



SUSTAINABILITY  
REPORT 2021

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



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# Letter from the Managing Director and CEO



Thank you for your  
interest in Orocobre's 2021  
Sustainability Report.

I would like to take this opportunity to thank each of our valued employees and other stakeholders who, despite the continued global impacts of COVID-19, have helped to make FY21 one of the most successful ever for Orocobre.

We have been a signatory to the United Nations Global Compact (UNGC) since 2018, and this report outlines our ongoing commitment to report progress towards these principles. We continue to expand the scope of our sustainability reporting to provide our stakeholders with targeted and meaningful information about our approach to generating long term shared value.

Generating shared value with our communities defines the way that we operate. During FY21 we started implementing the Business for Societal Impact (B4SI) methodology to measure and report on the social impact of our community initiatives.

We also formally declared our support for the Task Force on Climate-related Financial Disclosures (TCFD), demonstrating our continued commitment to identify and address climate risk with increased transparency. We are committed to the reduction of global greenhouse gas (GHG) emissions and the transition of our business to achieve net-zero across our scope 1 and 2 emissions by 2035.

The operational GHG emissions intensity of lithium carbonate produced at the Olaroz Lithium Facility continues to reduce and we have also reduced GHG emissions and water use at our Borax Argentina operations.

Product quality remains a key focus of our operational teams. Quality metrics at our Olaroz Lithium Facility continue to show positive results and the proportion of battery grade production has increased to 48% in FY21, up from 24% in the previous year.

Overall, approximately 86% of our lithium sales in FY21 contributed to the global battery supply chain. At Borax Argentina we completed a restructuring project during the year that resulted in significantly improved safety performance and quality management.

We are committed to achieving a “zero incident-zero harm” workplace and across the Group, we saw significant improvements in safety outcomes this year. Lost Time Injury Frequency Rate (LTIFR) reduced from 2.5 to 1.0, and our Total Recordable Injury Rate (TRIFR) from 4.5 to 2.4. We have also increased the scope of our safety data reporting to better respond to the needs of our investors.

We are looking forward to the completion of construction of the 25,000 tonne per annum Olaroz Stage 2 expansion and commissioning of the 10,000 tonne per annum Naraha Lithium Hydroxide Plant in Japan during FY22.

In April we announced a merger of equals with Galaxy Resources and with the overwhelming support of Galaxy shareholders we have now completed this merger. We would like to take the opportunity to welcome all Galaxy employees and shareholders to Orocobre. The combined company will require a new name, and we will soon put to shareholders a change of name to ALLKEM Limited, recognising our focus on battery chemicals and that together we can achieve more.

I hope you enjoy reading our Sustainability Report, the fifth and final to be published under the Orocobre name. We are proud of the progress we have made this year and we look forward to achieving more together with our world class lithium assets enabling the transition to a net-zero carbon economy.



**Martín Pérez de Solay**  
Managing Director and CEO

# About this Report

Our 2021 financial year (**FY21**) Sustainability Report illustrates the sustainability performance of Orocobre Limited. The scope of our sustainability reporting includes key performance data from our Olaroz Lithium Facility, operated by Sales de Jujuy S.A. (**SDJ**) as well as Borax Argentina S.A. (**Borax Argentina** or **BRX**).

The data provided in this document, for both companies, covers the period between 1 July 2020 and 30 June 2021. The scope does not include the Naraha Lithium Hydroxide Project which is managed by our joint venture partner Toyota Tsusho Corporation (**TTC**).

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 \(SDG\)](#).

Limited external assurance was conducted over selected GRI indicators referenced in this report. This included analysis of the application of GRI standards and the principles of content and quality. The independent limited assurance report is included in this report [here](#).

Further supporting information regarding performance in FY21 is available on our website as follows:

- [Performance Data](#): additional detailed sustainability indicators related to the performance of each focus area

- [Case Studies](#): additional information relating to our local community initiatives and programs where we create shared value
- [Management Approach Disclosures](#): outline of the strategic importance, scope, management approach of our different business areas and topics of relevance to our stakeholders
- [GRI Standards/UNGC/SDG Contents Index](#): outline of material topics and contents defined by the GRI Standard, the Principles of the UN Global Compact and UN Sustainable Development Goals, which enables the reader to navigate the report and promptly locate 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](mailto: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 dumps and evaporation 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 Securities Exchange (ASX:ORE) and Toronto Stock Exchange (TSX:ORL).

Our vision is to be a sustainable, world class supplier of lithium and borate chemicals. We create long term value by investing in our people, our operations, and the communities where we operate, producing lithium and borate chemical products for our global customer base. We are focused on expanding and diversifying our lithium operations and partnerships in order to contribute to the responsible development of this chemical which is critical for the transition to a net-zero carbon future.

In April we announced a merger of equals with Galaxy Resources which has now been completed with overwhelming support from Galaxy shareholders. This merger provides the combined group with a portfolio of world class assets that allow us to partner with the largest and most influential customers to supply high-quality lithium chemicals.

## Input

**Financial**



**\$1.67 b** Market capitalisation  
**\$97.6 m** Capex

**Manufactured**



**~1000** Suppliers

**People**



**15,000+** Hours training  
**~800** Employees

**Community**



**300+** Local suppliers  
**390** Local employees  
from local communities and provinces

**Natural**



**902 TJ** Fuel use  
**754 ML** Water use (97% Industrial (non-potable))  
**18%** Recirculated Water

## Our activities in FY21 (% Ownership)

Olaroz Lithium Facility and Stage 2 Expansion  
**(66.5%)**

Borax Argentina  
**(100%)**

Cauchari Lithium Project  
**(100%)**

Naraha Lithium Hydroxide Project  
**(75%)**

Merger with Galaxy Resources

## Outputs

**Financial**

**\$13 m** Tax and govt. payments  
**\$84.8 m** Total revenue

**Manufactured**

**12,611 t** Lithium carbonate  
**40,627 t** Borate products

**People**

**\$21 m** Salaries and benefits  
**1.0** Group LTIFR\*\*

**Community**

**\$15.7 m** Local supplier contracts  
**\$1 m** Community contributions\*\*\*

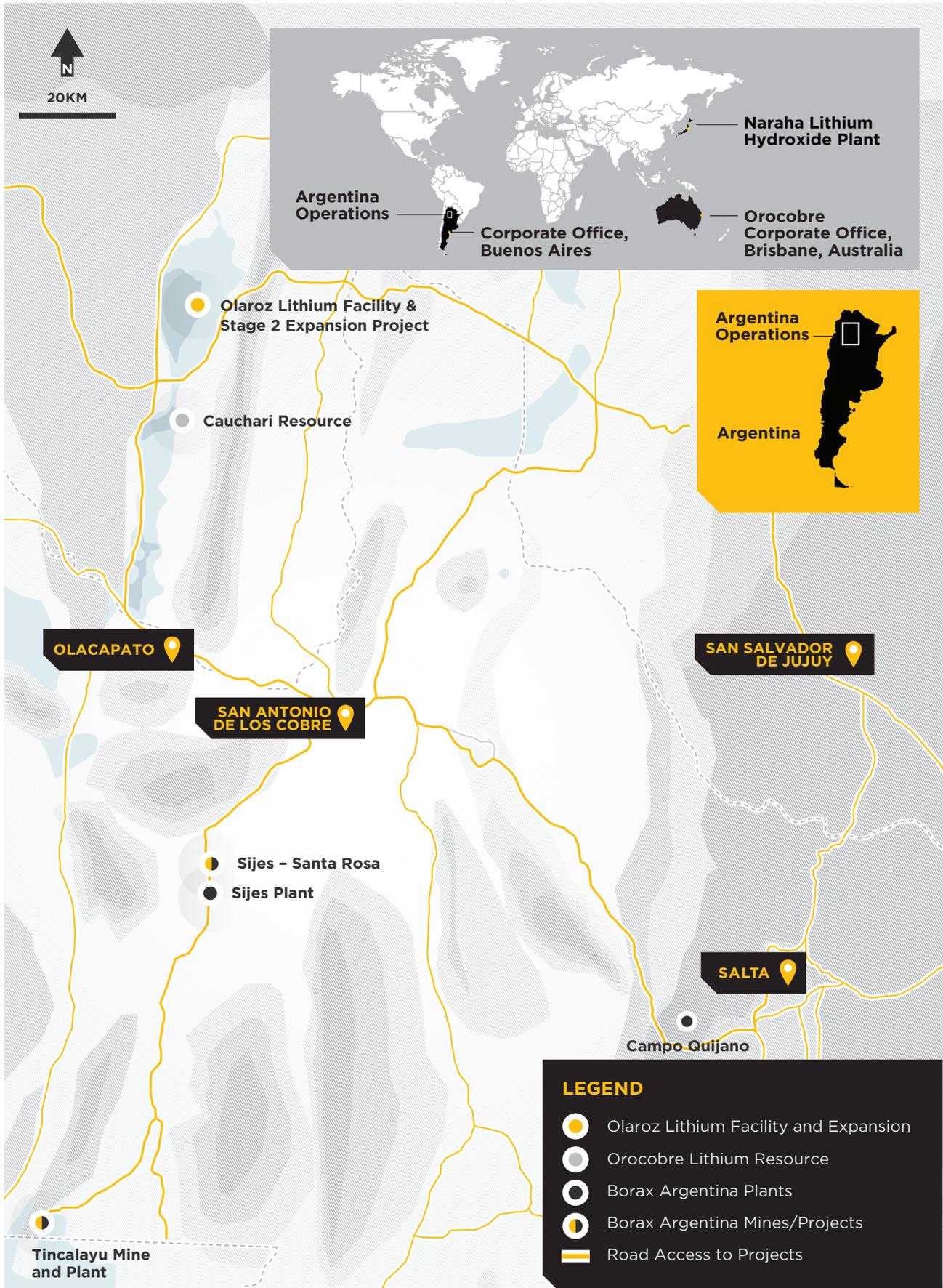
**Natural**

**56.7 KT** Scope 1 and 2CO<sub>2</sub>-e emissions

\* Dollar values in USD and financial values reported are for Orocobre Group  
\*\* Lost Time Injury Frequency Rate (including employees and contractors)  
\*\*\* Including community investment and Participation agreement 2016 SDJ-Olaroz Chico Community

## Our Operations and Growth Projects

Our operations and projects during FY21 are identified in the map below.



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

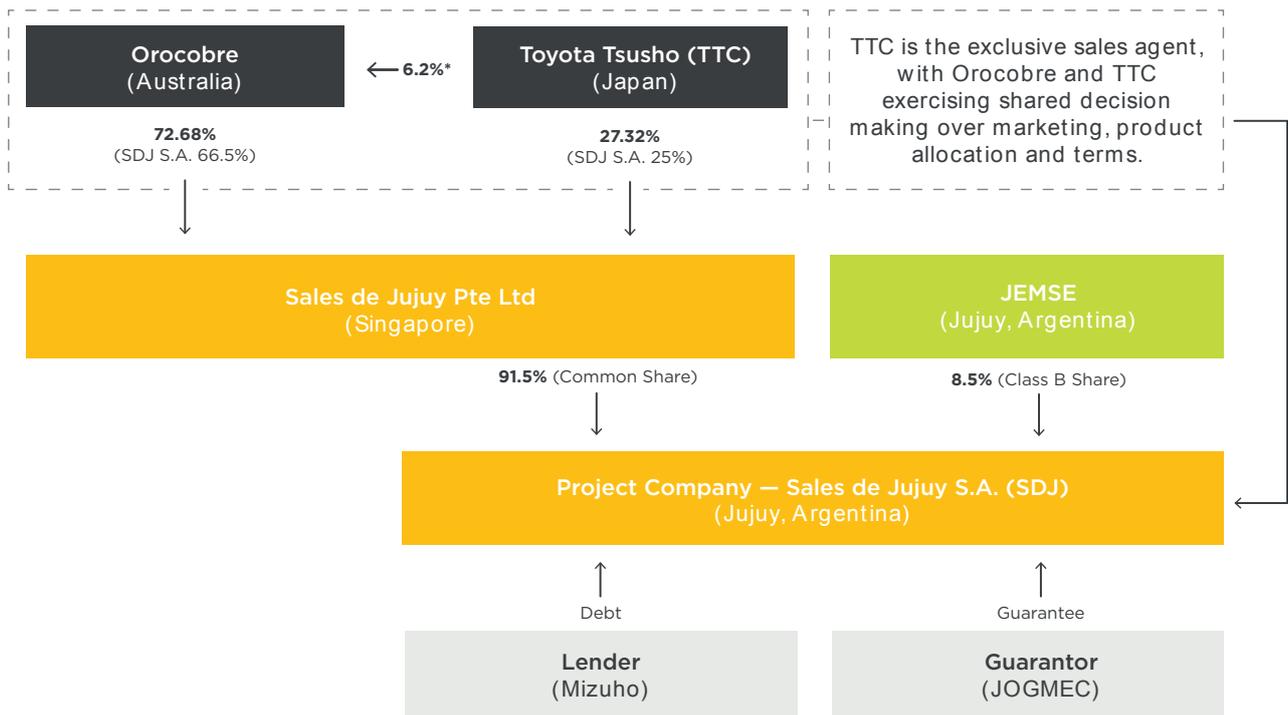
### Olaroz Lithium Facility

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 operated by Sales de Jujuy S.A. (**SDJ**) with Orocobre managing the operations pursuant to a Management Agreement. The structure of this joint venture between Orocobre, Toyota Tsusho (**TTC**)<sup>1</sup> and JEMSE (a mining investment company owned by the provincial government of Jujuy, Argentina), is outlined below.

The merger with Galaxy Resources (completed in early FY22) expands our operations to include Mt Cattlin operations in south-west Western Australia.

The Sal De Vida Lithium Brine Project in the Catamarca Province of Argentina and the James Bay Project in northern Quebec in Canada will also be developed and operated by the merged entity.



1 \*TTC ownership in Orocobre at time of report publication is 6.2% due to completion of merger with Galaxy

## Olaroz Stage 2 Expansion Project

We are expanding the Olaroz Lithium Facility to meet the growing future demand for high quality primary grade lithium carbonate feedstock. The Stage 2 Expansion Project is expected to be completed in FY22. During the reporting period, key areas of expenditure included new wells and associated gathering networks, ponds, site infrastructure, accommodation facilities and most recently the carbonation and soda ash facilities. At completion, the Stage 2 Expansion will contain a primary lithium carbonate production circuit designed to deliver an additional 25,000 tonnes per year of primary grade lithium carbonate. Approximately 9,500 tonnes of the new production output is expected to be utilised as feedstock for the Naraha Lithium Hydroxide Plant.

