the program administrative assistance was provided to help suppliers access benefits and loans granted by the Argentine State. We redistributed tasks and duties on site at the Olaroz Lithium Facility and Expansion Project so that contracts for supplies and services could be maintained as much as possible. We also worked with local suppliers as required to address their individual needs and give necessary support.



Case Study

Support to Local Suppliers Program

Direct Contribution



Indirect Contribution



Shared Value Pillar

Empowerment

Communities

Area of influence of the Company

Market

In early FY20, we had taken economic and financial measures to be better prepared for weak lithium market conditions. These preparations not only made us stronger for the long term, but also helped us in the short term, alleviating the impact of COVID-19 on operations and financial performance. The pandemic resulted in some interruptions in operations of our customers in the cathode, battery and manufacturing industries but has also seen some accelerated commitments from some jurisdictions related to EVs. It remains unclear when this will be reflected in lithium prices.

An aerial photograph of a dry, cracked riverbed. A crosswalk with white stripes and black bollards crosses the riverbed. Several power lines with wooden poles run parallel to the riverbed. The ground is light brown and heavily cracked.

Our 2020 Focus Areas

Understanding who our stakeholders are, listening to their concerns and ideas, and being responsive to their needs is how we maintain our long-term business value. We assessed the issues most important to our stakeholders during the reporting period and responded to these in our reporting.

Our Stakeholders

We maintain formal and informal engagement channels with our stakeholders and work in cooperation with them to address matters as they arise.

The table below describes how we engage with our key stakeholder groups.

Stakeholder group	Engagement method
Employees	Induction workshops, direct and continuous personal dialogue, engagement and consultation meetings, suggestion boxes, annual performance reviews, employee satisfaction surveys, visits from Plant Director, “Resguarda”/Whistle blower employee hotline, Intranet, newsletters, e-mails, bulletin boards, WhatsApp and social media.
Contractors	Induction workshops, contractual agreements, safety training, direct and continuous personal dialogue, suggestion boxes, Intranet, newsletters, e-mails, bulletin boards.
Suppliers	Supplier surveys, meetings and annual supplier breakfast, annual performance review, suggestion box
Customers	Customer relations managed directly by TTC, regular checks regarding needs, satisfaction surveys, e-mail communication, QA team involvement
Communities	Continuous dialogue with Shared Value team, development programs and evaluation activities, monthly assemblies, religious and cultural events, monthly municipal meetings, participation in environmental monitoring, communication in person, by phone and WhatsApp, meetings with community institutions, communication of suggestions and special requests by email
Local governments	Meetings and presentations, spaces for debate and public-private dialogue, public-private linkage programs, e-mails, phone calls and direct engagement
Non-Government Organisations (NGOs)	Meetings as required, e-mails, phone calls and direct engagement NGOs can often be a proxy for the environment (physical and socio-economic) and needs of future generations
Unions	Direct face to face communication, formal negotiations and approval for changes, union representative within workforce, e-mails, phone conversations
Regulatory bodies	Audits, monthly, quarterly, half and full-year reports and surveys, permit and licence submissions, permits and authorizations
Investors and shareholders	Australia and Toronto stock exchange disclosures via web and emails, periodic disclosures via quarterly, half and full-year reporting and the Annual General Meeting, specific information disclosures via ASX releases, surveys and interviews, roadshows, Annual Report, phone calls, one to one meetings, conferences, teleconferences and webcasts
Joint Venture Partners	Regular meetings with Toyota Tsusho Corporation/JEMSE, technical assistance, meetings with business representatives
Industry peers	Communication via emails and forums, dinners, seminars, conferences and events with industry peers, discussions on relevant issues

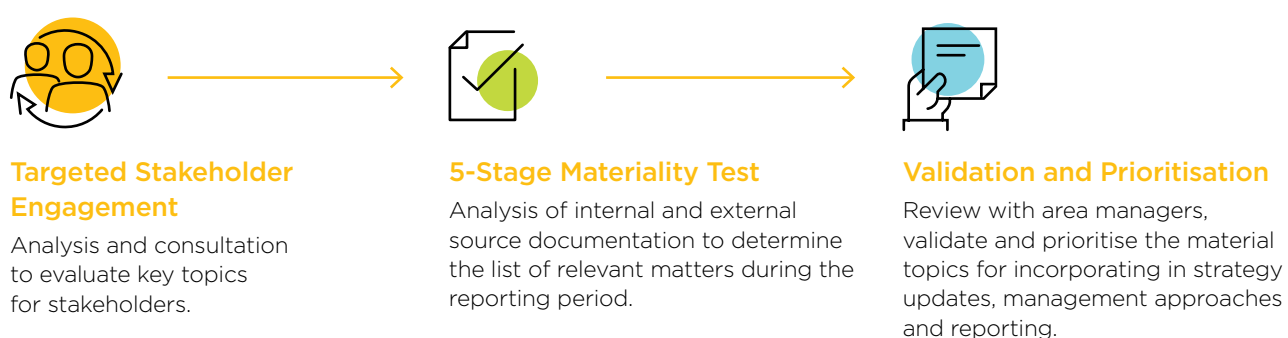
For more information, see [Management Approach Disclosures](#) on Stakeholder Relations.

Materiality Assessment

In addition to our ongoing stakeholder engagement processes, each year we carry out a sustainability materiality assessment. This assessment assists us in determining the most material topics for our stakeholders during each reporting period.

We can then confirm that these topics are addressed appropriately in our strategy and management processes and respond to these issues in our public disclosures. This assessment is made up of three core stages as outlined below.

The outcomes of the materiality assessment for FY20 are summarised in the matrix below.



Materiality Matrix

● Strategic ● Relevant ● Important



In the table below we have provided the location in the report where each of these topics is addressed. We have also included the references where more detailed information regarding our management approach and relevant performance data is available.

Response to Material Topics for 2020

N°	Material topic	Location in the Report	Related Management Approach or Case Study	Related Performance Data	Related GRI Standards
1	COVID-19 Response	COVID-19 Response	Risk Management; Health and Safety; Quality	N/A	403 – Occupational Health and Safety
2	Management of Health and Safety	Health and Safety	Health and Safety	Health and Safety	403 – Occupational Health and Safety
3	Product Price and Quality Assurance	Value Chain and Annual Report	Quality	Value Chain	Company's Indicators
4	Local Employment	Communities and Shared Value	Community Empowerment	Communities/ People	203 – Indirect Economic Impacts
5	Local Procurement	Value Chain	Community Empowerment	Communities/ Value Chain	203 – Indirect Economic Impacts
6	Environmental Management (including storage facilities)	Environment	Waste; Energy and Emissions; Biodiversity	Environment	302 – Energy 304 – Biodiversity 305 – Emissions 306 – Effluents and Waste 307 – Environmental Compliance
7	Climate Change Risk	Risk Management/ Environment	Climate Change; Energy and Emissions;	Environment/ Risk Management	302 – Energy 305 – Emissions
8	Community/ Indigenous Engagement	Communities and Shared Value	Community Engagement	Communities	411 – Rights of Indigenous Peoples 413 – Local Communities
9	Responsible Supply Chain	Value Chain	Supply Chain; Support to Local Suppliers Case Study	Value Chain	204 – Procurement Practices
10	Water Extraction, and Basin Management	Environment	Water and Effluents	Environment	303 – Water 306 – Effluents and Waste
11	Human Rights Risk	Risk Management	Risk Management; Climate; Human Rights	Governance/ Environment	412 – Human Rights Assessment
12	Business Growth and Expansion	Our Operations and Growth Projects	Tax and Financials	Economic and Financial Performance	201 – Economic Performance 207 – Tax
13	Training and Development of our People	People	Training and Development; Diversity and Inclusion	People	401 – Employment 404 – Training and Education
14	Employee Engagement in the COVID-19 Response	COVID-19 Response	Employee Engagement	People	202 – Market Presence 405 – Diversity and Equal Opportunities
15	Community Impacts of the COVID-19 Response	COVID-19 Response	Community Investment; Donations in Response to COVID-19 Program Case Study; Family Food Production Units (UPAF) Case Study	Communities	413 – Local Communities

- Labor practices matters ● Community matters ● Environmental matters
- Economic matters ● Governance, ethics and risk matters

Our 2020 Performance

Health and Safety

We continue to focus on health and safety across all our operations and this year, we have expanded our reporting scope to include safety reporting metrics from our Borax Argentina operations. We are focused on preparing for the shift from OHSAS 18001 to the new International Standard for Occupational Health and Safety (ISO 45001). We expect this certification to be finalised during early 2021.

This year, we continued to implement the Intelix cloud based environmental, health, safety, and quality management system across our operations. During the reporting period, 80% of the system customisation was completed. We expect that the full system start-up will noticeably enhance a culture of monitoring and reporting across the business due to the real time notification of safety observations and incident follow-up investigations.

Olaroz Lithium Facility

The Stage 2 Expansion Project activities at our Olaroz Lithium Facility have required a renewed focus on contractor safety from our risk and safety teams on site. As a result of this, we have created a new subcommittee focused specifically on contractor safety management. The ongoing work is evident in our improved safety results this year. Even with a significant increase in on site activities, we achieved an improvement in our Lost Time Injury Frequency Rate (**LTIFR**) across our combined employee and contractor workforce at the Olaroz Lithium Facility.

Borax Argentina

Safety performance for Borax Argentina has not been in line with expectations. Four incidents (3 employee and 1 contractor) that occurred during the last quarter of this year significantly impacted our safety statistics for these operations.

We are committed to a focused approach on health and safety in our Borax Argentina operations that results in all our employees and contractors being competent and responsible for implementing measures to keep themselves and those that they work with safe. In response, we are restructuring our safety team, increasing the presence of Managers, Superintendents and Area Supervisors at our operations, as well as helping operators and supervisors raise awareness about safe work practices. Training courses were carried out this year across our operations with a specific focus on Health and Safety.