## 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 approximately 10,000 tonnes of purified battery grade lithium hydroxide per annum. The joint venture structure of the plant is shown below. Although Orocobre has a 75% economic interest in the Toyotsu Lithium Corporation (TLC), and significant influence, the operational control is exercised by Toyota Tsusho Corporation. Due to this, we have not included the Naraha Project in the scope of the performance data in this report.

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. Construction activities on site progressed throughout the year and pre-commissioning works are now underway. The plant is expected to be operational in Q1 CY22 with delays due to COVID-19 related travel restrictions impacting Veolia's international commissioning engineers and technicians.

Both joint venture partners will have responsibility for strategic marketing of lithium hydroxide from the plant through a joint marketing committee arrangement. This product will be used primarily by the Japanese battery industry supporting the transition to Electric Vehicles (EVs) by global auto manufacturers.

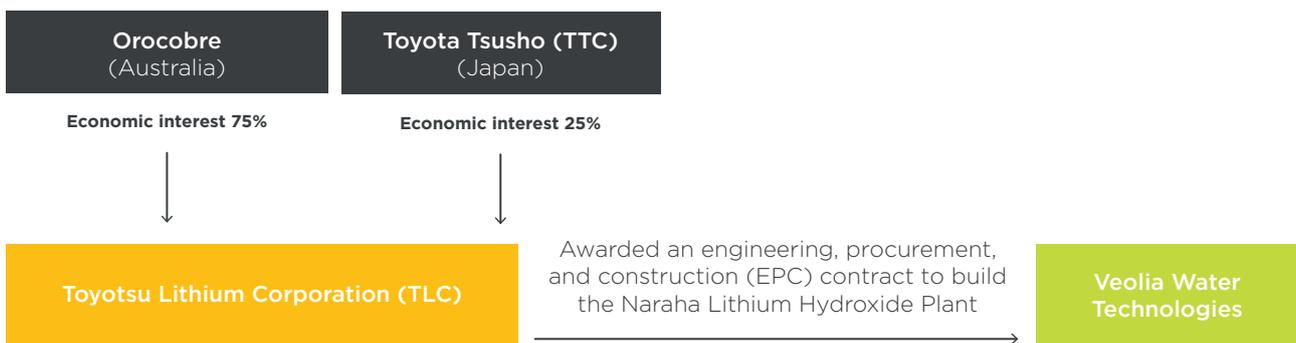
## Cauchari Resource

Orocobre owns 100% of the Cauchari mineral resource located adjacent to the southern boundary of the Olaroz Lithium Facility properties. This investment provides for more effective basin management and new growth and development options beyond the projected expansion of the Olaroz Lithium Facility.

## Borax Argentina

Orocobre owns 100% of Borax Argentina, a producer of borates minerals and refined chemical products. Borax Argentina operates two open pit mines and concentration plants at Tincalayu and Sijes as well as refinery, logistics and dispatch facilities at Campo Quijano. Borax Argentina also has significant land holdings and owns the underlying tenure or holds royalty rights on all, or parts of several lithium projects being progressed by other lithium exploration companies at sites including Salar de Cauchari and Diablillos Los Ratonos. As one of the conditions to extract brines, these companies are required to make payments to Borax either as fixed annual payments or a royalty related to production. The terms of these agreements are detailed on page 98 of the Orocobre FY21 Annual Report.

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.



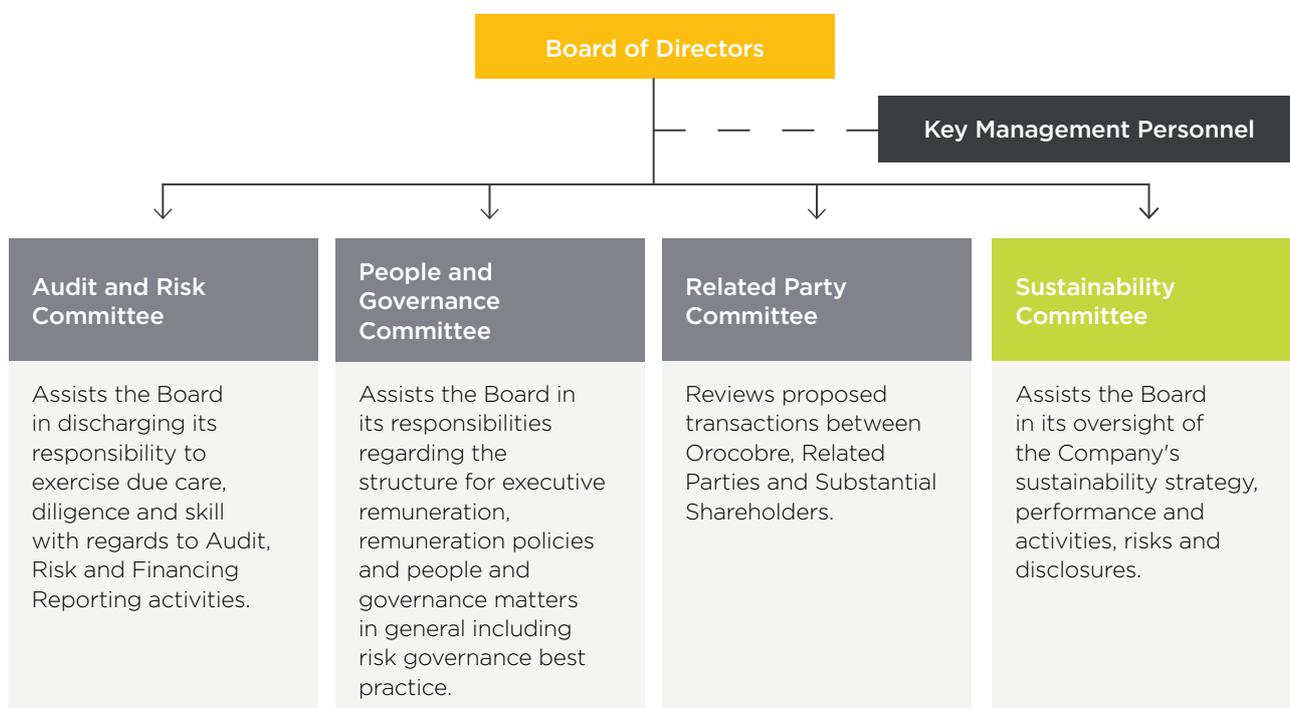


# Governance and Risk Management

# Governance

The **Orocobre** Board is comprised of eight Directors with a diverse range 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. During FY21 we reached the gender diversity target of two female directors. This represents 25% of Board members.

The Board is supported by a series of Committees, each with defined [Charters](#) and responsibilities.



A formal internal audit function was implemented in November 2020. The Internal Audit and external Assurance Functions provide assurance over the governance, compliance and internal control systems and processes across the business.

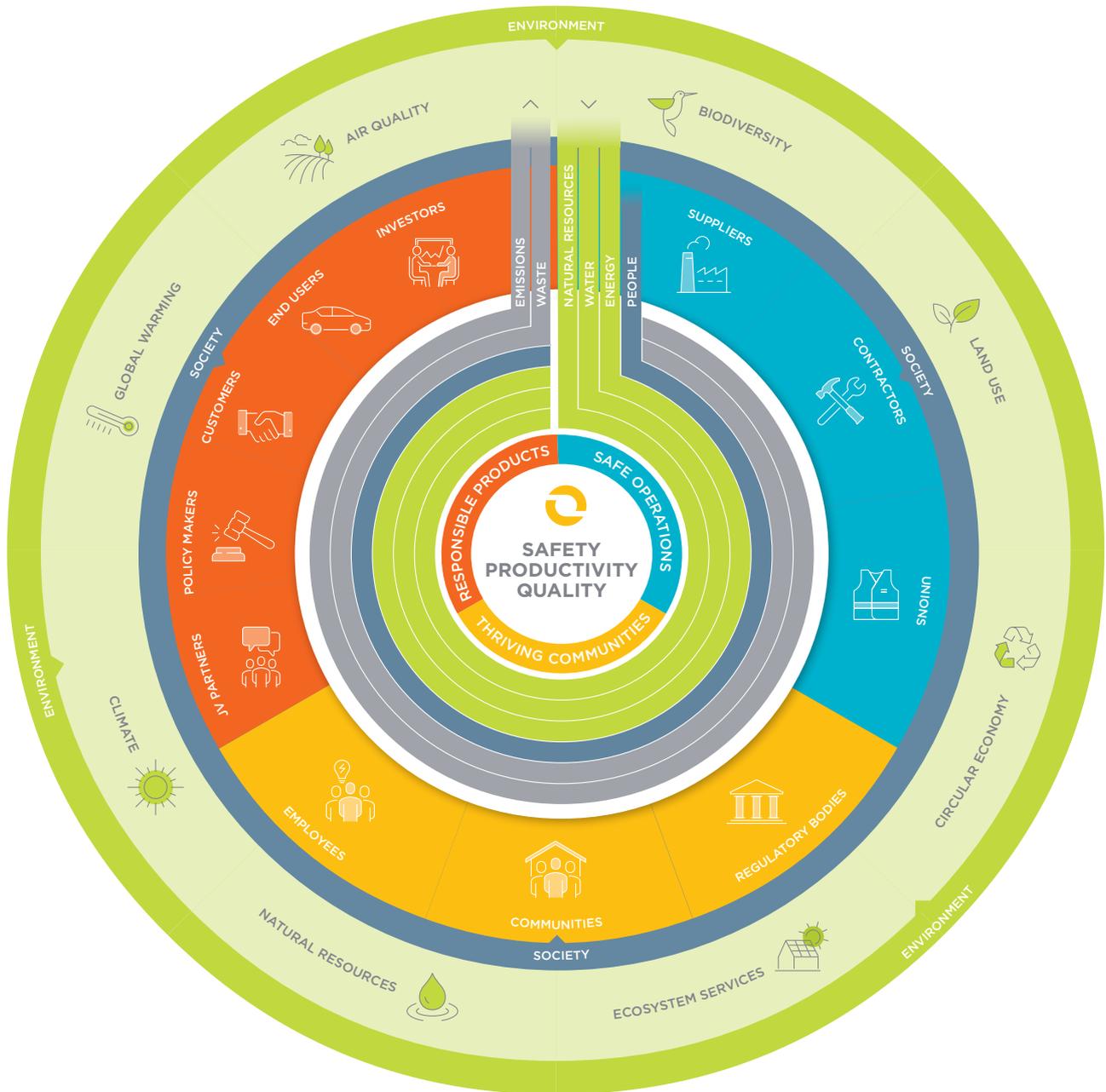
## Board Sustainability Committee

The Orocobre Board Sustainability Committee met four times during FY21. The Board Sustainability Committee is responsible for the governance of the sustainability strategy, performance, risk management, and reporting. During FY21, Orocobre employed a new Corporate Sustainability Manager. The Corporate Sustainability Manager reports directly to the CEO, monitors sustainability risks and performance, and 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](#), [Governance Performance Data](#) and [FY21 Corporate Governance Statement](#). 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.

## Sustainability Strategy

We believe that our Sustainability Strategy is evident in the way all our employees, contractors and stakeholders 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.



During FY21 we completed mapping our Sustainability Strategy to the United Nations Sustainable Development Goals (SDGs). To guide this process, we used the SDG Compass developed by GRI, UN Global Compact and the World Business Council for Sustainable Development. We conducted participatory workshops with the Executive Leadership Team and representatives from SDJ and Borax Argentina to define organisational priorities and identify how these aligned with the SDGs. The outcome of the process was the prioritisation of the following four SDGs that are most closely linked with our vision and strategy, where we believe we can make the greatest contribution:

**Vision:**  
To be a sustainable, world class supplier of lithium and borate chemicals



**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.



**Product Quality:** High quality lithium chemicals enabling growth of clean energy technology and the transition to a low-carbon economy.



**Supply Chain Transparency:** Strong and verifiable environmental, social, governance performance along the product supply chain.



**Product Responsibility:** Environmentally sound management of lithium and borates chemicals and wastes throughout their Life-Cycle.



**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.



**Operational Efficiency:** Industry-leading water and energy intensity metrics and lowest operating costs, with constant improvement made through process innovation, resource-use efficiency and the recycling and reuse of waste, water and energy across the operations.



**Skilled and Productive Workforce:** Employees and suppliers are appropriately supported, developed, promoted and rewarded. Labour rights are respected, protected, promoted and appropriately remediated across the workforce and the supply chain.



**Climate and Biodiversity:** Target net-zero emissions and positive impact in biodiversity through mitigation, investigation, innovation and collaboration.



**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.



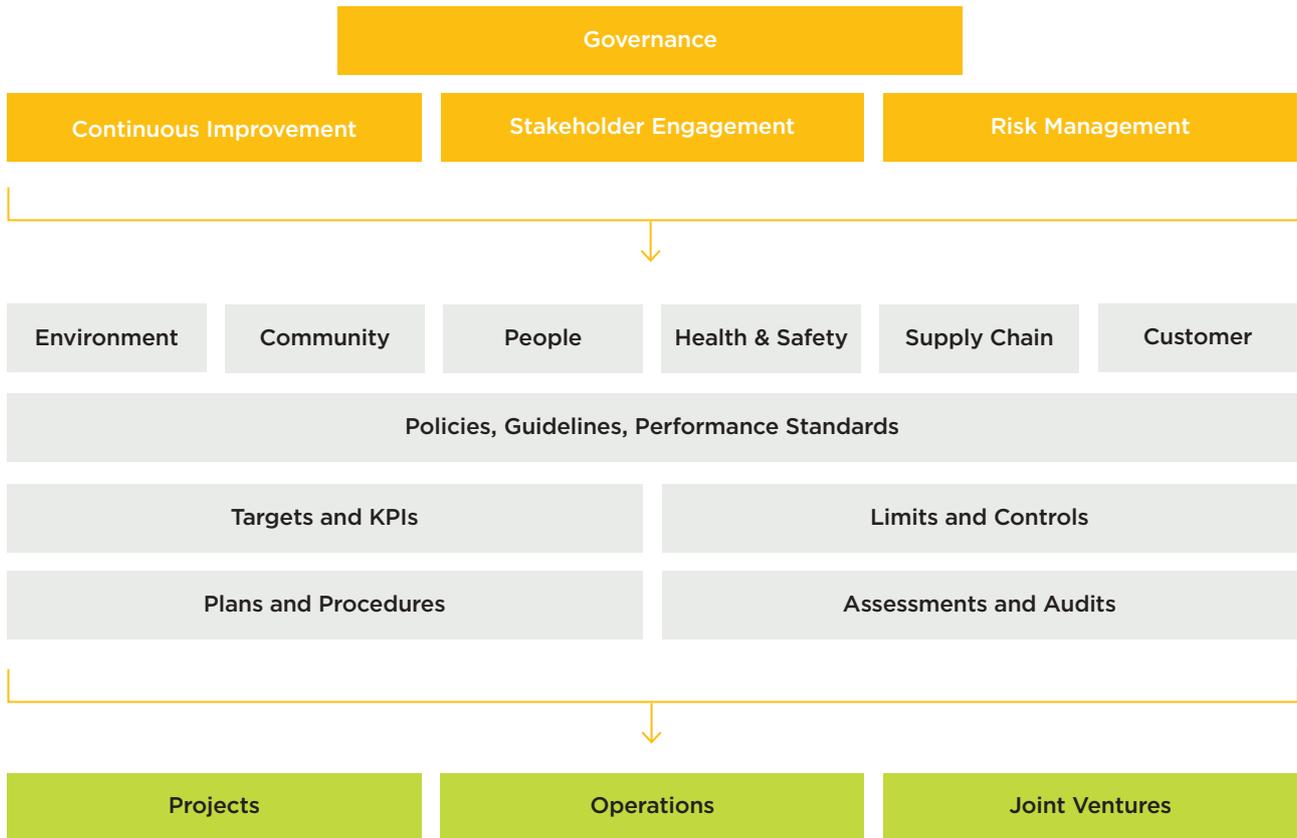
**Local Production and Natural Resources:** Strategic collaborative projects and programs that promote the socio-economic resilience and autonomy of local communities in harmony with the local environment through the promotion and utilisation of traditional livelihoods, natural resources and new technologies.



**Empowerment:** Capacity building programs and initiatives that enhance local employment and business opportunities and promote local economic development.

## 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. Following our merger with Galaxy, we will work to adapt this framework and implement consistently across all our operations in line with the revised company strategy.



# 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 FY21 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.

## Climate Change Risk Assessment

In May 2021, we declared our support for the Task Force on Climate-related Financial Disclosures (TCFD), joining more than 2,000 organisations in demonstrating a commitment to building a more resilient financial system and safeguarding against climate risk through better disclosures. We have developed a roadmap for reporting integrated climate change risks and opportunities in line with the recommendations of the TCFD.

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 having oversight of climate-related issues.

## Risk Management

Updates on physical and transitional climate-related risks and opportunities along the value chain are a regular agenda item at each meeting of the Board Sustainability Committee. The corporate risk register is reviewed by the Board Audit and Risk Committee. A climate risk matrix had been developed to assess the potential financial materiality of the identified risks and opportunities.

During FY21 we also conducted a hydrological assessment of the physical impacts of potential climate change scenarios on brine extraction in the Olaroz Basin. We also conduct monthly monitoring of aquifer levels and the flow and quality of main surface water courses to manage the continuity of this resource. The area where we operate is not classified as high water risk and our monitoring has not identified any negative impact on the surrounding environment or communities.

## 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 are used to guide the identification of risks and opportunities in the climate risk assessment. A summary of each of the scenarios considered in our most recent assessment is included in our [Climate Management Approach Disclosure](#).

## Metrics and Targets

We monitor climate-related metrics, such as water use and intensity, energy consumption and intensity, absolute emissions and emissions intensity, and waste. Our Board approved [Climate Change Statement](#), outlines our commitment to the reduction of global greenhouse gas emissions and the transition of our business scope 1 and 2 emissions to net-zero by 2035. We are investigating the most efficient methods to implement these reductions at our operations and energy efficiency is a key consideration in our development projects moving forward.

We have also established preliminary energy consumption and emissions reduction targets for the Olaroz Lithium Facility and Borax Argentina as stated in our [Climate Management Approach Disclosure](#). These preliminary targets will be reviewed to align with our net-zero emissions commitment and will be expanded to cover the new operations of the merged entity.

We are committed to transitioning our operational scope 1 and 2 emissions to net-zero by 2035.

## Human Rights Risk Assessment

We continue to monitor Human Rights risk factors in our operations and supply chain following the guidelines of the UN Guiding Principles for Business and Human Rights. During FY21 we submitted our first [Modern Slavery Statement](#) to the Australian Government and conducted training on Human Rights to employees across the company.

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 Disclosures on [Human Rights](#) and [Community](#).

## Future Focus—Governance and Risk



Work to embed our sustainability strategy, corporate governance and risk management approach across the leadership and operations of the Merged Entity.



Continue conducting Life Cycle Analysis for SDJ—Olaroz Lithium Facility.



Continue implementing our TCFD Roadmap and Plan to transition to net-zero (scope 1 and 2) carbon emissions by 2035.



Enhance our approach to mitigating risk factors for modern slavery in our operations and supply chain.

# COVID-19 Impact and Response

As of 30 June 2021, Argentina had recorded approximately 5 million cases of COVID-19 and the provinces of Jujuy and Salta were recording around 300 to 500 new COVID-19 cases a day.

With the collaboration of our employees however, we have adapted work practices to allow our businesses to continue operating while minimising exposure risk for our employees, their families, and our communities.

COVID-19 Safety Committee set up at the beginning of the pandemic continues to maintain transparent communication and provide prompt and responsive feedback to our stakeholders.

## Our People—COVID-19 Response

Our Biosecurity Protocol, developed in accordance with established national and provincial regulations and best practice approaches within the industry, remained in place during FY21. Additional accommodation facilities were constructed during the year to allow appropriate separation of more than 650 personnel on site at the end of FY21 for the Stage 2 Expansion Project at Olaroz. Biosecurity measures were periodically updated and revised during FY21.

- COVID-19 tests were required for all employees and contractors prior to the start of each roster
  - 13130 tests conducted during FY21 for SDJ and BRX
  - 365 positive test results (including 152 for contractors at SDJ) were detected prior to roster commencing
  - 109 positive results were detected during the roster. These people were isolated from the rest of the workforce and provided with medical treatment as required.
- Daily medical checks were conducted for all on site to monitor for symptoms.
- Transportation protocols were implemented to reduce close contact during transport to and from site and COVID-19 tests were required for transport drivers.

- The roster was changed to bring employee rosters in line with contractor rosters to reduce days with personnel changeover on site. No access to site was permitted outside of rostered days.
- A new entrance was created for expansion workforce at Olaroz Lithium facility to improve separation of personnel when on site.
- Ongoing training of staff who work in common areas was conducted.



**1606**

behaviour observations made during the year by managers and supervisors focused on correct implementation of the biosecurity protocol.



**352**

on site audits conducted to ensure biosecurity protocol was adhered to.



**5255**

checklists completed by contractor trucks before entering the Olaroz Lithium Facility site.



**19502**

health check calls made to personnel at home prior to pre roster COVID-19 tests.

With the support and cooperation of government and local health authorities we have promoted a vaccination plan for our workforce in Argentina. The following vaccination milestones were reached for our SDJ workforce at the Olaroz Lithium Facility and expansion project as of August 31, 2021:

**% of employees with first doses administered**

<b>68%</b>	<b>85%</b>
SDJ Operations	SDJ Expansion

**% of employees with second doses administered**

<b>4%</b>	<b>1%</b>
SDJ Operations	SDJ Expansion

The majority of second doses are being administered during FY22.

**Communities—COVID-19 Response**

We have continued to assist our communities adapt to the changing requirements of the pandemic. Case studies outlining our community response are available on our company [website](#).

Our cash and in-kind donations to the communities surrounding our operations during FY21 was approximately USD \$130,000<sup>2</sup>.

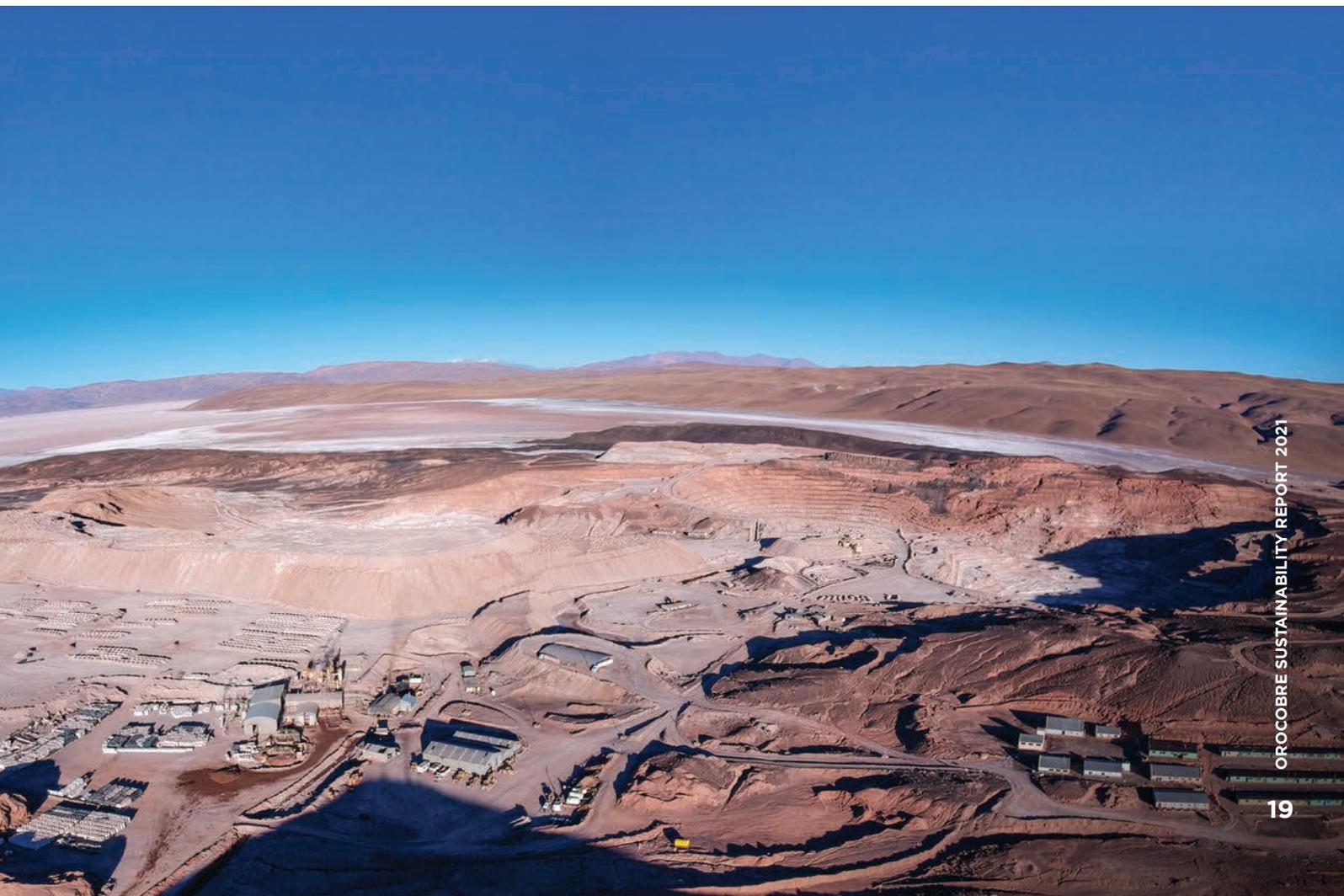
**Suppliers and Contractors—COVID-19 Response**

We continue to work with our local suppliers to assist implementation of appropriate Bio-security Protocols within their organisations.

**Market—COVID-19 Impacts**

Following initial disruption associated with COVID-19 supply chain impacts, many regions have now put plans in place to accelerate the transition to electric vehicles (EVs). This has led to increased sales of domestic Electric Vehicles (EVs) with LFP (lithium iron phosphate) battery formats and an associated increase in demand from battery materials producers during the second half of 2020. The lithium market recovery continued through and beyond the end of FY21.

<sup>2</sup> This amount does not include management costs or amounts associated with the easement agreement for Olaroz Lithium Facility.



# Our 2021 Focus Areas

We create and maintain our long-term business value by understanding who our stakeholders are, listening to their concerns and ideas, and being responsive to their needs.



# Our Stakeholders

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

Stakeholder Group	Engagement Method
 <b>Employees</b>	Induction workshops, annual performance reviews, employee satisfaction surveys, "Resguarda"/Whistle blower employee hotline, Intranet, newsletters, e-mails, bulletin boards, and social media
 <b>Investors and shareholders</b>	Australia and Toronto securities/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 (virtual), Annual Report, phone calls, one to one meetings, conferences, teleconferences and webcasts
 <b>Contractors</b>	Induction workshops, contractual agreements, safety training, direct and continuous personal dialogue, suggestion box, Intranet, newsletters, e-mails, bulletin boards, "Resguarda"/Whistle blower hotline
 <b>Suppliers</b>	Supplier surveys, meetings and annual supplier breakfast, annual performance review
 <b>Customers</b>	Key account managers, regular meetings, and involvement of Quality team
 <b>Communities</b>	Regular and frequent dialogue with Shared Value team, participatory fieldwork, development programs and evaluation activities, monthly assemblies, cultural events, monthly municipal meetings, participation in environmental monitoring, communication in person, by phone and WhatsApp, meetings with community institutions
 <b>Local governments</b>	Meetings and presentations, spaces for debate and public-private dialogue, public-private linkage programs, and direct engagement
 <b>Non-Government Organisations (NGOs)</b>	Meetings as required, and engaging with relevant organisations on specific topics
 <b>Unions</b>	Direct communication, formal negotiations and approval for changes, union representative within workforce
 <b>Regulatory bodies</b>	Audits, monthly, quarterly, half and full-year reports and surveys, permit and licence submissions and approvals requirements
 <b>Joint Venture Partners</b>	Regular meetings with Toyota Tsusho Corporation/JEMSE, meetings with business representatives
 <b>Industry peers</b>	Communication via emails and forums, seminars, conferences and events, discussions on relevant issues

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

# Materiality Assessment

Each year, our materiality assessment assists us in determining the most important topics for our stakeholders during each reporting period. We 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:



## Targeted Stakeholder Engagement

Analysis and consultation to evaluate key topics for our stakeholders. During FY21 we conducted an internal and external stakeholder survey as well as targeted meetings with investors and customers.



## Materiality Test

Analysis of internal and external source documentation and the outcomes of the stakeholder engagement to determine the list of relevant matters during the reporting period.



## Validate and Prioritise

Review with executives to validate and prioritise the material topics for incorporating in strategy updates, management approaches and reporting.

The outcomes of the materiality assessment for FY21 are summarised in the matrix below. There are many topics that are important to both Orocobre and our stakeholders and this matrix represents those that have been identified as most important for both. The main changes from topics identified in last year's assessment are specific reference this year to Innovation, Diversity, and Governance.