Key Performance Indicators

The following table shows our key safety performance indicators for FY20 for employees and contractors at the Olaroz Lithium Facility and Borax Argentina. There were no fatalities recorded during the reporting period. There were 16 Total Recordable Injuries (**TRI**) across all sites. The Lost Time Injury Frequency Rate (**LTIFR**) and the Total Recordable Injury Frequency Rate (**TRIFR**) improved for the Olaroz Lithium Facility overall however, there was an increase in the TRIFR for contractors. Due to the small number of contractors on site at our Borax Argentina operations, the single contractor injury that occurred there equates to a very high frequency rate in this case.

Year	Olaroz Lithium Facility			Borax Argentina			Group
	Employees	Contractors	Total	Employees	Contractors	Total	Total
LTIFR							
FY20	0.0	3.1	1.9	3.6	14.0	4.4	2.5
FY19	3.3	3.3	3.3	2.5	0.0	2.3	3.0
TRIFR							
FY20	1.8	3.8	3.0	8.3	14.0	8.8	4.5
FY19	3.3	3.3	3.3	3.8	0.0	3.4	3.3

1 TRIFR: number of lost time, medical treatment, restricted work and fatality incidents per million person hours worked

2 LTIFR: number of lost time injuries per million person hours worked

For more information on **Orocobre's** Safety performance, see [Management Approach Disclosures](#) and [Performance Data](#) on Health and Safety.

Future Focus for FY21



Continue standardising and improving metrics for safety, health, and environment at the Olaroz Lithium Facility and Borax Argentina.



Create the Intelix dashboard for follow-up of safety KPIs the Olaroz Lithium Facility and Borax Argentina.



Maintain focus on reducing TRIFR at Borax Argentina sites and maintain TRIFR <3.0 at the Olaroz Lithium Facility operations and Phase 2 Expansion project.



Update to ISO 45001 certification.

Case study

New Multi-Specialty Medical Centre

Our new Multi-Specialty Medical Centre at the Olaroz Lithium Facility was opened this year to meet the safety and health requirements of our workforce, contractors working on site, and any other person or visitor that may require medical assistance. Additional information about our new Medical Centre is available in the [Health and Safety Management Approach Disclosure](#) on our Website, as well as in this introduction [video](#).



Value Chain



Our Customers

We supply Lithium and Borate chemical products to a range of customers in Asia, Europe, North and South America. TTC are the exclusive sales agent for our Olaroz lithium carbonate products under a joint marketing committee arrangement. We work with our partners and customers to respond to their changing needs and adapt our product specifications and reporting to meet their requirements.

Product Quality and Transparent Value Chain

This year, quality teams at the Olaroz Lithium Facility and Borax Argentina worked with customers to improve our product packaging processes. At the Olaroz Lithium Facility, we created 8 new product specifications to continue to improve consistency of delivery.

The sustainability of the lithium value chain is increasingly in the spotlight with the roll out of lithium-ion batteries playing such a central role in the transition to a net zero carbon economy. Our partners and customers in the EV and battery storage industries are demanding transparency particularly in relation to carbon emissions and responsible supply chains.

We can be responsive to these requests due to our long-term commitment to sustainability and our transparent reporting of water and carbon intensity data from operations at the Olaroz Lithium Facility.

For more information of **Orocobre's** management of these matters, see [Management Approach Disclosures](#) on **Quality** and **Supply Chain** and [Performance Data](#) on **Value Chain** and **Energy and Emissions**.

Key Performance Indicators

Olaroz Lithium Facility

11,922t

Lithium Carbonate
Produced

94%

Process Capability Index¹

Borax Argentina

44,062t

Product sold²

98.5%

Conforming Product Index³

¹ Process Capability Index: % of Analytes with Cpk >1

² Combined product volumes include borax chemicals, boric acid and boron minerals

³ Percentage of product conforming to specification/total production. The conforming product index is equivalent to the process capability index used for Olaroz Lithium Facility.

Our Suppliers

To increase transparency in our own supply chain and support our commitment to the UN Guiding Principles for Business and Human Rights and our obligations under Australian Government Modern Slavery Legislation, we have developed a Supplier Code of Conduct for suppliers at our Olaroz Lithium Facility operations and expansion project. The Supplier Code of Conduct defines our commitments and expectations regarding Supply Chain Management and requires our suppliers to demonstrate adherence to policies regarding Human Rights, Environment, Labour and Corruption. These policies are available on our [website](#).

Contract-specific social, human rights, environmental, and financial screening criteria are also used when inviting vendors to provide products or services. For any contractors working on our sites, appropriate health and safety performance is considered critical. The Health, Safety and Environment teams and Risk Management teams support the Procurement teams with site-based inspections and evaluation of suppliers.

Case Study

Local Supplier Grows to be an International Supplier

Many of our local community members who own businesses are native of Pueblo de Atacama. One of these businesses is Gemar, a transportation company that currently has 70 employees (mostly from the local communities) and around 12 vehicles including semi-trailer-trucks, tipper lorries, truck cranes and hopper trucks.

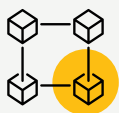
Gemar started to provide services to the Olaroz Lithium Facility in 2011, when it was a small company engaged in general cargo and water transportation. Over the last 9 years Gemar has grown to an international transportation company that not only provides us with transport services, but also services other mining companies in the region.

For Orocobre, this milestone means that one of our local suppliers was crucial to transport lithium carbonate from Olaroz, Argentina, to its final destination. The success of this project was possible thanks to the cooperation of the Outbound and Export, Shared Value, Risk Management and Procurement areas.

In line with the goal of developing and strengthening capabilities, the Company is currently working with five other transportation providers from the local communities, that participated in the “Development of Logistical Suppliers” program. This program provides specific guidance of the sustainable management of cargo transport (both for the Company and its contractors) and is based on training and controls based on 7 operational pillars:

- Leadership and Commitment
- Vehicle Management
- Driver Management
- Trip Management
- Contractor Management
- Plant Conditions (on-site)
- Off-site Conditions.

Future Focus for FY21



Continue working on the best packaging alternatives, to minimise or avoid product handling, and ensure that quality is intact when product is received by customer.



Complete environmental and social assessment for key suppliers for Olaroz Lithium Facility focusing initially on suppliers from regions or products identified as higher risk for modern slavery.



Continue to implement and begin reporting on any breaches of our Supplier Code of Conduct.



Work with our local suppliers to develop metrics to reflect improved performance and development.

Environment



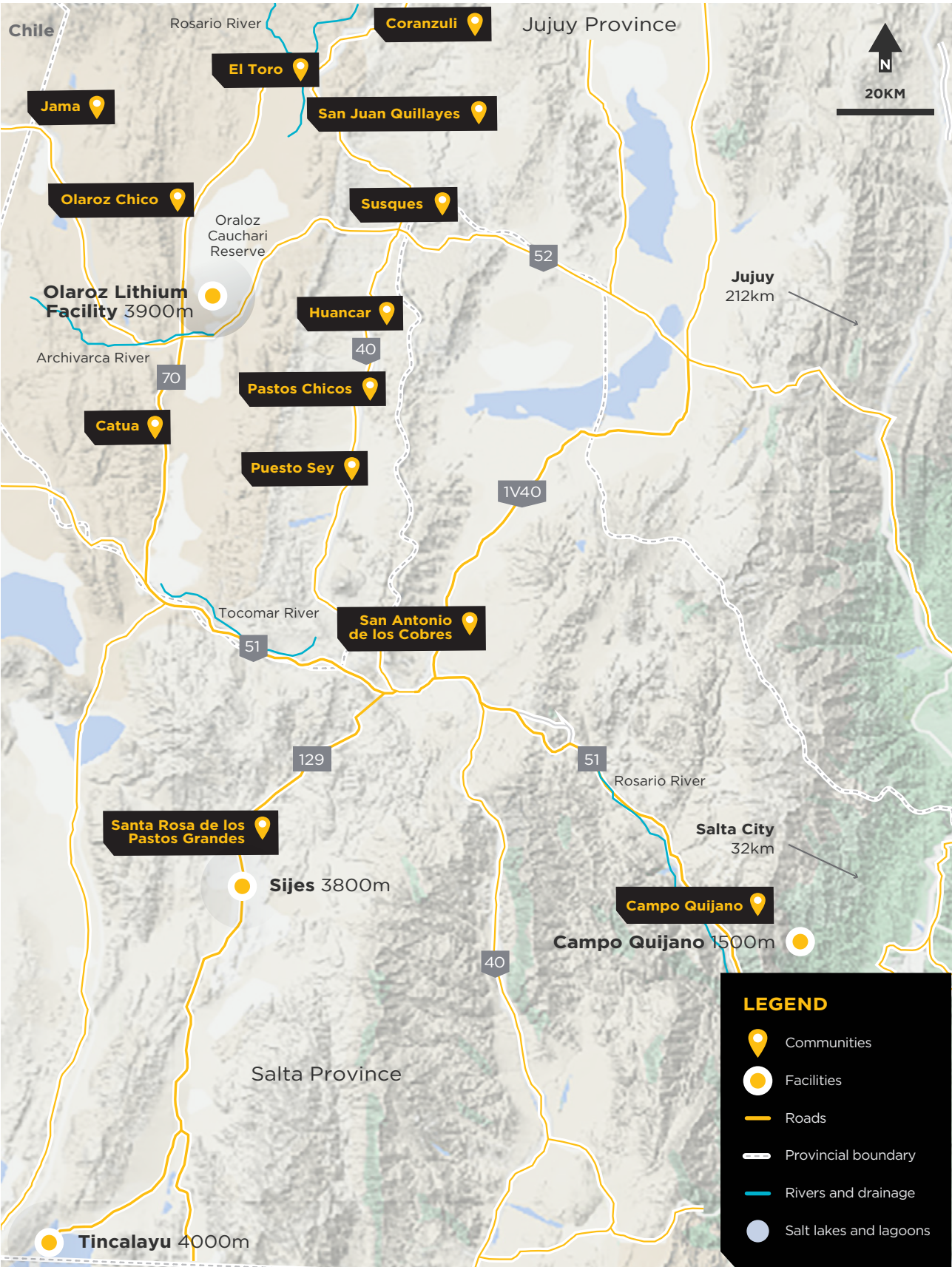
Monitoring and reporting on our environmental impact is a regulatory requirement for our Olaroz Lithium Facility and Borax Argentina operations.

Each project requires the approval of an Environmental Impact Report which must be updated every two years. This requires regular environmental impact monitoring activities and ongoing consultation with local communities and regulatory authorities. Monitoring activities address flora and fauna surveys, surface, groundwater and soil quality, gas emissions, air quality, environmental noise, sewage, and industrial waste. Carrying out these studies has become a great opportunity to engage with local communities and identify opportunities to develop shared value. Our [Environmental Policy](#) is available on our website.

We have always monitored our energy and water use from an ongoing operational improvement perspective. Our customers and investors are also increasingly interested in our environmental impacts and in particular, the water and energy use and carbon emissions intensity of our Olaroz Lithium Facility operations. We monitor water related risks associated with our operations and have assessed each site against the World Resources Institute Aqueduct Water Risk Atlas database. None of our operations are located in areas of high water stress.

This is the first year that we have included key performance indicators from our Borax Argentina operations in this report. We have also carried out an external check of a selection of our [key environmental performance indicators](#) in preparation for third party assurance.

Site locations and surrounding environment



Map data ©2021 Google

Overview of Environment for the Olaroz Lithium Facility

Our Olaroz Lithium Facility is located at approximately 3900m elevation in the Salar de Olaroz in the Olaroz-Cauchari basin. The climate is dry with very low rainfall. Operations involve the extraction of brine from deep wells in the Salar, pumping of the brine to the evaporation ponds and the removal of magnesium via the addition of lime as the brine enters the pond system, solar evaporation to concentrate the lithium in the brine and finally the processing of the concentrated brine to produce lithium carbonate in a sophisticated chemicals plant prior to returning the spent brine to the ponds. The principal waste product is sodium chloride salts precipitated from the concentrating brine which are either retained permanently in the pond system of harvested and stockpiled nearby.

Our operations are permitted within the Olaroz-Cauchari provincial fauna and flora reserve. This reserve was created in 1981 with the primary goal of protecting the endangered *Vicugna vicugna* (vicuña) species. Since operations started the numbers of vicuña have increased.

The underlying geology of the basin and climate conditions result in the presence of only unpotable groundwater on site that is not suitable for safe human or livestock consumption.

The most material environmental impacts of our operations at the Olaroz Lithium Facility are demonstrated in the diagram below. Our operational teams are always reviewing these processes and identifying opportunities to increase efficiency, enhance productivity and reduce environmental impact. To assist this, during the year, we installed 16 flow meters to improve the measuring of in-process water and we have also included an additional key performance indicator in our reporting to measure the amount of recirculated water used.

Impact of our Operations on the Environment

Water

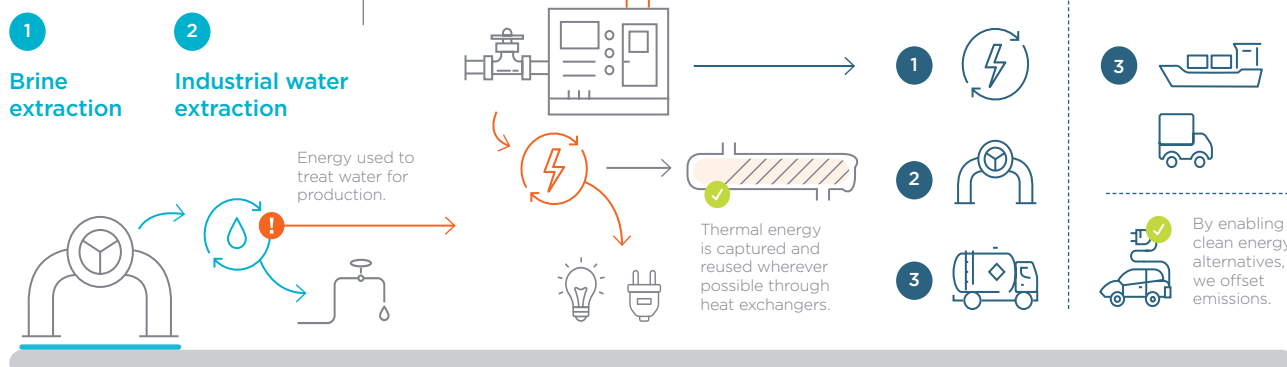
There are two sources of water extraction: brine from the salar and industrial water (groundwater) which is treated and used for processing. Water is returned to the evaporation ponds after processing to recover residual lithium. There are no discharges to the environment.

Energy

Energy is generated by the natural gas generators to power processes in the production plant and provide electricity for the camp.

Emissions

There are 3 main emission sources; energy generation, process emissions and transport related emissions.



Overview of Environment for Borax Argentina

Our Borax Argentina operations are carried out at three sites, two of which (Tincalayu and Sijes mines), are located at approximately 4,000m elevation in the Puna with the third site at Campo Quijano near Salta City at approximately 1100m above sea level.

The Tincalayu mine is located in the hills to the north of the Salar del Hombre Muerto. The site comprises an open cut mine where tincal ore is mined and a chemicals plant where the tincal ore is processed to produce borax decahydrate and borax pentahydrate chemicals by a relatively simple process.

The Sijes mine is in the Pozuelos – Pastos Grandes basin. The mine comprises an open cut mine where hydroboracite ore is mined and a concentrator where the ore is upgraded to a variety of hydroboracite mineral concentrates. The beneficiation processes implemented at this site do not require water and the only water extraction that occurs here is for domestic purposes. The concentrates are either sold directly or used as a feedstock to produce boric acid at the company's headquarters in Campo Quijano.

The Campo Quijano facility is located on the edge of the town of Campo Quijano. Boric acid is produced here from the hydroboracite concentrate and anhydrous borax is produced from borax pentahydrate. Campo Quijano plant uses the water utility network for domestic consumption, and a groundwater well for industrial use. The water quality at the Campo Quijano plant is monitored on an ongoing basis, both upstream and downstream from our operations.

The areas where we operate are also shared with other exploration and mining operations. We monitor any cumulative impacts in our regulatory environmental impact reporting and have not observed any significant ecosystem impacts through this process.

During the reporting period, community engagement for our environmental impact reporting was conducted with local participants from Campo Quijano, and in the Puna sites with monitors of the Community of Santa Rosa de los Pastos Grandes. A second session was scheduled but was delayed by mutual agreement due to the COVID-19 pandemic. Compliance with this regulatory requirement is planned for next fiscal year.

Evaporation Facilities

Borax Argentina and the Olaroz Lithium Facility both utilise evaporation ponds which are designed to remove excess water at various stages of operations. Evaporation ponds are not included in the general understanding of Tailings Storage Facilities (TSF). However, to clarify our operations, we developed a discussion paper in September 2019 that is available on our [website](#). The type, volume and area of each of our ponds and stockpiles are available in the discussion paper.

The primary function of evaporation ponds at the Olaroz Lithium Facility is not to store waste but to contain lithium rich brine and allow natural evaporation to further concentrate the brine over a period of 9-12 months. The ponds are approximately one metre deep and more similar to shallow water dams than to Tailings Storage Facilities. The pond wall construction is of the downstream method using compacted sand and earth with an impermeable liner placed on the interior.

At the end of operations at the Olaroz Lithium facility, the closure and restoration plan is for the ponds to be left with the solid salts, covered with sand and revegetated with native plants. Salts taken and stockpiled during the harvesting of the ponds will also remain.

Our Borax Argentina mining operations at Tincalayu and Sijes do not require a TSF. The boric acid plant at Campo Quijano utilises evaporation ponds and waste dumps for storage of excess process water and solid waste.

Key Performance Indicators

There were no environmental notices of violations (NOV) or fines issued for any of our Olaroz Lithium Facility or Borax Argentina sites during the reporting period.

Water Use

Olaroz Lithium Facility

We do not extract any fresh water at the Olaroz Lithium Facility. Industrial groundwater is collected from wells for the following uses at our site.