## Materiality Matrix

● Strategic ● Relevant ● Important

	Strategic	Relevant	Important
High Relevance to Stakeholders	<ul style="list-style-type: none"> <li>Local hiring and development of suppliers in the regions where we operate.</li> </ul>	<ul style="list-style-type: none"> <li>Risk and crisis management</li> <li>COVID-19 response</li> <li>Human rights</li> </ul>	<ul style="list-style-type: none"> <li>Health and safety at work</li> <li>Business continuity, growth and profitability</li> <li>Climate change response</li> <li>Basin, biodiversity and environmental management</li> </ul>
Medium Relevance to Stakeholders		<ul style="list-style-type: none"> <li>Diversity, inclusion and equal opportunities</li> <li>Training and professional development</li> </ul>	<ul style="list-style-type: none"> <li>Customer relationships</li> <li>Assurance of quality, product safety and responsibility</li> <li>Partnerships and community relationships</li> <li>Governance, ethics, transparency and anti-corruption</li> </ul>
Low Relevance to Stakeholders			<ul style="list-style-type: none"> <li>Research, innovation and development</li> </ul>
	Low Importance to Orocobre	Medium Importance to Orocobre	High Importance to Orocobre

## Response to material topics

The table below shows the location in the Sustainability Report or Annual Report where each of these topics is addressed. We have also included references where more detailed information regarding our management approach and relevant performance data is available.

Topic	Description	Location in Report or Website
<b>Health and safety at work</b>	How we look after the health and safety of our employees and project contractors.	<a href="#">Health and Safety Chapter</a> <a href="#">Management Approach</a> <a href="#">Performance Data</a>
<b>Business continuity, growth, and profitability</b>	Our stakeholders, particularly our investors require our business to be profitable now, and in the long term.	<a href="#">Annual Report</a>
<b>Climate change response</b>	How we are responding to the recommendations of the TCFD, preparing our business for the physical and transitional risks (and opportunities) associated with climate change and achieving our commitment to net-zero emissions.	<a href="#">Management Approach</a> <a href="#">Performance Data</a> <a href="#">Climate Change Statement</a>
<b>Basin, biodiversity, and environmental management</b>	How we identify, evaluate, and manage the potential environmental impacts of our operations, particularly in relation to water use.	<a href="#">Environment Chapter</a> <a href="#">Management Approach</a> <a href="#">Performance Data</a>
<b>Risk and crisis management</b>	How we effectively identify and manage risks in relation to the sustainability of our business.	<a href="#">Management Approach</a> <a href="#">Governance and Risk Chapter</a>
<b>COVID-19 response</b>	How we are responding to the challenges associated with COVID-19 across our workforce, in our communities, with our suppliers and contractors, and in the market.	<a href="#">COVID-19 Impact and Response Chapter</a> <a href="#">Annual Report</a> <a href="#">Case Studies</a>
<b>Human rights</b>	How we respect and promote human rights in our operations and supply chains. The Australian Government requires an annual Modern Slavery Statement outlining how we identify and address risk factors for modern slavery.	<a href="#">Management Approach</a> <a href="#">Performance Data</a> <a href="#">Modern Slavery Statement</a>
<b>Customer relationships</b>	The success of our business requires us to understand and respond to the needs of our customers.	<a href="#">Value Chain Chapter</a> <a href="#">Management Approach</a> <a href="#">Performance Data</a>
<b>Assurance of quality, product safety and responsibility</b>	Our customers have specific requirements to which our products must adhere. Our stakeholders are also interested in how safe and responsible our products are.	<a href="#">Value Chain Chapter</a> <a href="#">Management Approach</a> <a href="#">Performance Data</a>
<b>Partnerships and community relationships</b>	How we interact with governments and community stakeholders in the areas where we operate to maintain our social licence.	<a href="#">Communities and Shared Value Chapter</a> <a href="#">Management Approach</a> <a href="#">Performance Data</a>
<b>Governance, ethics, transparency, and anti-corruption</b>	Our stakeholders require us to have effective governance principles in place and to act ethically and with transparency.	<a href="#">Annual Report</a> <a href="#">Governance and Risk Chapter</a> <a href="#">Corporate Governance Statement</a>
<b>Diversity, inclusion, and equal opportunities</b>	Diversity is increasingly seen as an asset to listed entities and a contributor to better overall performance, particularly in a competitive labour market. Our stakeholders are interested in how we set targets towards achieving gender diversity in the composition of our board, senior executives, and workforce generally.	<a href="#">People and Culture Chapter</a> <a href="#">Management Approach</a> <a href="#">Performance Data</a>
<b>Training and professional development</b>	How we maintain employees with the appropriate skillsets required to build a strong and successful business in the long term.	<a href="#">People and Culture Chapter</a> <a href="#">Management Approach</a> <a href="#">Performance Data</a>
<b>Local hiring and development of suppliers in the regions where we operate</b>	How we build the capacity of our local communities to contribute to our operations as employees and as suppliers. These relationships help us to maintain our social licence but are also important to the success of our business due to the remote nature of our operations.	<a href="#">Communities and Shared Value Chapter</a> <a href="#">Management Approach</a> <a href="#">Performance Data</a>
<b>Research, innovation, and development</b>	How we put processes in place that allow us to identify innovative solutions. This is important to meet the changing needs of our partners and customers and increase safety, efficiency, and quality at our operations.	<a href="#">Environment Chapter</a> <a href="#">Value Chain Chapter</a>

# Our 2021 Performance



# Health and Safety

Safe and sustainable operations are an integral part of our strategy. To achieve this, we maintain a “zero incident-zero harm” approach at our sites. This year, we have increased the scope of our incident reporting to include additional severity measures in line with the recommendations of the Australian Council of Superannuation Investors (ACSI) [Future of Health and Safety Reporting Framework](#).

We worked with our safety team at SDJ to define indicators that better reflect management of our most material health and safety risks in line with the four elements of the ACSI Health and Safety Reporting Framework.



We have developed an action plan to incorporate this framework, initially for the Olaroz Lithium Facility. The full breakdown of all our safety reporting metrics for both employees and contractors is available on our website in the [Health and Safety Performance Data](#). Further information relating to our [Health and Safety management approach](#) is also available on our website. We are continuing to finalise our 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 FY22.

This year, we completed the implementation of our Intelix cloud-based health and safety management system at SDJ and began implementation for Borax Argentina.

The use of this system is enhancing our culture of monitoring and reporting across the business through real time notification of safety observations and incident follow-up investigations.

## Key Performance Indicators

Across the group this year, we have again recorded zero fatalities. We also saw significant improvements in Lost Time Injury Frequency Rate (LTIFR) reducing from 2.5 to 1.0, and in Total Recordable Injury Rate (TRIFR) from 4.5 to 2.4.

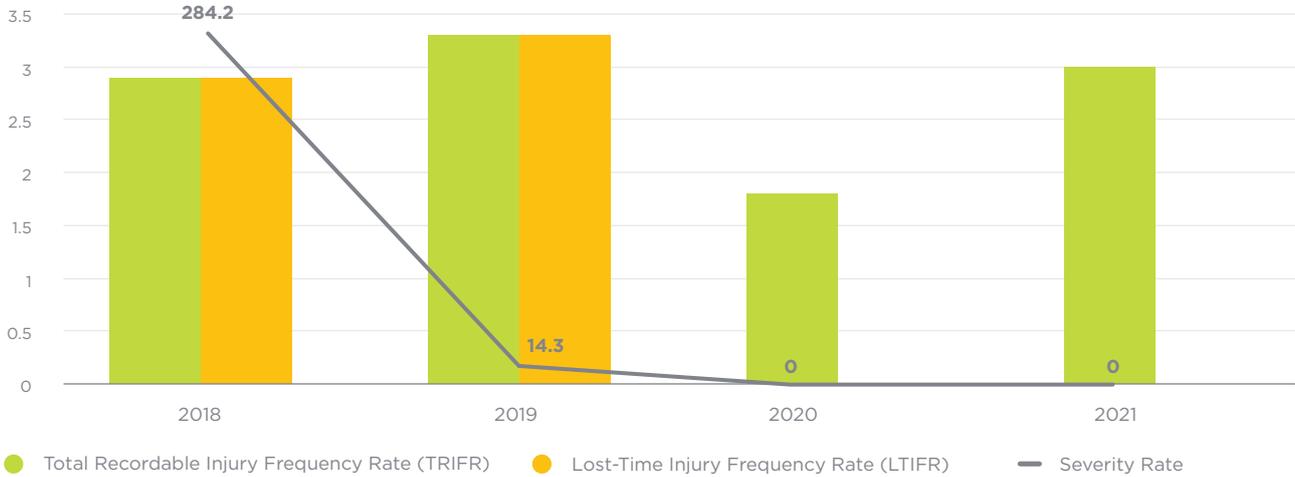
The following table summarises our FY18 - FY21 safety performance for employees and contractors at the Group level.

Orocobre Group							
	TRIFR			LTIFR			Fatalities
	Employees	Contractors	Total	Employees	Contractors	Total	Total
<b>FY21</b>	3.0	1.6	2.4	1.2	0.8	1.0	0
<b>FY20</b>	4.7	4.2	4.5	1.6	3.6	2.5	0
<b>FY19</b>	3.5	3.1	3.3	2.9	3.1	3.0	0
<b>FY18</b>	2.8	1.7	2.5	2.1	1.7	2.0	0

## Olaroz Lithium Facility

Our SDJ employees at the Olaroz Lithium Facility again recorded zero lost time injuries this year, although the TRIFR did increase.

### SDJ Safety Performance (employees)



Our contractor safety management subcommittee has overseen a reduction in both recordable and lost time injuries (actual and frequency rates) for our contractor workforce at Olaroz Lithium Facility during FY21. This has been achieved while construction activities carried out by contractors as part of our Stage 2 Expansion Project have increased. SDJ recorded one lost time injury involving a contractor on site at the Olaroz Lithium Facility this year. The contractor sustained a leg fracture whilst carrying out tank cleaning activities at the lime plant causing lost workdays. This incident resulted in an increased contractor severity rate as shown in the graph below. The severity rate is a measure that represents the number of lost or restricted workdays per million hours.

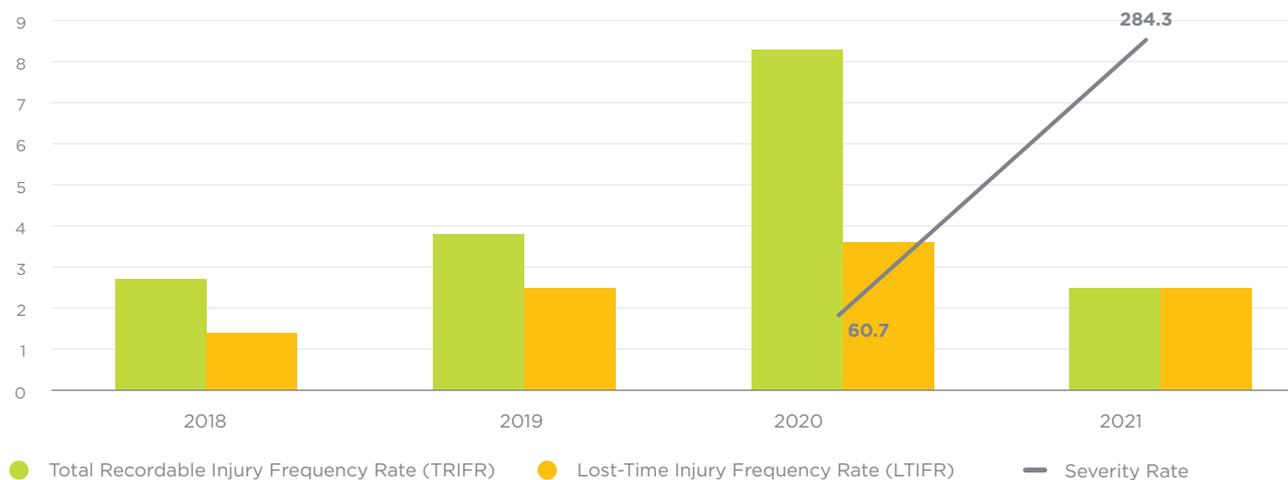
### SDJ Safety Performance (contractors)



## Borax Argentina

We are proud to report that the increased focus on safety management and training at Borax Argentina has resulted in improved safety outcomes on site. These outcomes are evident in the reduced LTIFR and TRIFR this year. Unfortunately, the two employee lost time injuries that occurred were associated with a considerable number of restricted work days. This is reflected in an increase in severity rate recorded for FY21. Note that we began reporting severity rate for Borax Argentina in FY20.

### Borax Argentina Safety Performance (employees)



There were no safety incidents recorded at our Borax Argentina sites this year involving contractors.

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

## Future Focus—Health and Safety



Continue standardising and improving metrics for safety, health, and environment across all operations of merged entity.



Finalise implementation of Intelx dashboard for monitoring health and safety KPIs at Borax Argentina.



Finalise update to ISO 45001 certification.

Maintain focus on improving safety across all sites in line with our preliminary targets:

Health and Safety KPIs	Values FY21	Target			
		FY21	FY22	FY25	FY30
<b>SDJ</b>					
TRIFR*	2.3	3.0	2.9	2.0	1.5
LTIFR*	0.5	1.0	0.9	0.7	0.5
<b>BRX</b>					
TRIFR*	2.5	4.5	4	2.0	1.5
LTIFR*	2.5	3.5	2.5	1.5	1.0

\*Employees and Contractors

# Value Chain



The sixth Assessment Report of the Intergovernmental Panel on Climate Change (IPCC) released in 2021 highlighted that human induced climate change is already affecting weather and climate extremes in every region across the globe. To limit these changes in the climate system and avoid the worst impacts, global CO<sub>2</sub> emissions must be minimised to reach at least net-zero by 2050 or sooner. In response, many governments and corporations have stated new or increased ambitions towards achieving net-zero emissions.

The transition away from fossil fuels to low emissions electricity will form a large part of global efforts to reach net-zero. Many regions have already put plans in place to phase out the sale of internal combustion engine (ICE) cars and transition to electric vehicles (EVs).

The transition towards cleaner energy systems is driving increased demand for minerals that are crucial for battery storage technologies. Projected growth in lithium demand associated with a net-zero scenario has been modelled to be 30 times higher in 2030 compared with 2020 levels. By 2050, modelled demand for lithium in this scenario increases to more than 100 times 2020 levels.<sup>3</sup>

Our critical place in the EV value chain requires us to be responsive to the needs of our customers and we conduct strategic research to better focus on marketing and product innovation efforts.

During FY21 we welcomed a new Research and Development Leader to our company to ensure emerging technologies, market trends and innovation that will be required for competitive advantage in the future are incorporated into the plans of today. We also work closely with our suppliers to increase transparency concerning their social and environmental performance.

## 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 adapt our product specifications and reporting to meet their changing needs.

<sup>3</sup> As modelled by the International Energy Agency (IEA) net-zero by 2050 scenario roadmap (<https://www.iea.org/reports/net-zero-by-2050>).

## Key Performance Indicators

### Product Quality

#### Olaroz Lithium Facility

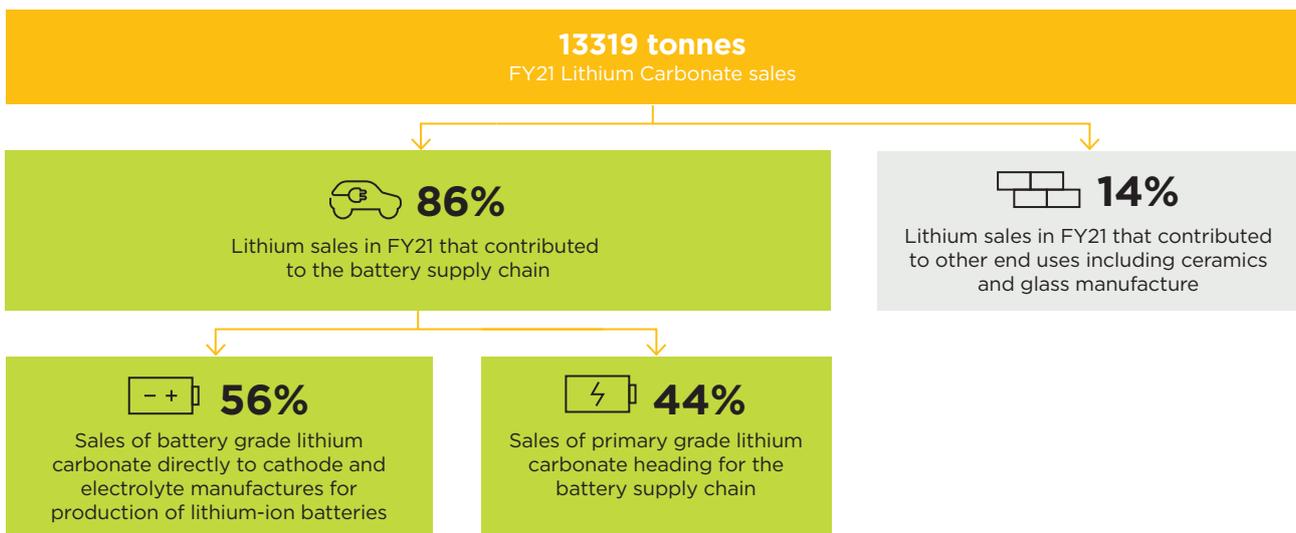
At the Olaroz Lithium Facility we produce primary industrial grade lithium carbonate and both micronised and non-micronised battery grade lithium carbonate. The main markets for primary grade product are ceramics and glass producers, and lithium hydroxide chemical production, predominantly used in battery cathodes. Battery grade lithium carbonate is typically sold directly to cathode and electrolyte manufacturers for use in the production of lithium-ion batteries used in EVs. During FY21 approximately 86% of the lithium carbonate we sold contributed to the battery supply chain for EVs.

We are working with our customers to increase transparency of carbon emissions reporting in the EV and battery supply chain.

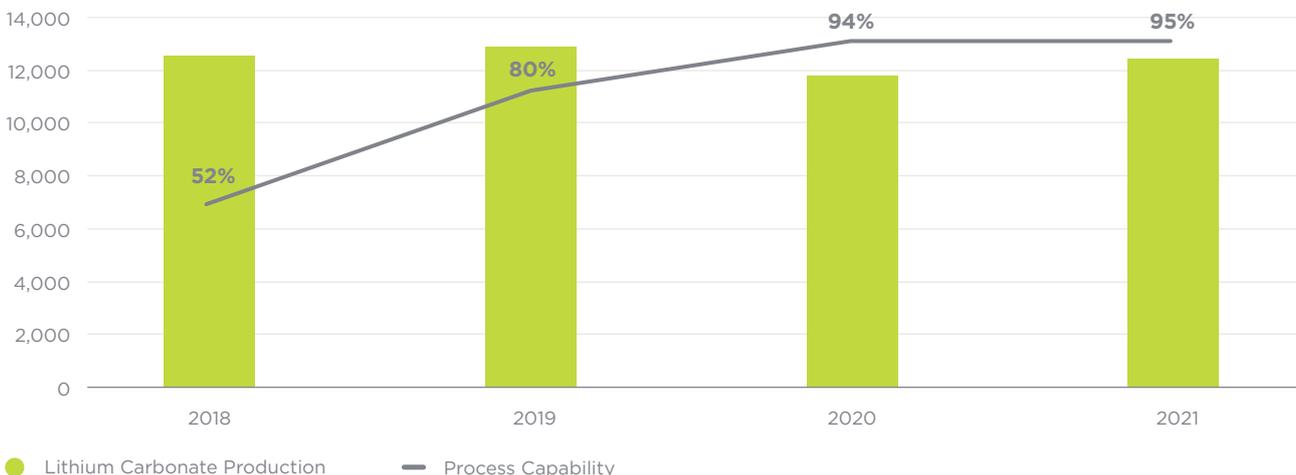
This is becoming increasingly important with the introduction of new regulatory framework for batteries<sup>4</sup> being proposed by the European Union and the Global Battery Alliance principles for a sustainable battery value chain<sup>5</sup>. The current proposed changes to the EU regulation concerning batteries will require a carbon footprint declaration as of 1 July 2024.

Due to our long-term commitment to sustainability and our transparent reporting of water use and carbon emissions from our operations, we can work with and support our customers as they establish their supply chain reporting requirements.

During FY21, we also implemented new software and barcode technology to improve traceability of our product quality data from our quality control laboratory all the way through to the delivery of final product to our customers. Production of lithium carbonate increased to 12,611 tonnes in FY21, and our Process Capability<sup>6</sup> level increased to 95%.



Olaroz Production (tonnes LCE)



4 [https://www.europarl.europa.eu/RegData/etudes/BRIE/2021/689337/EPRS\\_BRI\(2021\)689337\\_EN.pdf](https://www.europarl.europa.eu/RegData/etudes/BRIE/2021/689337/EPRS_BRI(2021)689337_EN.pdf)  
 5 <https://www.weforum.org/global-battery-alliance/action>  
 6 Process Capability: % of Analytes with Process Capability Index (Cpk) >1

## Borax Argentina

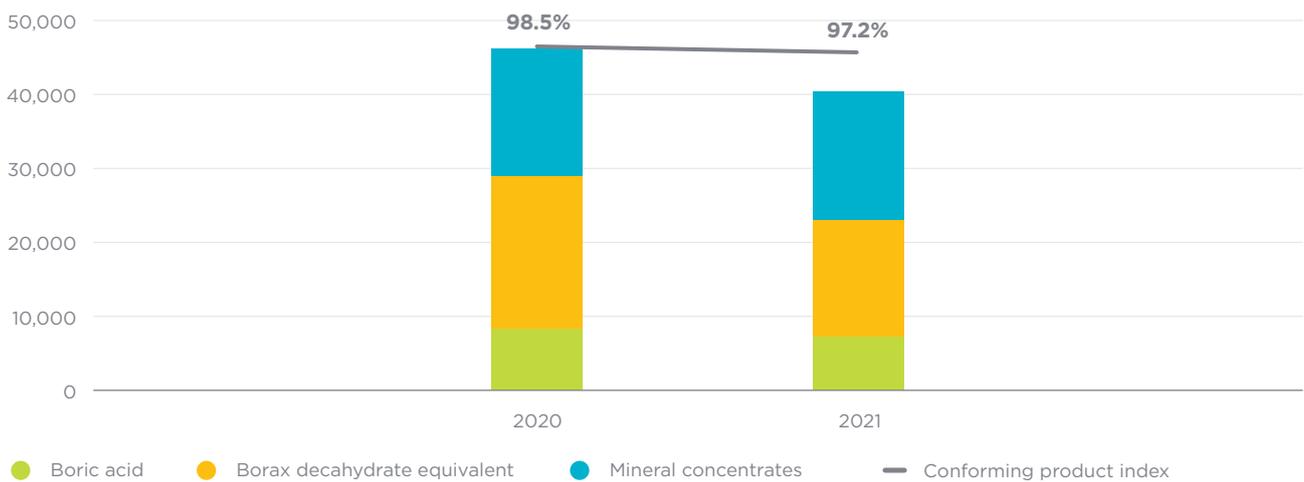
Borax Argentina remains the largest South American based boron chemicals producer with a wide range of refined products. Product streams include refined borax products produced on site at the Tincaluyu mine, hydroboracite and colemanite mineral concentrates produced at the Sijes mine, and boric acid produced at Campo Quijano from byproducts of concentrate production at Sijes.

Our borax products have applications in a wide range of markets including agriculture, ceramics, glass, fiberglass, and detergents. The distribution of end uses for our borate products from FY21 sales is shown below.

Our customers require consistent product quality to meet their usage specifications. During the year Borax Argentina focused on the development of products with sound value propositions for customers. Production rates across the operations have been in line with expectations with combined production of 40,627 tonnes and Conforming Product Index<sup>7</sup> of 97.2% during the reporting period.



## Borax Production (tonnes)



<sup>7</sup> 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

We have developed a [Supplier Code of Conduct](#) that supports our commitment to the UN Guiding Principles for Business and Human Rights and our obligations under Australian Government Modern Slavery Legislation. The Code of Conduct is available on our [website](#) and defines our expectations of our suppliers including adherence to policies regarding Human Rights, Environment, Labour and Corruption. We are working to increase adherence to this Code of Conduct by our suppliers and contractors in FY22.

Contract-specific 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. During FY21, we initiated environmental and social assessments of key suppliers of SDJ and Borax Argentina. 23 SDJ suppliers and 12 Borax Argentina suppliers were screened through this process.

More information about our approach to our value chain and performance is available on our website in our [Management Approach Disclosures](#) on **Quality and Supply Chain** and [Performance Data](#) on **Value Chain and Energy and Emissions**.

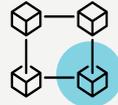
## Future Focus—Value Chain



Continue expanding the scope of the Environmental and Social Assessment for key suppliers in SDJ and Borax Argentina, initially focused on suppliers from regions or products identified as having a higher risk of modern slavery.



Continue implementing our Supplier Code of Conduct and disclosing % of suppliers that have signed.



Continue enhancing product packaging to ensure high quality product is not impacted on route to customers.



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

Work toward achieving the following short and longer term KPIs.

Value Chain KPIs	Values FY21	Target			
		FY21	FY22	FY25	FY30
<b>SDJ</b>					
Number of claims/1000 dispatched	35	16	25	15	10
Claim resolution time (days)	15	18	10	8	5
Claims Index (%) (Claimed Product / Total Product Dispatched)	0.26	<0.7	<0.5	<0.25	<0.2
Process Capability	95	100% cpk >1.0	100% cpk >1.0	95% cpk >1.15	95% cpk >1.3
<b>BRX</b>					
Number of claims/1000 dispatched	12	ND	11	10	4
Claim resolution time (days)	13	ND	12	10	5
Claims Index (%) (Claimed Product / Total Product Dispatched)	0.078	ND	0.45	0.30	0.15
Process Capability	97.2	ND	98.0	98.8	99.0

# Environment



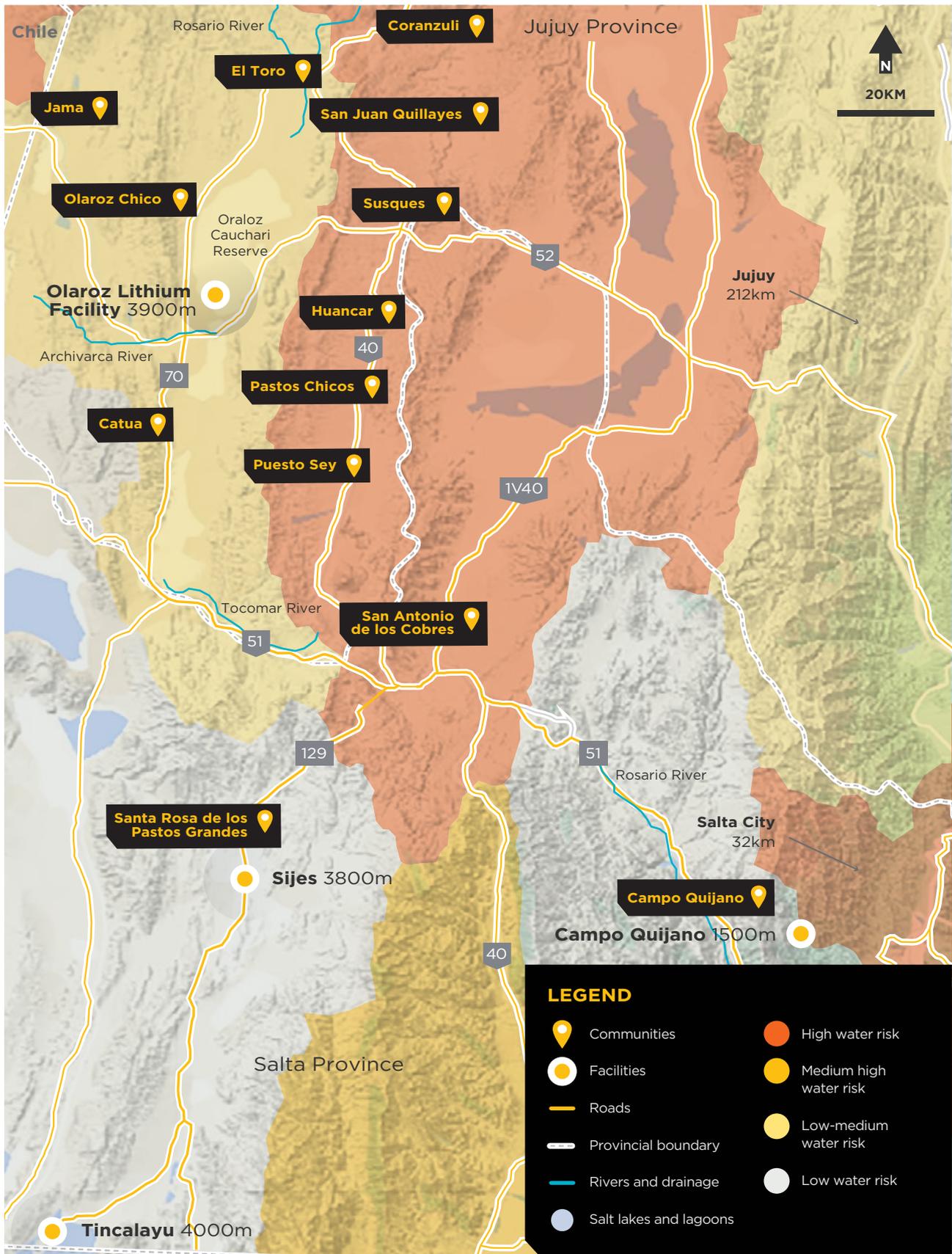
We are committed to ensuring the ongoing vitality of the local environment and the integrity of the ecosystems in the regions where we operate. Monitoring and reporting environmental impact is a regulatory requirement for our operations. Each project requires the approval of an Environmental Impact Report which must be updated every two years.