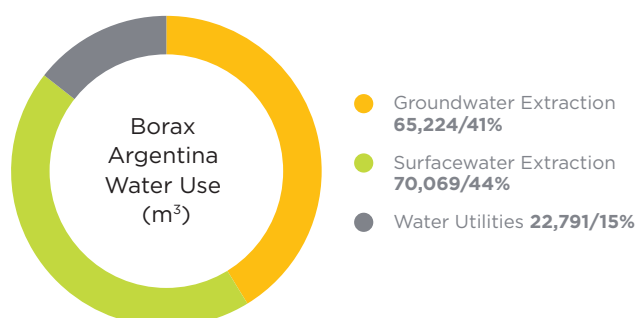
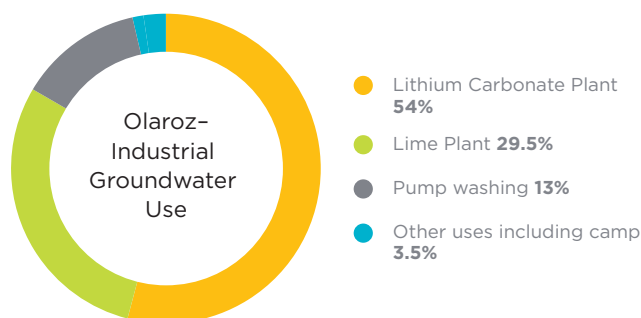
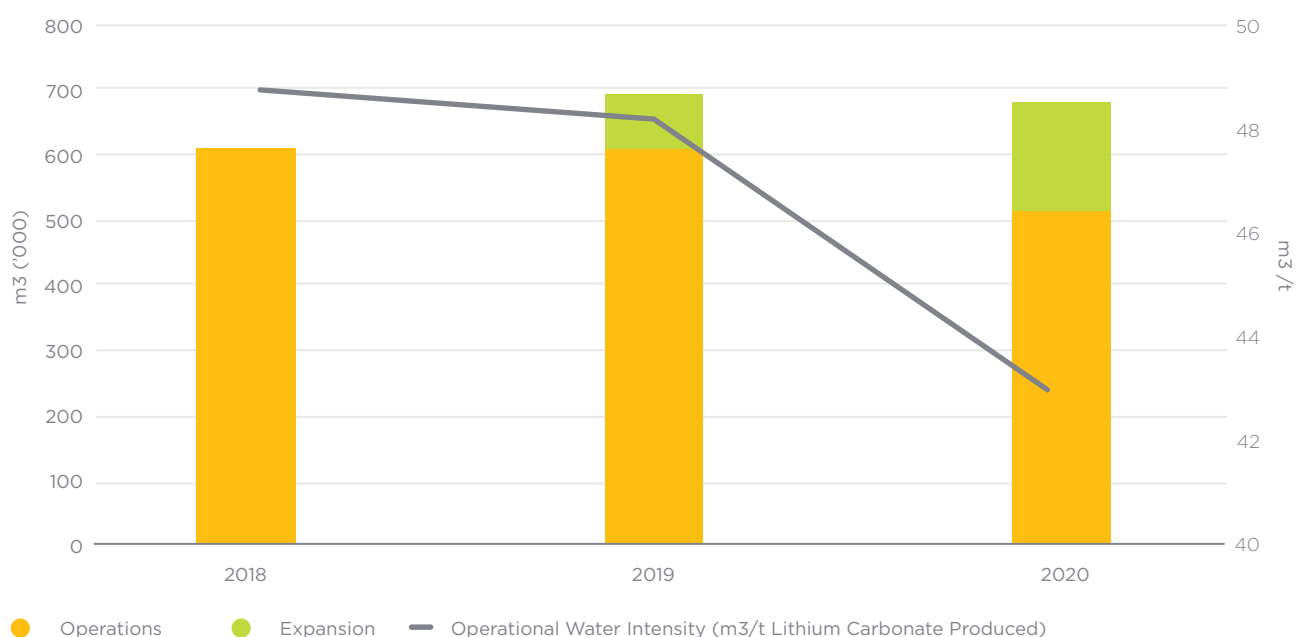
The ion-rich wastewater that is produced from our reverse osmosis plant is reused in the lime plant and pond areas. During the reporting period, we implemented a new KPI for measuring the amount of water that is recirculated in our operations at the Olaroz Lithium Facility, recording 111,190 m³ of industrial water reused.

Our operational water intensity this year was 43m³ of water extracted per tonne of lithium carbonate produced. This is an improvement of 10.7% in water intensity compared to the previous financial year.

Borax Argentina

During the reporting period we have made significant progress increasing the consistency of our water reporting at our Borax Argentina sites. Several flow meters have been installed across our operations to improve monitoring and increase consistency and efficiency. This year, we used approximately 158,674m³ of water across our Borax Argentina operations and camp. This equates to around 3.4m³ of water used per tonne across our mix of Borax products produced. The breakdown of water use by type is shown in the figure below.

Olaroz Groundwater Extraction (m³)



Energy Use and Carbon Emissions

Olaroz Lithium Facility

Our energy use and Greenhouse Gas (GHG) emissions for the Olaroz Lithium Facility are associated primarily with our fuel consumption. Natural gas use for electricity generation on site and for heat production in the boilers in our process plants is the largest source of our GHG emissions. Diesel use in our operations and from the construction activities of the Phase 2 Expansion also contribute to our scope 1 emissions.

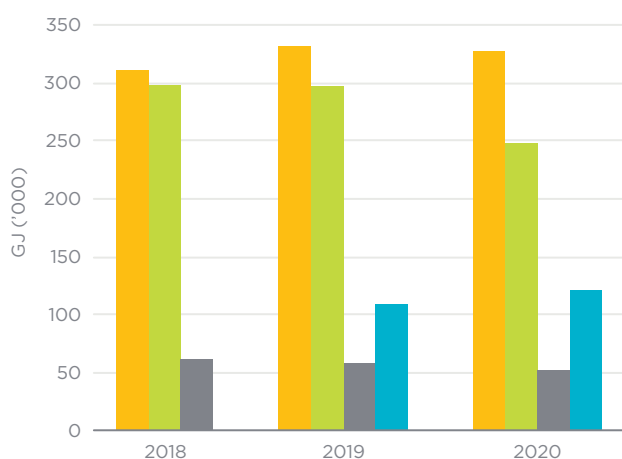
We have no material scope 2 emissions as these relate only to electricity use in our Jujuy and Stage 2 Expansion Project offices. The most material scope 3 emissions included in our GHG inventory are those associated with the production of soda ash used in our Olaroz Lithium Facility and the downstream transportation of our lithium products. Our operational carbon emissions intensity has continued to decrease as set out in the figure below.

The intensity figure of 3.06tCO₂-e/t is calculated based on the total production of lithium carbonate during the reporting period. This figure is an average of primary and purified product. Carbon emissions associated with our primary product will be lower and purified product higher as only the purified product goes through the purification circuit.

Borax Argentina

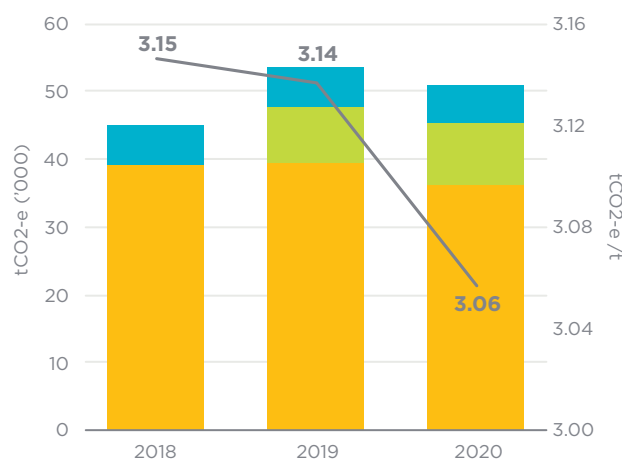
We have made progress incorporating energy use and emissions data for our Borax Argentina operations in our report for the first time this year. The main sources of GHG emissions for Borax Argentina are scope 1 emissions associated with Intermediate Fuel Oil (IFO) used at our Tincalayu mine and plant. Other scope 1 emissions sources are the natural gas used at Campo Quijano and Diesel used at Sijes and Tincalayu. The operational intensity for all Borax products this year was 0.44 tCO₂-e/t. This figure is calculated using total scope 1 and 2 GHG emissions.

Olaroz Fuel Consumption



- Natural Gas - Electricity (GJ)
- Natural Gas - Heat (GJ)
- Diesel - Operations (GJ)
- Diesel - Expansion (GJ)

Olaroz GHG Emissions

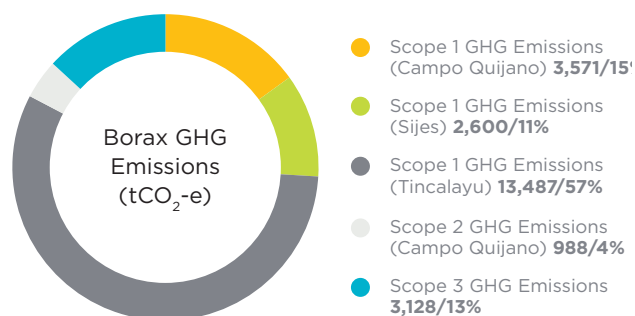
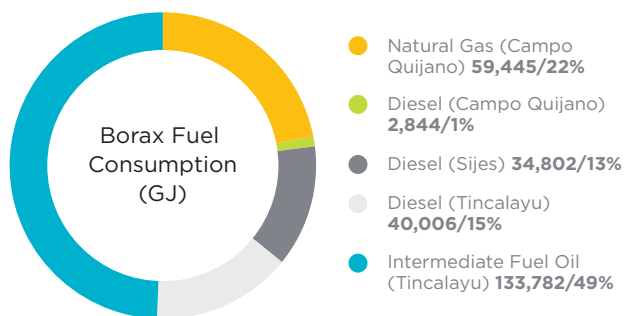


- Scope 1 GHG Emissions (tCO₂-e) - Operations
- Scope 1 GHG Emissions (tCO₂-e) - Expansion
- Scope 2 GHG Emissions (tCO₂-e)*
- Scope 3 GHG Emissions (tCO₂-e)**

Note: SO_x and NO_x emissions are monitored but are under detectable limits.

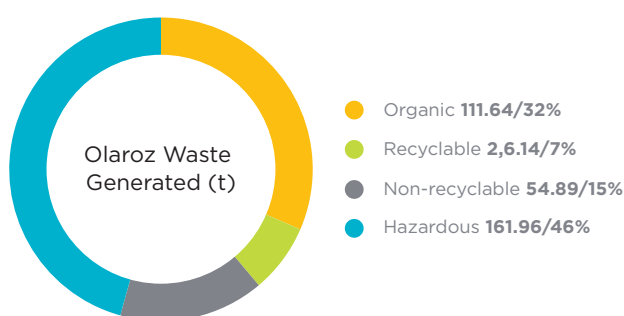
*Scope 2 emissions are not visible in graph.

**FY18 and FY19 Scope 3 figures restated due to an error identified in the calculation method.



Waste

We are continuing to improve our waste measurement reporting processes across all sites. The graphs below show the waste volumes recorded for FY20.



During the reporting period, we improved our procedures for measuring and reporting hazardous waste at the Olaroz Lithium Facility. This resulted in an increase the amount of total waste reported. Further information about process and mineral waste generated and managed by Olaroz Lithium Facility and Borax Argentina is reported in the [Waste Management Approach Disclosure](#).

Additional information relating to our full set of environmental reporting indicators can be found in our [Biodiversity](#), [Climate](#), [Energy and Emissions](#), [Water and Effluents](#) and [Waste Management Approach Disclosures](#) and [Environment Performance Data](#).

Future Focus for FY21



Continue implementing metrics and indicators to define efficiency goals across our operations.



Incorporate our environmental data for Olaroz Lithium Facility and Borax Argentina in Intelix with monthly entry of information provided by respective data-owners, to increase information consistency and quality.