We carry out 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 is 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 stakeholders are also increasingly interested in our environmental impacts and in particular, the water, energy use and carbon emissions intensity of our SDJ operated Olaroz Lithium Facility operations. Our Olaroz Lithium Facility is strategically located in an area of lower water stress<sup>8</sup>. We closely monitor any water related risks associated with our operations including assessing water stress under different climate change scenarios, taking into consideration other operators within the basin.

<sup>8</sup> as defined by the World Resources Institute Aqueduct Water Risk Atlas database

## Site locations and surrounding environment



## 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 salt lake and pumping of the brine to the evaporation ponds. Magnesium is removed via the addition of lime as the brine enters the pond system. Solar energy is utilised to concentrate the lithium in the brine and finally, the brine is processed to produce lithium carbonate. The principal waste product is sodium chloride salts precipitated from the concentrating brine which are either retained permanently in the pond system or 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 number of vicuñas recorded during monitoring activities has increased. The underlying geology of the basin and climate conditions result in unpotable groundwater 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.

### Impact of SDJ Operations on the Environment

#### Water and Brine

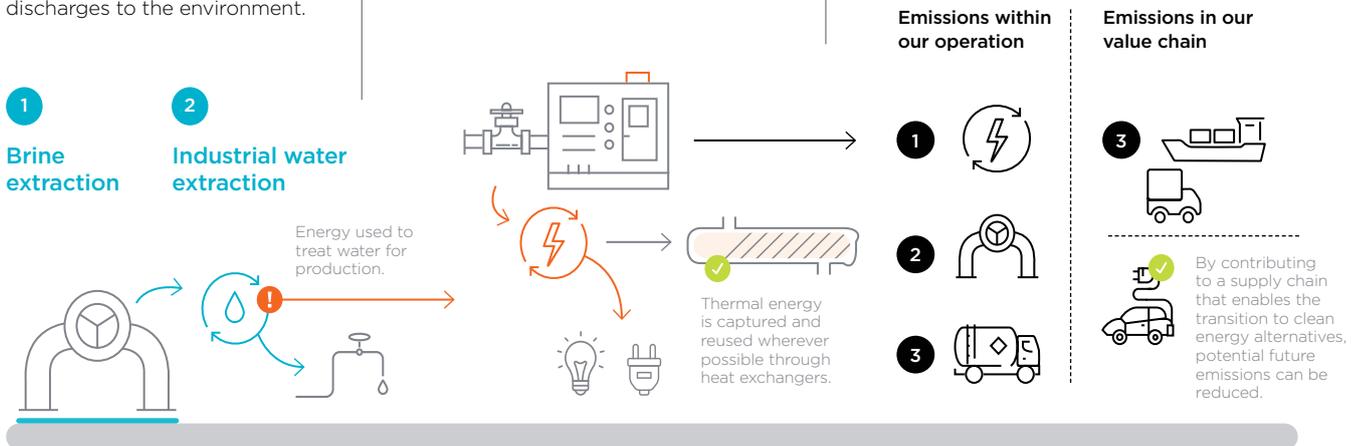
Brine is extracted from wells in the salt lake (salar) and pumped to large scale evaporation ponds. The operations require industrial water (non potable groundwater), which is extracted and treated to be used in processing. Water is returned to the evaporation ponds after processing to recover residual lithium. There are no operational 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. Diesel is used on site for machinery and transport fleet.

#### 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 1,500m above sea level.

The Tincalayu mine is permitted to operate within the Los Andes Wildlife Reserve (Decree No. 303/80). The mine comprises an open cut mine where tincal ore is mined and a plant where the tincal ore is processed to produce borax decahydrate and borax pentahydrate chemicals. The sludge generated in the Tincalayu plant is disposed of in a waste stockpile. However, due to the low moisture content of the tailings and the resulting solid consistency, they are self-supporting and don't require a containment structure.

The Sijes mine is permitted to operate within an area identified as a Vicuna Reserve (Provincial Law 6709/93) in the Pozuelos-Pastos Grandes basin. The site 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 Campo Quijano plant.

The Campo Quijano facility is located on the edge of the town of Campo Quijano. Boric acid is produced here from hydroboracite concentrate and anhydrous borax is produced from borax pentahydrate. The Campo Quijano plant uses the water utility network mainly for domestic consumption, and a groundwater well for industrial use. The production process generates two kinds of effluent, a liquid process purge and a sludge. The process purges are contained within four shallow lined evaporation ponds, that are constantly monitored. A stability study was conducted by an external consultant that concluded the ponds are stable against potential failure mechanisms.

The sludge generated from the production of boric acid, is disposed of in waste stockpiles. Due to the low moisture content of the tailings and the resulting solid consistency, the waste stockpiles are self-supporting and tailing storage facilities are not required. The water quality at the Campo Quijano plant is monitored on an ongoing basis, upstream (at the Rio Blanco), at the facility, and downstream (at the Rio Toro).

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.

## Impact of BRX Operations on the Environment

### Water

**Groundwater** extracted at Campo Quijano is for operational use only. Water is supplied by utilities principally for domestic use.



**Surface Water** is extracted from Vegas (source) at Sijes and Tincalayu. No water is used for processing at Sijes, and water used here is for domestic purposes only.



At Sijes, domestic effluents are treated on site. Discharges are monitored in several locations to manage ecosystem impacts.

In Campo Quijano, despite being in an urban area, there is no sewer service, and domestic effluents are managed through the traditional septic tank system, with external drainage services. Discharges from the boric acid plant are managed in evaporation ponds on site.

### Energy

**Purchased electricity** is used on site at Campo Quijano as well as **Natural Gas** and **Diesel**.



**Diesel** is used to power machinery and fleet vehicles at Sijes and Tincalayu and Tincalayu also use **Intermediate Fuel Oil (IFO)**.



### Emissions

**Scope 1** GHG emissions are generated from Natural gas used in processes, diesel used in machinery and transport fleet and IFO used at Tincalayu.

**Scope 2** GHG emissions associated with purchased electricity used on site at Campo Quijano.



### Scope 3 emissions

We estimate and report on certain emissions from employee business travel, disposal of waste generated, and transportation of our products to ports and/or customers.



## Key Performance Indicators

### Environmental Management and Compliance

SDJ was issued with one environmental fine during FY21. The fine relates to an audit of existing wells which identified that of the 180 exploration bores/wells drilled between 2009 and 2019, 20 exploration bores/wells had not been correctly registered with the local authority.

A minimum fine of USD 16,300 was imposed and paid according to Res 116-SMeH/21.

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

## Future Focus— Environmental Management



Continue implementing metrics and KPIs to assist defining efficiency goals across our operations.



Continue to develop our roadmap to transition our business (across the merged entity) to net-zero scope 1 and 2 emissions by 2035.



Complete implementation of Environment data into Intelix for SDJ and Borax Argentina with monthly entry of information by data owners to increase consistency and quality of information.



Finalise workplan to comply with the requirements of the UN Global Compact CEO Water Mandate.



100% compliance with scheduled participatory biodiversity monitoring.



## Water Use

### Olaroz Lithium Facility

SDJ do not extract any fresh water at the Olaroz Lithium Facility. Industrial groundwater that is collected from wells is not suitable for human or industrial use and needs to be treated using reverse osmosis. Approximately 95% of the treated groundwater is used in the lithium production process with the remaining 5% used for infrastructure maintenance and camp activities. The ion-rich wastewater that is extracted during the reverse osmosis process is reused in the lime plant and pond areas. During the reporting period SDJ increased the amount of industrial water recirculated in our operations by 21% to 134,267m<sup>3</sup>.

Our operational water intensity this year increased to approximately 49m<sup>3</sup> of water extracted per tonne of lithium carbonate produced. The increase in water use intensity compared to the previous financial year is associated with the increase of micronised and purified battery grade product from 24% to 48% of annual production. The additional processing required for these product types consume more water than prime quality.

Reduced water use associated with the expansion project this year is due to the stage of construction that we have reached as well as improvements in water use associated with a different technique implemented to install geomembrane in the new ponds.

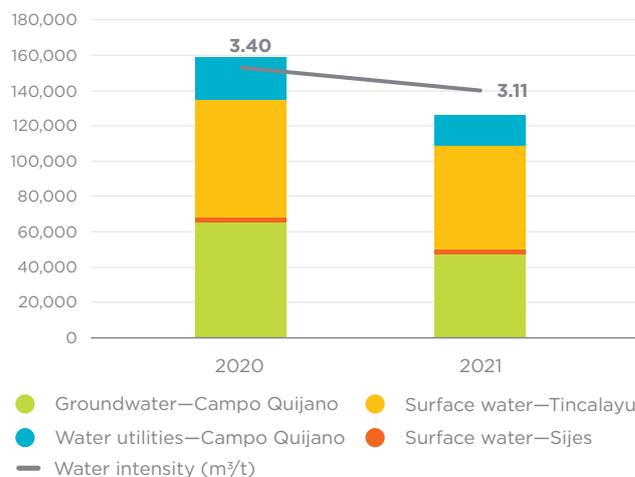
### Borax Argentina

During the reporting period we have continued to make progress installing flowmeters and increasing the consistency of our water reporting at our Borax Argentina sites. This year, we used approximately 126,279m<sup>3</sup> of water across our Borax Argentina operations and camp during the year. This is a reduction of around 20% compared to water use in FY20. The reduction in water use is largely attributed to longer plant maintenance periods during the year related to COVID-19 restrictions. During the reporting period, Borax Argentina recirculated approximately 2,915m<sup>3</sup> of water from the evaporation ponds at Campo Quijano for use in the production plant. The breakdown of water extraction by source and associated water use intensity is shown in the figure below.

SDJ Groundwater Extraction (m<sup>3</sup>)



Borax Argentina Extraction by Source (m<sup>3</sup>)



## Future Focus—Water

We have set the following KPIs for use of industrial water and treatment of effluent at the Olaroz Lithium Facility and for use of water at Borax Argentina operations.

Water use KPIs	Values FY21	Target		
		FY22	FY25	FY30
<b>SDJ</b>				
Operational Water Intensity (m <sup>3</sup> /t)	48.8	48	< 45	<35
Effluents treated on site (%)	79	85	100	100
<b>BRX</b>				
Water Intensity (m <sup>3</sup> /t)	3.11	2.95	2.89	2.80

## Energy Use and Carbon Emissions<sup>9</sup>

### 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 used for electricity generation on site and for heat production in the boilers in our process plants is the largest source of our scope 1 GHG emissions, making up around 89%. Diesel use in our operations and from the construction activities of the Stage 2 Expansion also contribute around 11% of our scope 1 emissions.

There was an increase in natural gas used for electricity production during FY21, and in the electricity intensity. This is due to the increase in the quantity of our product output being purified and micronised lithium carbonate this year. There was also an increase in energy associated with the pumping and conditioning of brine that was added to the new ponds during the year.

These increases have been offset by efficiencies gained in production process temperatures and reductions in diesel use on site. The reduction in diesel use is largely due to COVID-19 impacted rosters reducing the movement of employees and contractors to and from site during the year.

We have no material scope 2 emissions as these relate only to electricity use in our project and administration offices. Our operational carbon emissions intensity has continued to decrease as set out in the figure below.

The operational scope 1 and 2 intensity figure of 2.89tCO<sub>2</sub>-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 battery grade products. We are continuing to analyse innovative technological alternatives for the extraction of lithium, with the aim of improving production efficiency and reducing environmental impact.

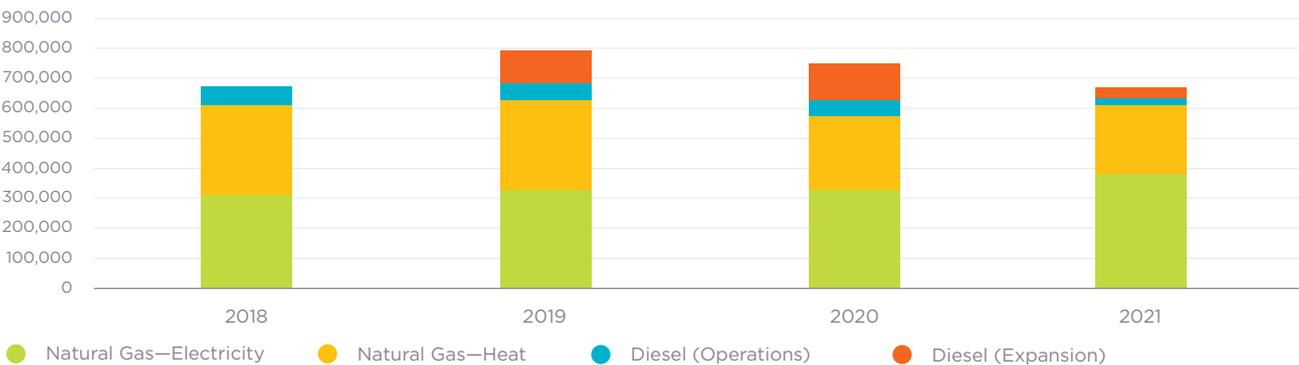
This year, we have continued to expand our scope 3 emissions reporting for SDJ. We have included the estimated emissions associated with transport of lime and soda ash to the Olaroz Lithium Facility, as well as the emissions associated with the production of lime used on site.

The estimated value of scope 3 emissions currently included in our GHG inventory for SDJ is 47 kt for FY21. The breakdown of these emissions sources is shown in the figure below. The largest contribution to scope 3 emissions comes from the production of lime and soda ash used on site.

SDJ GHG Emissions—Scope 1 and 2 (tCO<sub>2</sub>-e)



SDJ Fuel Consumption (GJ)



<sup>9</sup> SO<sub>x</sub> and NO<sub>x</sub> emissions are monitored but are under detectable limits.  
\*Scope 2 emissions are not visible in graph.