Reduce the amount of solid waste generated per person at the Olaroz Lithium Facility and Borax Argentina by implementing recycling programs.



Finalise our workplan for adhering to the requirements of the UN Global Compact's CEO Water Mandate.

Communities and Shared Value



We are committed to cultivating thriving, resilient communities that are autonomous and self-sustaining. Our Community Investment Strategy defines how Orocobre manages, monitors, and reports performance against community-based sustainable development commitments.

Orocobre is committed to the concept of Shared Value. To us, Shared Value means that community investment extends beyond mere philanthropy. We consider our contribution to our communities an integrated element of core business, leveraging available resources and optimising the long-term benefits for both our operations and the community. Our Shared Value team undertake programs based on five pillars.

During FY20 we focused on updating our community investment approach, to incorporate the “Theory of Change” model. This model changes the focus from the individual activities that we undertake, to the long-term goals that we hope to achieve with our communities. This model is aligned with UN Sustainable Development Goals and is intended to help clarify the types of resources and activities required to reach desired impacts of the 2030 Agenda.

In practice, this means that we aim to measure the longer-term outcomes of our community activities, rather than only the short-term investment that we make or the activities that we undertake each year. This requires developing social baseline data so that we can measure the change that occurs; enabling us to redirect our community investment towards more strategic, impact investment options. We expect that these changes will be fully implemented in our community activities associated with the Olaroz Lithium Facility by 2030.

This will include strategic investments and a collaborative plan to support implementation and updates of our community key performance indicators.

Shared Value Pillars



Empowerment



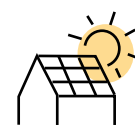
Education



Transparency

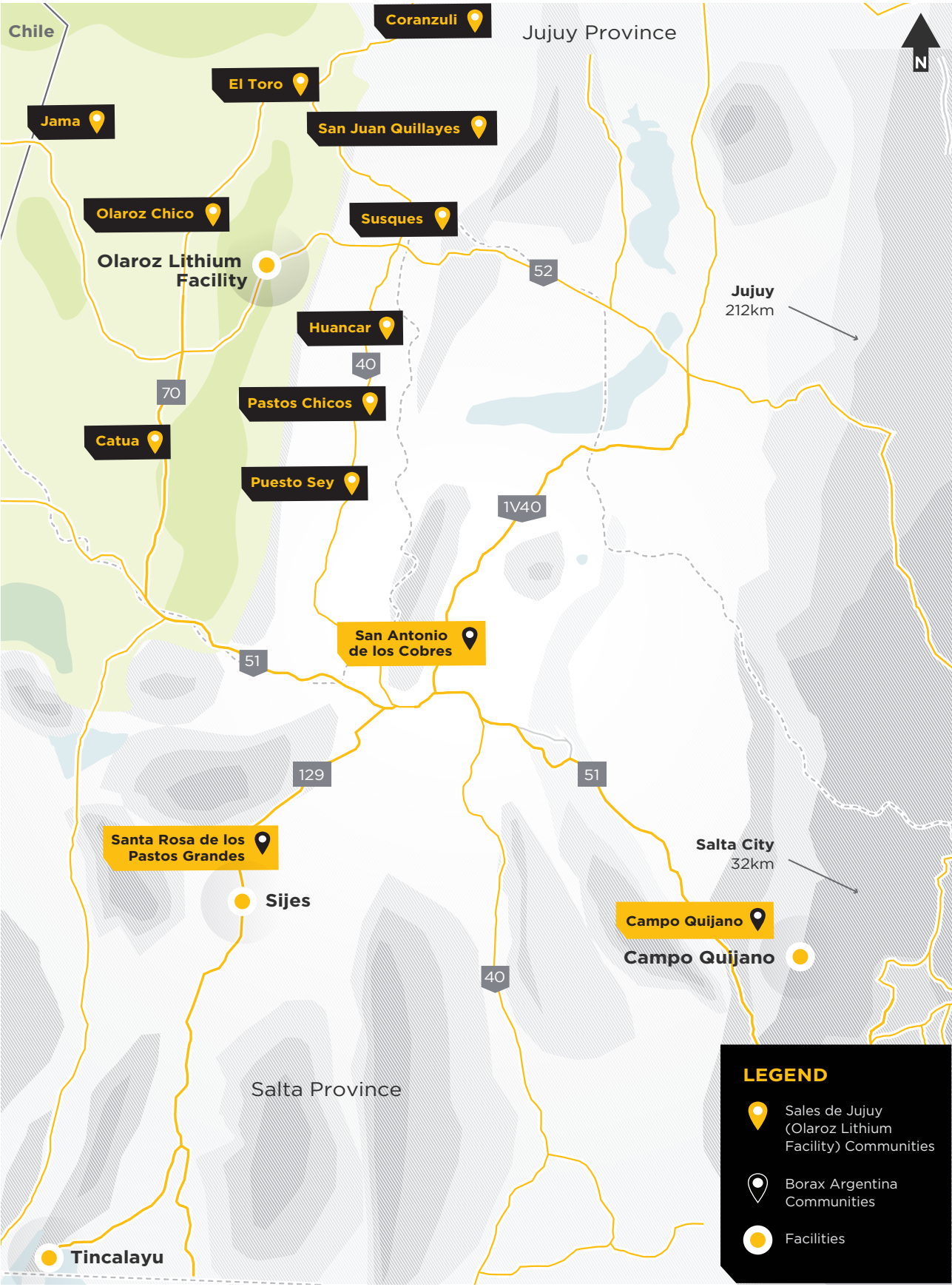


Health



**Local Production and
Natural Resources**

Our Local Communities



Key Performance Indicators

Community Investment

Olaroz Lithium Facility

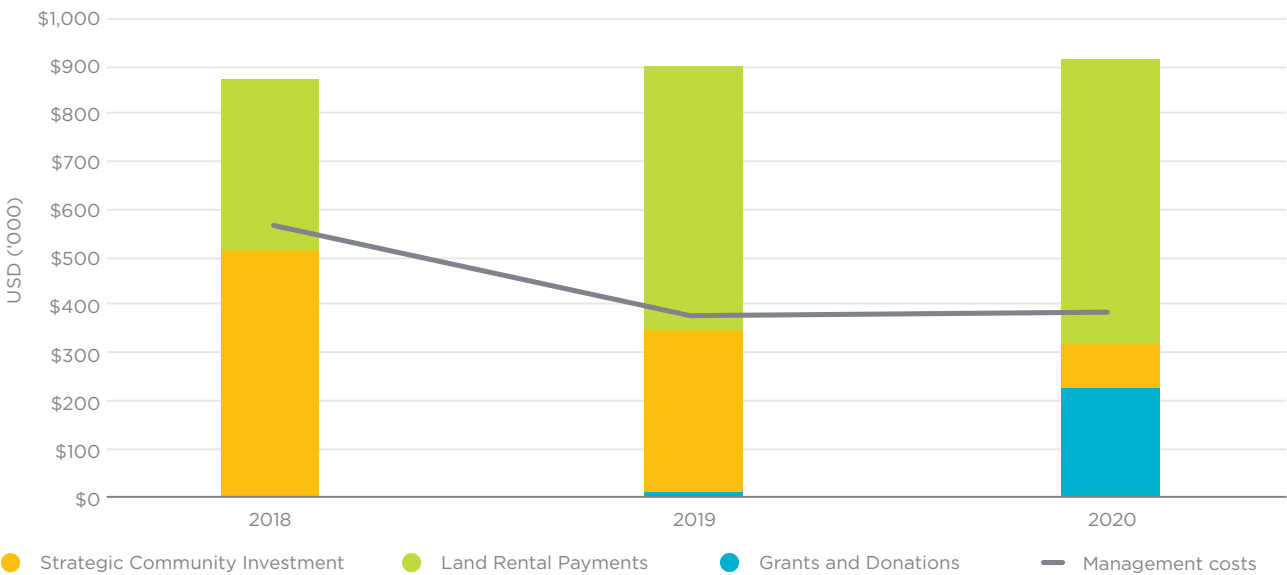
The graph below outlines the investment, both cash and in kind, to our local and provincial communities. This year, an increased amount spend was associated with in kind donations of medical equipment to assist with the impacts of the COVID-19 pandemic. The land rental payments are made under an agreement with the Olaroz Chico Community.

Management costs are those associated with salaries, office rental and operating costs of the Shared Value team.

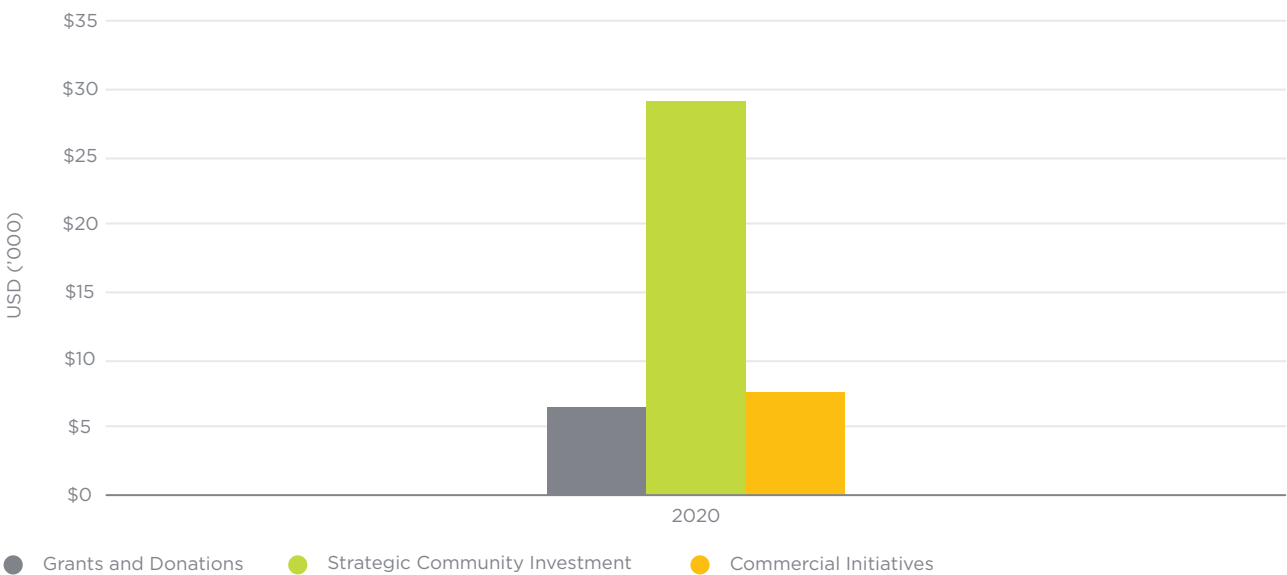
Borax Argentina

The community investment spend associated with Borax Argentina this year is outlined below. There are no management fees specifically for Borax Argentina as these payments are also managed by the Shared Value Team.

Olaroz Community Investment



Borax Community Investment



Empowerment

Local and Provincial Employment

We have always had a policy and practice of engagement, employment and support for our local communities that comprise people who are indigenous to the very remote areas in which we operate. As such, our workforce is comprised of a significant proportion of indigenous people who hold a variety of roles including supervisory and management roles.

Through the hiring of local people and procurement of local suppliers and contractors, we have a positive direct and indirect impact in its area of influence.

The number of local community employees increased from 38.5% to 41% in our Olaroz Lithium Facility operation and expansion activities this year. Employees from the larger provincial area make up 33% of our Olaroz Lithium Facility workforce. The percentage of local community employees at our Borax Argentina operations reached 66% during the same period.

During the year, our Olaroz Lithium Facility employed 195 people from our local communities and 158 from the greater Jujuy Province. Borax Argentina employed approximately 203 people from local communities and an additional 72 from the greater Salta Province.

Local and Provincial Procurement

Olaroz Lithium facility

This year, our Shared Value team facilitated significant engagement between community suppliers and internal departments (particularly Procurement, Contractor Control and Risk Management) to give community suppliers priority in the Stage 2 Expansion Project construction bids.

Suppliers from local communities were invited to visit the site to better understand the needs and scope of the relevant services to enhance their ability to respond to the Company’s needs when submitting their offers.

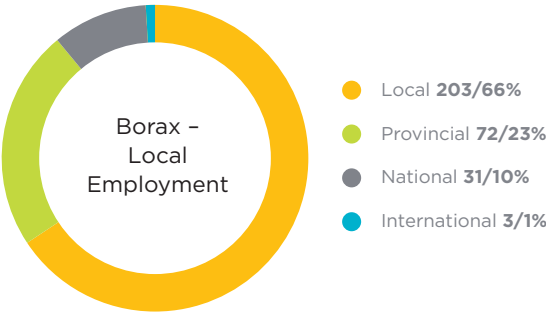
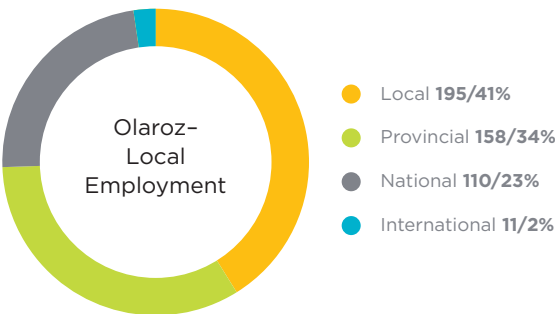
The distribution of our local community, provincial, national (Argentina) and international suppliers for the Olaroz Lithium Facility is shown below. This year, the Olaroz supplier data includes suppliers for our operations as well as the suppliers for the Phase 2 Expansion Project.

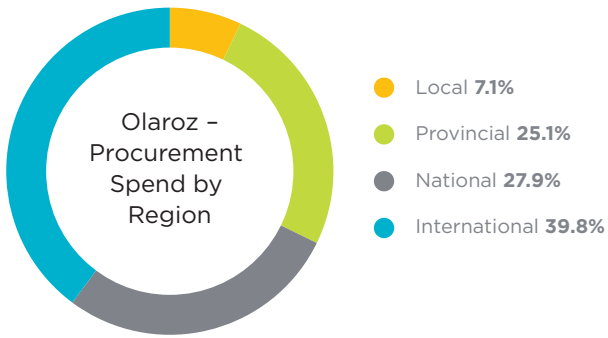
Our spend on procurement for suppliers in local communities increased significantly when we began the construction activities for our Phase 2 Expansion in FY19. In FY20, procurement spend figures (reported in USD) have reduced due to the devaluation of the Argentine Peso during the reporting period.

Borax Argentina

In our Borax Argentina operations, 97.5% of our procurement spend is with Argentine suppliers, and 47% are suppliers from the local communities and provincial area. During the year, Borax Argentina spent approximately 3.15 million USD with local community suppliers.

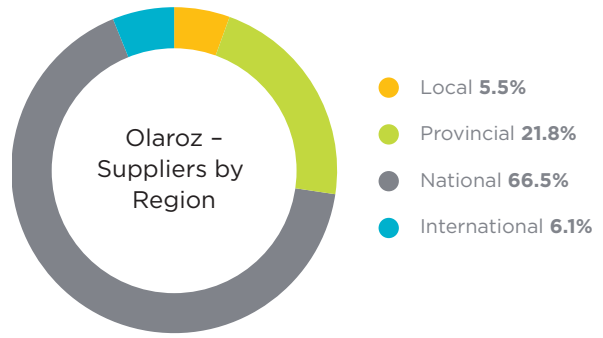
Our Shared Value [Case Studies](#) provide more information about how we work with and empower our local communities and provinces.





US \$15.8 million

Local Community Supplier Spend
(Olaroz Lithium Facility Communities and Provinces)



38

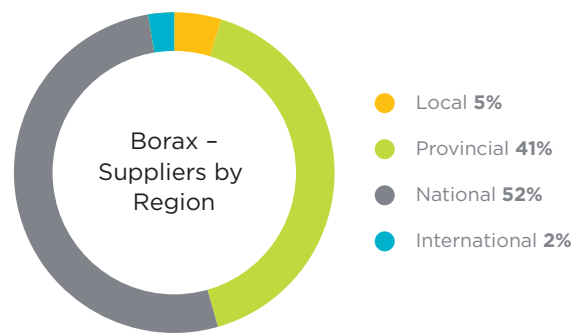
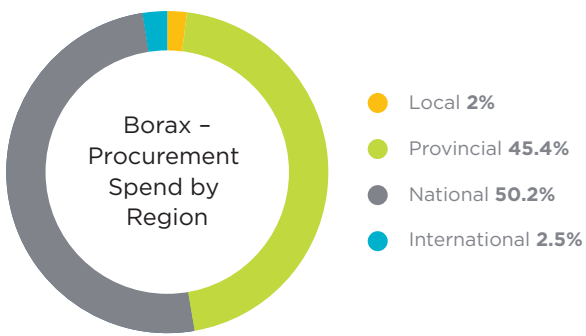
Local Community Suppliers
(Olaroz Lithium Facility Communities and Provinces)

US \$55.8 million

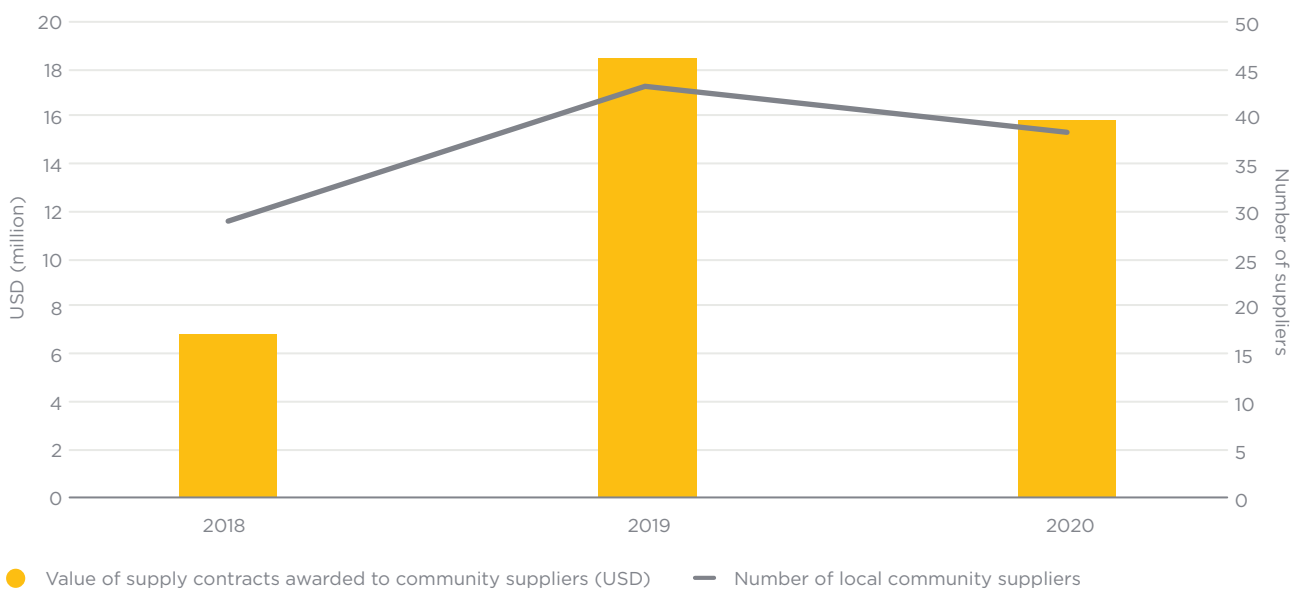
Provincial Supplier Spend
(Olaroz Lithium Facility Communities and Provinces)

150

Provincial Suppliers
(Olaroz Lithium Facility Communities and Provinces)



Olaroz Local Community Suppliers



Government Payments

The figures below summarise the Provincial Royalty payments and other Argentine Government payments made during the reporting period for the Olaroz Lithium Facility and Borax Argentina. Provincial Royalty payments were less than previous years due to the lower market price for Lithium during the reporting period.