## Borax Argentina

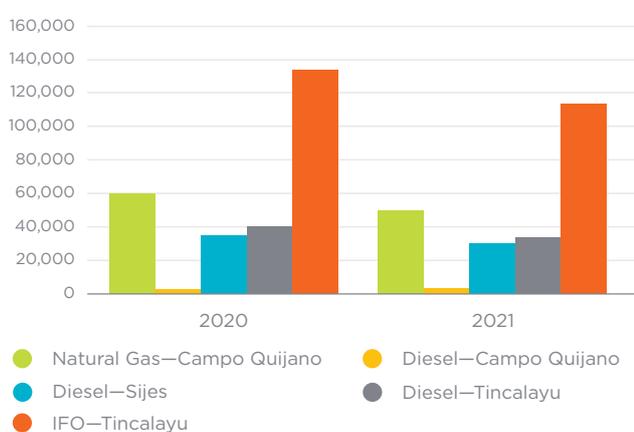
The main sources of GHG emissions for Borax Argentina are scope 1 emissions associated with Intermediate Fuel Oil (IFO) used at our Tincalayu plant. Other scope 1 emissions sources are the natural gas used at Campo Quijano and diesel used at all sites. During the year, further progress, was made in the administrative procedures required on the project to connect the Tincalayu mine with the existing gas pipeline to the west of the site. This will facilitate the phasing out of IFO and diesel use on site resulting in significant reductions in the GHG emissions and energy intensity for the mine.

The total fuel consumption for Borax Argentina decreased by approximately 15% in FY21 compared with FY20. This is associated with production levels

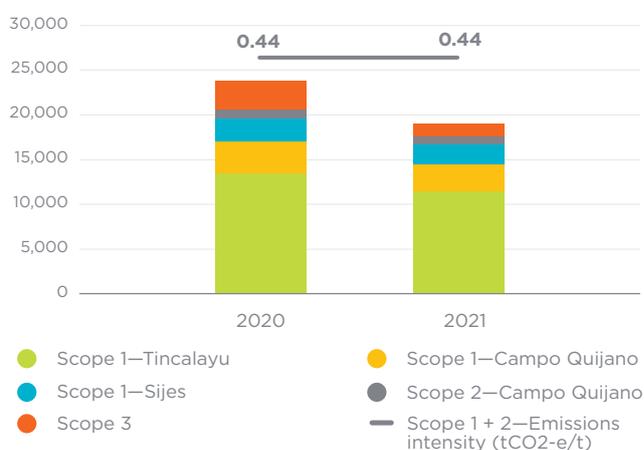
also decreasing due to longer plant maintenance works associated with COVID-19. Associated inefficiencies in electricity consumption compared to production resulted in an increase in electricity intensity this year.

The operational emissions intensity for all Borax products this year was again 0.44 tCO<sub>2</sub>-e/t. This figure is calculated using total scope 1 and 2 GHG emissions. Scope 3 emissions for Borax Argentina are primarily associated with the transportation and distribution of products to ports or directly to customers in South America. Reported scope 3 emissions reduced this year largely due to efficiencies gained by moving from trucks to trains for transportation of product to Buenos Aires.

Borax Argentina Fuel Consumption (GJ)



Borax Argentina GHG Emissions (tCO<sub>2</sub>-e)



## Future Focus—Energy Use and Carbon Emissions

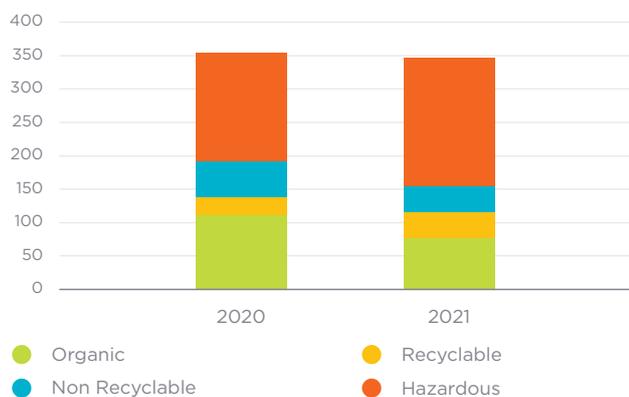
We have committed to transitioning our scope 1 and 2 business emissions to net zero by 2035. Considering this commitment, we are currently developing our plan to achieve this target across the merged entity. Consequently, targets noted below for SDJ and BRX for FY25 and FY30 are under review.

Energy and Emissions KPIs	Values FY21	Target		
		FY22	FY25	FY30
<b>SDJ</b>				
Process Heat Intensity (GJ/t)	18.19	18	< 18	< 17
Scope 1 emissions (tCO <sub>2</sub> -e)	39,019	41,000	83,000	56,000
Scope 2 emissions (tCO <sub>2</sub> -e)	22	22	21	20
Operational Scope 1+2 Emissions Intensity (tCO <sub>2</sub> -e / t)	3.10	3.0	< 3.0	< 2.0
% Energy from Renewables	0	0	5	20
<b>BRX</b>				
Process Heat Intensity (GJ/t)	4.02	4.02	3.96	3.85
Scope 1 emissions (tCO <sub>2</sub> -e)	16,755	16,700	16,000	<16,000
Scope 2 emissions (tCO <sub>2</sub> -e)	926	920	900	<900
Scope 1 +2 Emissions Intensity (tCO <sub>2</sub> -e / t)	0.44	0.44	0.42	0.42

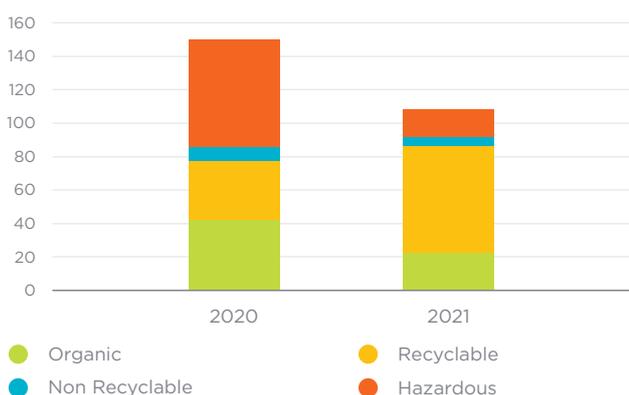
## Waste

We are continuing to improve our waste measurement reporting processes across all sites. The graphs below show the waste volumes recorded for FY21 compared to FY20 for SDJ and Borax Argentina.

SDJ Waste Generated (tonnes)



Borax Argentina Waste Generated (tonnes)



## Evaporation Facilities and Tailings Management

The Global Industry Standard on Tailings Management (the Standard or GISTM) was launched in August 2020. During FY21 we have reviewed the standard and assessed its relevance and applicability to our operations. Borax Argentina and SDJ both utilise evaporation ponds which are designed to remove excess water at various stages of operations.

Our evaporation ponds undergo constant monitoring and management including visual inspections, electrical resistivity testing, remote sensing, leak detection and density testing of pond walls. During FY21, we did not harvest or stockpile any waste salts precipitated from the ponds at the Olaroz Lithium Facility.

Due to the low moisture content and resulting solid consistency of the process waste generated at the Campo Quijano and Tincalayu plants, these waste stockpiles are self-supporting and do not require a containment structure.

The waste stockpiles are built up and managed as per a typical low profile mine waste stockpile. During FY21 approximately 51,300 tonnes of waste rock and 73,600 tonnes of process muds were stockpiled across our Borax Argentina operations.

Following our review against the requirements of the GISTM, we concluded that although there are tailings, there are no Tailings Facilities, as per the definition used in the GISTM.

Further information about process and mineral waste generated and managed by SDJ and Borax Argentina is disclosed in the [Waste Management Approach Disclosure](#).

## Future Focus—Waste

SDJ and Borax Argentina have set the following KPIs relating to waste management. These targets were calculated based on a 5, 10 and 15 percent reduction in kg of waste per person, per month. The recycling levels have been targeted to increase by the same rate.

Waste KPIs (kg/person/month)	Values FY21	Target		
		FY22	FY25	FY30
<b>SDJ</b>				
Generation of hazardous waste	16.60	15.77	14.94	14.11
Generation of non-recyclable waste	4.04	3.83	3.64	3.43
Generation of organic waste	7.65	7.27	6.89	6.50
Generation of recyclable waste	3.35	3.52	3.87	4.02
<b>BRX</b>				
Generation of hazardous waste	16.61	15.78	14.94	14.11
Generation of non-recyclable waste	4.15	3.94	3.73	3.53
Generation of organic waste	19.55	18.57	17.60	16.68
Generation of recyclable waste	64.05	67.25	70.45	73.66

**Case Study—Circular Economy**  
**Borax Argentina Plastic Recycling**

**Direct Contribution**



**Indirect Contribution**



**Shared Value Pillar**

Natural Resources and Local Production

**Communities**

Santa Rosa de los Pastos Grandes, Campo Quijano and San Antonio de los Cobres

**Project Summary**

We are always investigating innovative approaches to better utilise waste and other by-products of our operations.

In November 2020, Borax Argentina signed an agreement with local company Salta Plast to implement a circular economy project at Borax Argentina’s three sites.

As part of the agreement, Salta Plast has provided containers and bags to aid in the correct classification and sorting of waste at our sites. The plastic waste collected by employees at each site is then provided to Salta Plast and used in the manufacture of more containers and bags.

The implementation of this project has been successful in raising the awareness amongst Borax Argentina employees and the greater community of the benefits of sorting and reusing waste generated through our activities.

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](#).



# Communities and Shared Value

We consider our contribution to our communities an integrated element of core business. We acknowledge that building and leveraging available resources optimises the long-term benefits for both our operations and the community.

Our Shared Value team undertake programs based on five pillars:



**Empowerment**



**Transparency**



**Local Production and Natural Resources**



**Education**



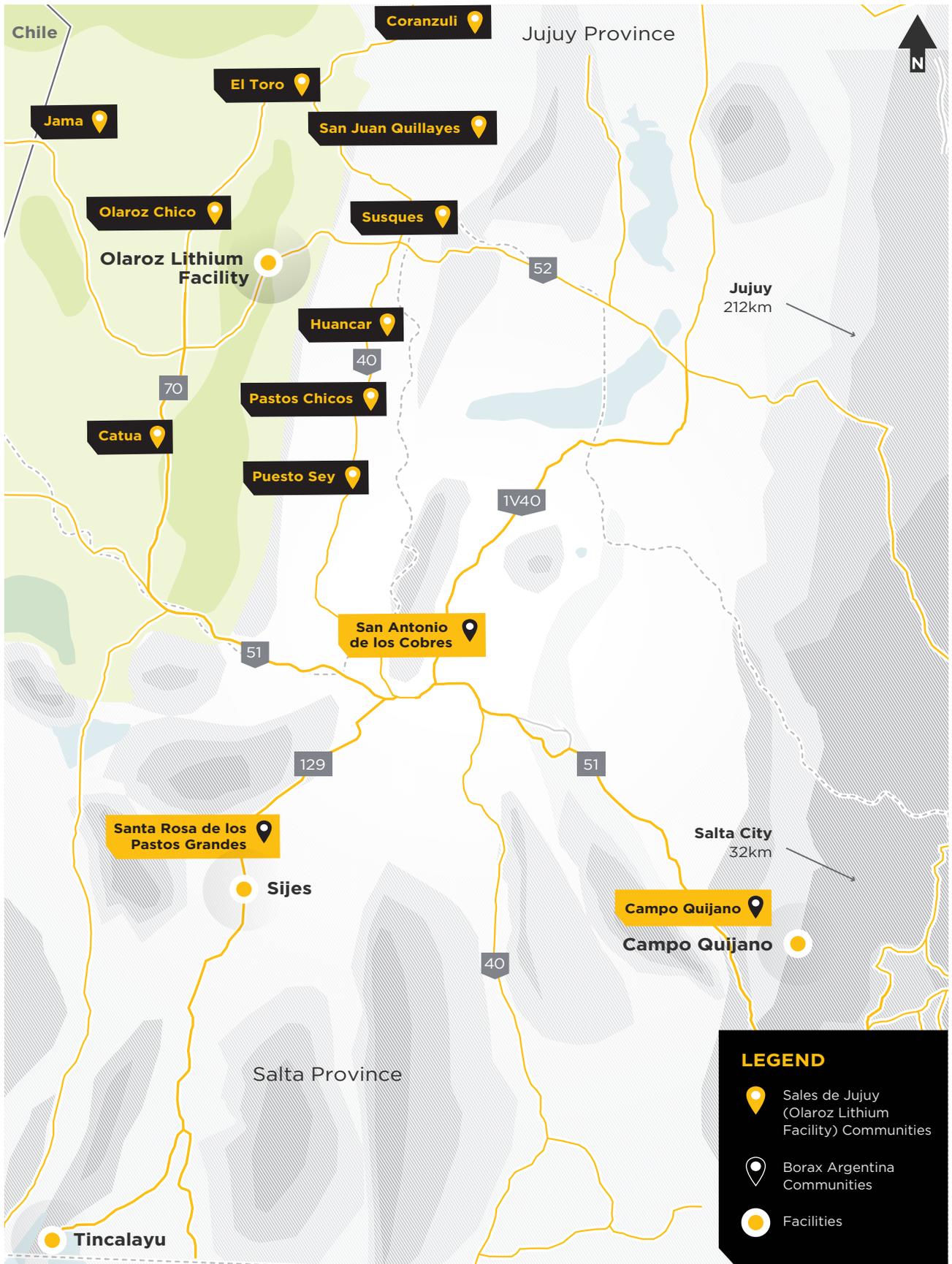
**Health**

Our aim is 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. During FY21 we started implementing the methodology proposed by the [Business for Societal Impact \(B4SI\)](#) Framework for our community investment initiatives. This work will continue during FY22.

There are ten local communities in the vicinity of the area of influence of our operations at the Olaroz Lithium Facility, Olaroz Chico, Susques, Hauncar, Pastos Chicos, Puesto Sey, Catua, Jama, El Toro, Coranzuli, and San Juan de Quillaques. Of these communities, Olaroz Chico is the only one directly impacted by current operations.

After operating for over 50 years, Borax Argentina has formed strong ties with local communities and particularly with the people of Campo Quijano where the company has its head office. The communities of Santa Rosa de los Pastos Grandes and San Antonio de los Cobres are also considered local to operations.

## Our Local Communities



## Key Performance Indicators

### Community Investment

#### Olaroz Lithium Facility

The graph below<sup>10</sup> outlines the investment, both cash and in kind, that SDJ have made to our local and provincial communities.