For more information on **Orocobre's** Community management, please refer to the relevant Management Approach Disclosures on Community [Engagement](#), [Empowerment](#) and [Investment](#) as well as the Communities [Performance Data](#).

Royalty and Other Government Payments (USD)

Provincial Royalty	321,673
Other provincial and municipal taxes	130,712
Other national taxes (including export tax)	6,365,374
Employment taxes paid by SDJ and Borax Argentina	3,861,869
Total Paid	10,679,628
Provincial withholding tax*	1,367,270
National withholding tax on salaries	1,374,756
National withholding tax	2,081,672
Total Withheld	4,823,698

Case Studies

Shared Value

For more information on each of the initiatives carried out by **Orocobre**, please refer to the [Case Studies](#) section in our website.



Leveraging the Circular Economy to promote community nutrition, agriculture and housing.



Providing technology, advisory and market access to empower women and maximise income.



Promoting sustainable agricultural practices that protect biodiversity and develop revenue streams.



Working collaboratively with local stakeholders to establish quality education pathways in the region.

*Also includes Borax Argentina Municipal withholdings equivalent to USD 26,884.

Update on Existing Initiatives



Case Study

Sustainable Vicuña Shearing

Direct Contribution



Indirect Contribution



Shared Value Pillar

Local Production
and Natural Resources

Communities

Olaroz Chico



Case Study

Community Infrastructure

Direct Contribution



Indirect Contribution



Shared Value Pillar

Empowerment

Communities

Olaroz Chico



Case Study

Raising Recycled Walls

Direct Contribution



Indirect Contribution



Shared Value Pillar

Local Production
and Natural Resources

Communities

Pastos Chicos, Huáncar
and Coranzulí



Case Study

Artisan Development: Huancar Fibre Spinning

Direct Contribution



Indirect Contribution



Shared Value Pillar

Local Production and Natural Resources

Communities

Huáncar



Case Study

Regional Baccalaureate Program

Direct Contribution



Indirect Contribution



Shared Value Pillar

Education

Communities

Area of influence of the Company

Future Focus for FY21



Continuing to contribute to our communities and support the COVID-19 response.



Begin implementation, monitoring and follow-up of Community Investment using the LBG methodology (now Business for Societal Impact).



Further implementation of "Change Theory" to enhance measurement and assessment of the Impacts of our community investment strategy.

People and Culture



Developing a skilled, engaged, and productive workforce is essential for contributing to the long-term value of our business. Attracting and retaining quality employees is of particular importance considering the relatively isolated regions where we operate and the increasingly competitive environment in the lithium sector. Due to this, we are committed to being the employer of choice in north-west Argentina.

Orocobre endeavours to generate pride, foster respect, and drive an organisational culture that embraces diversity, and provides opportunities for learning and professional development. Our behavioural standards developed by our management group in 2012 and contained within our Code of Conduct are shown below.



Responsibility

We assume responsibility for our actions and commitments



Respect

We recognise and promote all without distinction of age, sex or position, maintaining attitudes and actions that help our community and improve our environment



Commitment

We convert our different opinions into shared convictions to achieve a common vision



Honesty

We behave and engage with sincerity and consistency



Integrity

We act with integrity in every situation



Solidarity

We strive for the common good, acknowledging that we are all responsible for our collective wellbeing

Training and Development of Our People

During the reporting period, we continued to implement training programs across our organisation to improve the skills of our people in the areas of Health and Safety, Productivity and Quality. These training programs included in-house risk management and safety training and training on leadership, teamwork, and effective communication.

Our Olaroz Lithium Facility workforce completed over 19,500 hours of training this year. This equates to approximately 41 hours of training per person, nearly a 50% increase on the previous year. During this period, we invested over US\$44,000 in training.

This year we have also included people metrics from our Borax Argentina operations. Borax Argentina employees completed, on average, approximately 29 hours of training each. In total, 8,805 hours of training were conducted. Much of the training was in a virtual format requiring an investment of approximately US\$15,200 over the year.

Our operations also have partnerships in place with several educational institutions providing internships and opportunities for professional work placements. We enjoy offering these experiences to provide development opportunities for students and have benefitted from having some of these students join our teams. We look forward to continuing these programs when COVID-19 restrictions are no longer in place.

Key Performance Indicators

Workforce Data

Workforce Breakdown - Olaroz

● Senior Managers ● Middle Managers ● Operators

	Total	Male	Female	Local	Provincial	National	International	<30	30 - 50	>50
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	168	36
2020	21	15	6		1	12	8		13	8
	257	205	52	31	134	89	3	51	187	19
	196	182	14	164	23	9		89	102	5
	474	402	72	195	158	110	11	140	302	32
		85%	15%	41%	33%	23%	2%	30%	64%	7%

Workforce Breakdown - Borax

● Senior Managers ● Middle Managers ● Operators



Total

Male

Female

Local

Provincial

National

International

<30

30 - 50

>50

2020

7

6

7

3

3

1

0

5

2

106

81

25

46

39

20

1

8

72

26

196

183

13

203

72

31

3

41

210

58

309

270

45

203

72

31

3

41

210

58

87%

15%

66%

23%

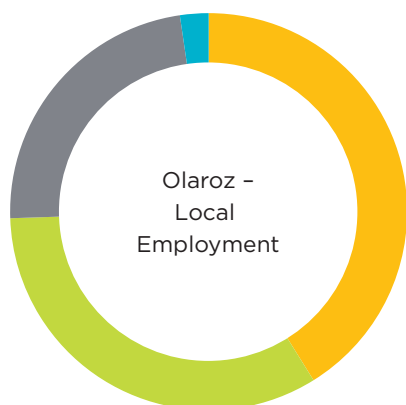
10%

1%

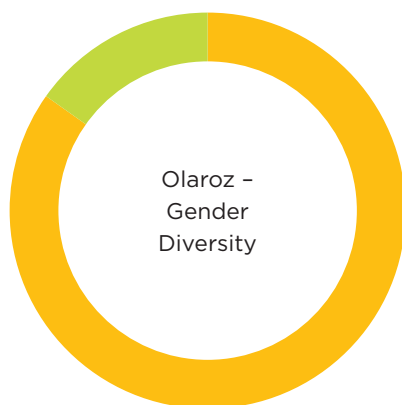
13%

68%

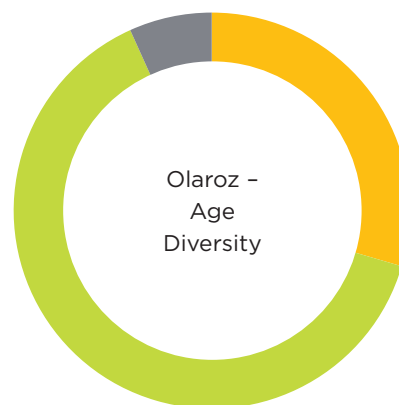
19%



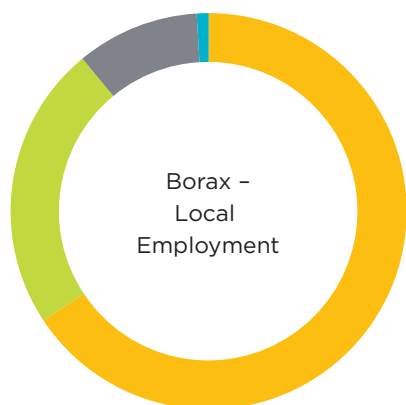
● Local **195/41%**
● Provincial **158/34%**
● National **110/23%**
● International **11/2%**



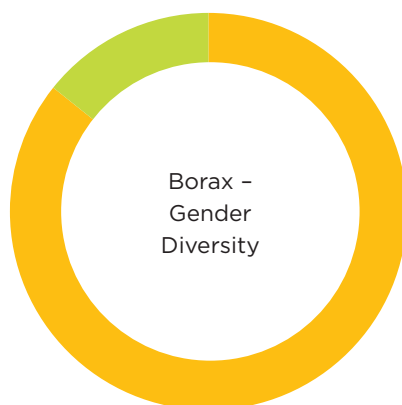
● Male **402/85%**
● Female **72/15%**



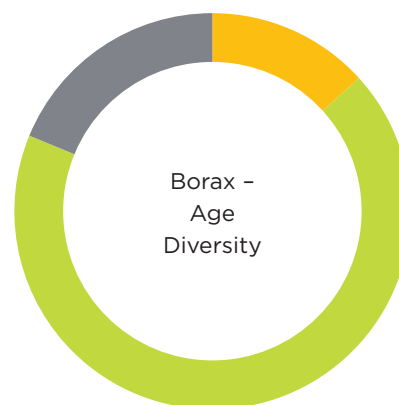
● 30 **140/29%**
● 30-50 **302/64%**
● >50 **32/7%**



● Local **203/66%**
● Provincial **72/23%**
● National **31/10%**
● International **3/1%**












● Male **270/86%**
● Female **45/14%**



● 30 **41/13%**
● 30-50 **210/68%**
● >50 **58/19%**

New Hires

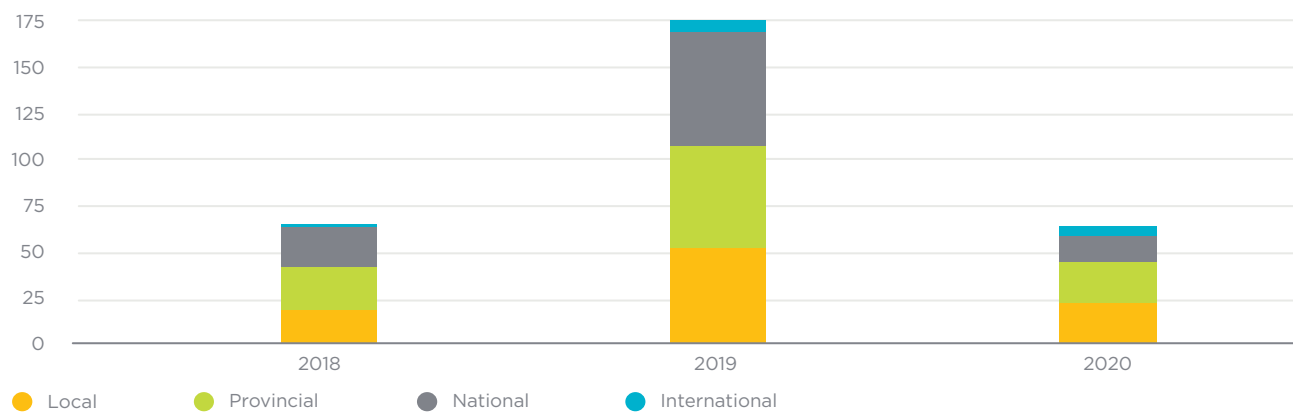
Olaroz

										
	Total	Male	Female	Local	Provincial	National	International	<30	30 - 50	>50
2018	63	47	16	18	23	21	1	17	44	2
2019	175	147	28	51	55	62	7	66	97	12
2020	63	53	10	21	22	14	6	15	42	6

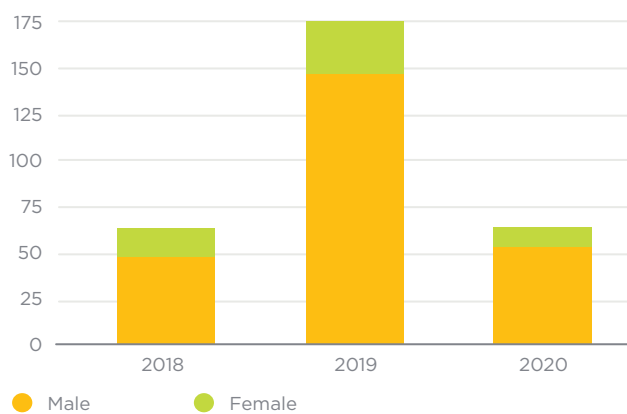
Borax

2020	38	30	8	19	16	1	2	9	28	1
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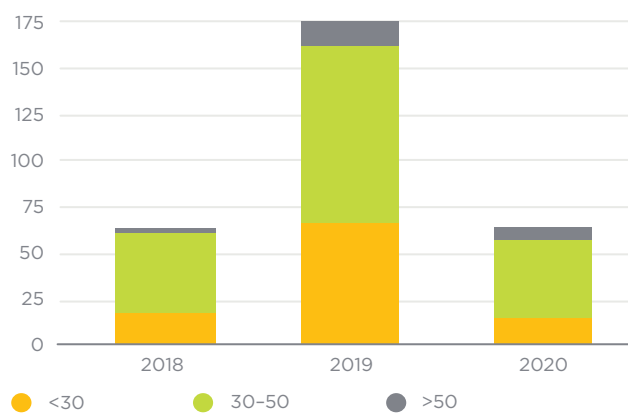
Olaroz - New Hires by Region



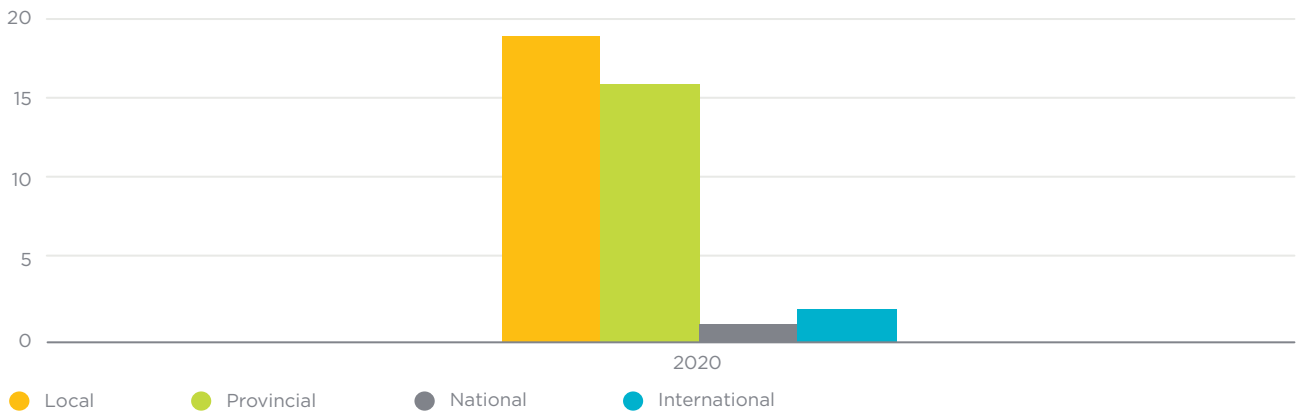
Olaroz - New Hires by Gender



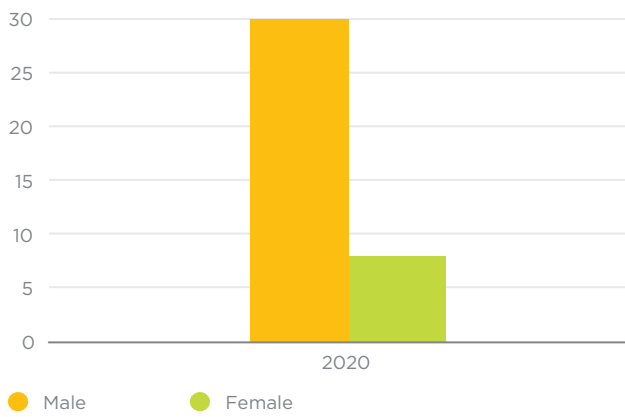
Olaroz - New Hires by Age



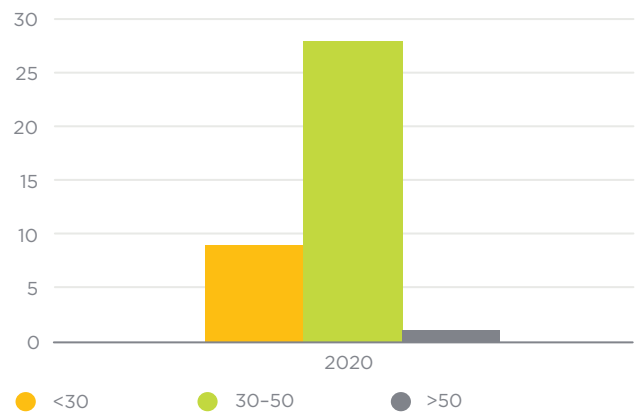
Borax – New Hires by Region



Borax – New Hires by Gender



Borax – New Hires by Age



Percentage of workers covered by Collective Bargaining Agreements

41.4%

Olaroz Lithium Facility

63.4%

Borax Argentina

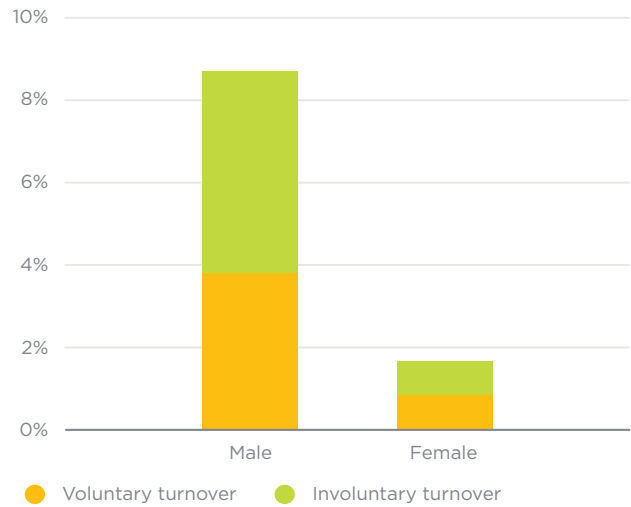
Turnover

Olaroz



	Total	Voluntary Turnover	Involuntary Turnover
2018	13.3%	20	21
2019	7.3%	24	24
2020	10.3%	22	27

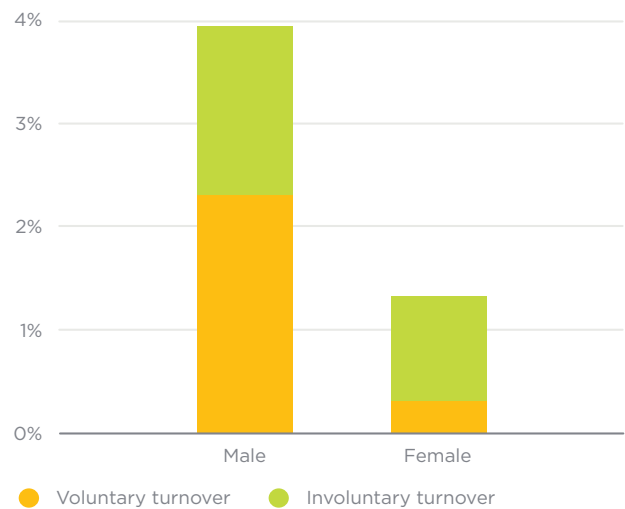
Olaroz – Turnover by Gender (2020)



Borax

2020	5.2%	8	8
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Borax – Turnover by Gender (2020)



For more information on the Company's management of People, please refer to Management Approach Disclosures on [Employee Engagement](#), [Training and Development](#), [Diversity and Inclusion](#), and [Performance Data](#).

Future Focus for FY21



Progress in the implementation of the Diversity and Inclusion Committee and implement identified actions across our workforce.



Implementation of tool for employee data analysis across our workforce.



Develop and implement our new Leadership Program.

Membership and Affiliations

Orocobre operates in accordance with industry standards, and maintains certified management systems for Health and Safety, Environment and Quality. In addition to our 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.

External Initiatives



The CEO Water Mandate



Membership and Affiliations



Member of
Dow Jones Sustainability Indices

Powered by the S&P Global CSA

Certified Management Systems



External Participations*



Other Management Systems



* In both studies Orocobre contributed case studies related to community engagement together with the contribution to 2030 Agenda.