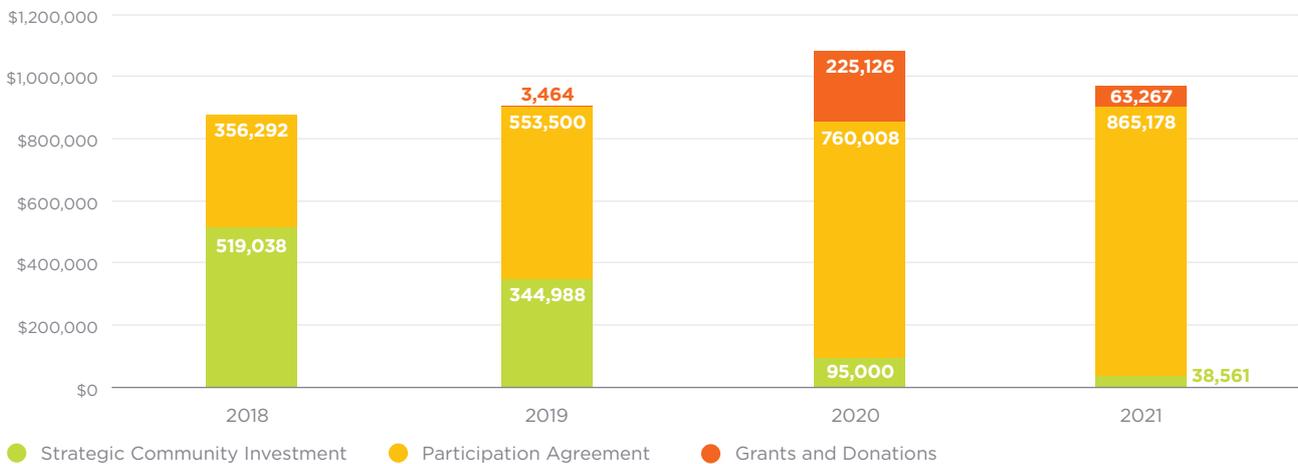
During FY21, whilst complying with COVID-19 related restrictions, we largely completed our Strategic Community Investment Infrastructure Project for the 10 local communities surrounding our Olaroz Lithium Facility. This project began in 2018 with discussions between Orocobre and members of these communities to identify, and better understand specific community needs. In some cases, we learnt that funding was needed to finalise existing projects started by the communities that had not been completed (community halls with no solid roofs, unfinished walls, bathrooms, and kitchens). In other cases, we were able to allocate finance to build new community facilities or assist communities to access services. Our investment in these projects over the last four years has totalled nearly \$1 million USD. This infrastructure now provides venues for communities to hold meetings and cultural events and participate in and conduct training programs.

The Community Hall built in the town of El Toro also includes rooms that the community plan to rent out as accommodation for tourists. These additional identified uses have potential to generate long-term value for these communities.

Our grants and donations relate primarily to our COVID-19 response and have reduced this year as most of these up-front investments in medical equipment were made during FY20.

Participation agreement payments are made under the Participation Agreement 2016 SDJ-Olaroz Chico Community. This is an agreement in place with the Olaroz Chico Community to undertake production and expansion activities at the Olaroz Lithium Facility. This agreement was made in accordance with the Argentine Mining Code and ILO Convention 169 for Indigenous and Tribal Peoples. The agreement ensures community compensation for land restrictions and encroachments, access to energy, water and internet, and commits to the development and maintenance of key infrastructure (such as access roads, schools and community buildings). These payments increased this year to offset partial payments made at the beginning of the COVID-19 pandemic.

SDJ Community Investment (USD)



<sup>10</sup> Participation agreement figures are reported on a cash basis within each reporting period and may include amounts accrued in previous periods. FY20 value has been restated to reflect this definition.

## Borax Argentina

The community investment associated with Borax Argentina is outlined below. We started reporting on these figures for Borax Argentina during FY20. There are no management fees specifically for Borax Argentina as these payments are also managed by the Shared Value Team and are included in the SDJ figures.

The contributions to commercial initiatives and grants and donations associated with the initial COVID-19 response made during FY20 were not ongoing during FY21. The main strategic community investment activity at Borax Argentina is the facilitation of infrastructure improvements for communications and internet providers in the area.

Borax Community Investment (USD)

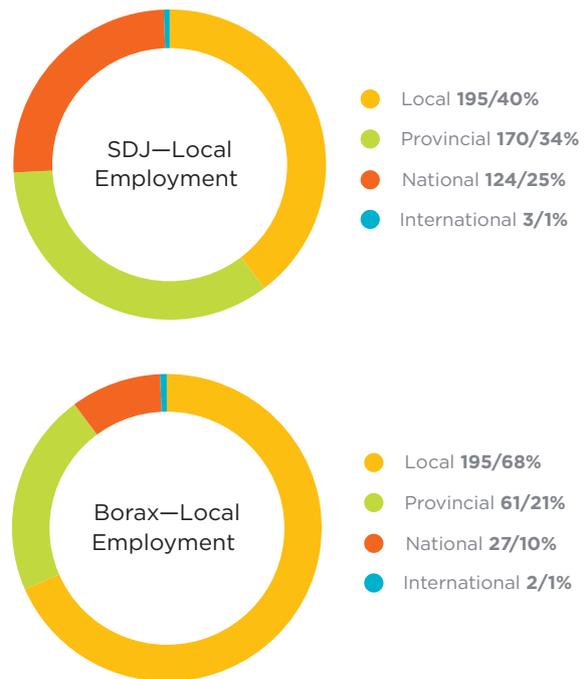


## Empowerment

### Local and Provincial Employment

We have always had a policy and practice of engagement, employment, and support for our local communities. A significant proportion of our workforce in Argentina is comprised of people who are indigenous to the very remote areas where we operate. Through the hiring of local people and procurement of local suppliers and contractors, we have a positive direct and indirect impact in our area of influence.

During the year, SDJ employed 195 people (40%) from our local communities and 170 (34%) from the greater Jujuy Province. Borax Argentina employed approximately 195 people (68%) from local communities and an additional 61 (21%) from the greater Salta Province.



## Local and Provincial Procurement

### Olaroz Lithium Facility

This year, regular communication from our Shared Value team helped to manage the expectations of our local community suppliers and allow them to plan for any delays or changes to business requirements resulting from COVID-19 interruptions.

The distribution of our local community, provincial, national (Argentina) and international suppliers for SDJ in FY21 is shown below. The SDJ supplier data includes suppliers for our operations as well as the suppliers for the Stage 2 Expansion Project.

Our spend on procurement for suppliers in local communities increased significantly when we began the construction activities for our Stage 2 Expansion in FY19. In FY20 and FY21, procurement spend figures (reported in USD) reduced, in part due to the devaluation of the Argentine Peso.



**US \$12.3 million**

Local Community Supplier Spend



**38**

Local Community Suppliers

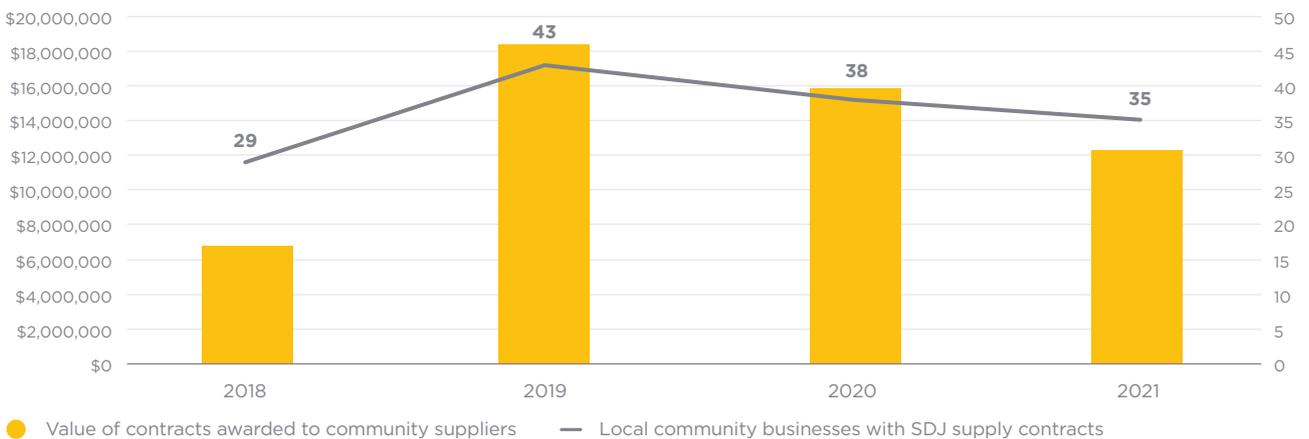
**US \$47.6 million**

Provincial Supplier Spend

**101**

Number of Provincial Suppliers

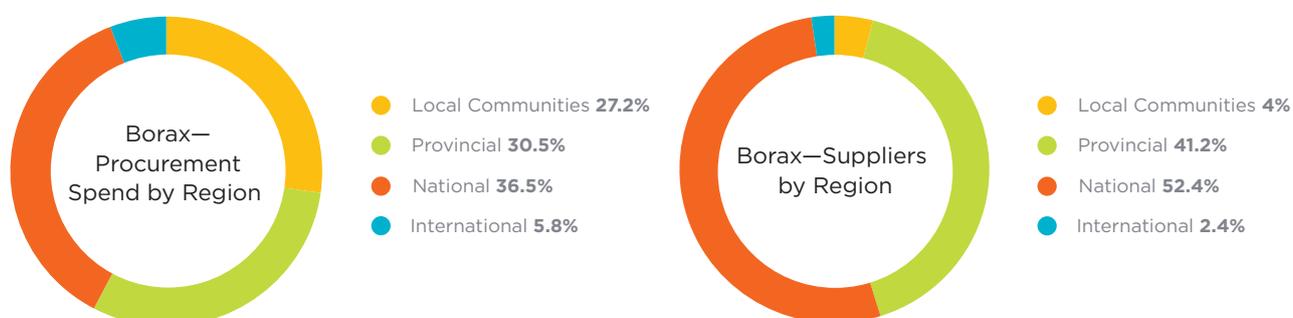
SDJ Local Community Suppliers (USD)



## Borax Argentina

During FY21 45% of suppliers, who represented 58% of supplier spend, were from the local communities and provincial area surrounding our operations. During the year, Borax Argentina spent approximately 3.4 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.



## Government Payments

The figures below summarise the Provincial Royalty payments and other Argentine Government payments made during the reporting period for SDJ and Borax Argentina. Provincial Royalty payments from SDJ were higher than previous years due to a higher market price for Lithium during the reporting period. Borax Argentina royalty payments reduced in line with the reduction in combined product sales during the year.

Royalty and Other Government Payments (USD)	FY20	FY21
Provincial Royalty	321,673	582,240
Other provincial and municipal taxes	130,712	159,660
Other national taxes (including export tax)	6,365,374	2,879,069
Employment taxes paid by SDJ and BRX	3,861,869	3,379,356
<b>Total Paid</b>	<b>10,679,628</b>	<b>7,000,326</b>
Provincial withholding tax to local business <sup>11</sup>	1,367,270	921,435
National withholding tax on salaries	1,374,756	1,439,370
National withholding tax to business	2,081,672	1,499,562
<b>Total Withheld</b>	<b>4,823,698</b>	<b>3,860,368</b>

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

<sup>11</sup> Also includes Borax Argentina Municipal withholdings equivalent to USD 26,884 (FY20 only).

## Future Focus—Communities and Shared Value



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



Finalise the implementation of the B4SI Framework for reporting community investment outcomes.

## Case Studies: Shared Value

Our shared value team work closely with the local indigenous communities surrounding our operations to generate shared value. For more information on each of the initiatives carried out, please refer to the [Case Studies](#) on our website.

### Update on Existing Initiatives



#### Sustainable Vicuña Shearing

##### Direct Contribution



##### Indirect Contribution



##### Shared Value Pillar

Natural Resources and Local Production

##### Communities

Olaroz Chico

##### FY21 Update

Meetings were held with the Andean Vicuñas Management Communities (CAMVI) and monitoring activities were carried out with SDJ and community members. Workshops outlining the Conservation and Management Plan were also conducted by SDJ and the Jujuy Secretary of Biodiversity and Sustainable Development.



#### Community Infrastructure

##### Direct Contribution



##### Indirect Contribution



##### Shared Value Pillar

Empowerment

##### Communities

Area of influence of SDJ

##### FY21 Update

This program was largely completed this year with the finalisation of infrastructure projects from the communities of El Toro, Susques and Coranzuli. In total, infrastructure projects have now been completed at each of the 10 local indigenous communities in the area of influence of the Olaroz Lithium Facility.



### Local Food Production

#### Direct Contribution



#### Indirect Contribution



#### Shared Value Pillar

Natural Resources and Local Production

#### Communities

Olaroz Chico, Huáncar, Susques and Coranzulí

#### FY21 Update

Initially implemented as a response to supply chain restrictions associated with COVID-19, the family food production unit (UPAF) program has transitioned to promoting and strengthening local food resilience in the longer term.

This year the program was expanded to the Olaroz Chico community. In partnership with the National Institute of Agricultural Technology (INTA), we have also extended the scope to the design and construction of chicken coops that are appropriate for the climatic conditions experienced in these communities.



### Regional Study Completion Program

#### Direct Contribution



#### Indirect Contribution



#### Shared Value Pillar

Education

#### Communities

Area of influence of SDJ and Borax Argentina (open to participants who are employees as well as to employees of contractor companies)

#### FY21 Update

With a further two participants graduating during the year, a total of 27 have now completed this program. The course requires the completion of 16 hours per month of virtual classes. Participants have access to a virtual platform with course materials and communication with teachers. Funds invested in this program to date: USD \$650,000.

# 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 [Corporate Code of Conduct](#) was reviewed during the year. This document outlines the standards to which representatives of Orocobre are expected to comply in our interactions with key stakeholders and the broader community. Any breaches of the Code of Conduct can be reported in accordance with our [Whistleblower Policy](#), through a dedicated, anonymous [contact](#).

## 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, Quality and Diversity. These training programs included training for employees in the new Code of Conduct. This year we focused on training and promoting internally, to further develop and utilise local community employees. Training covering leadership, teamwork, feedback and performance management has facilitated more local employees moving from operator roles to management opportunities.

Our SDJ workforce completed over 13,260 hours of training this year. This equates to approximately 27 hours of training per person. During this period, we invested over US\$65,000 in training.

Borax Argentina employees completed, on average, approximately 7 hours of training each. In total, over 2,000 hours of training were conducted for Borax Argentina. Much of the training continued to be carried out in a virtual format due to COVID-19 restrictions.

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<sup>12</sup>

#### Workforce Breakdown—SDJ

										
	Total	Male	Female	Local*	Provincial	National	International	<30	30 - 50	>50
2019	467	396	71	180	146	129	12	163	168	36
2020	474	402	72	195	158	110	11	140	302	32
2021	492	409	83	195	170	124	3	109	339	44
		<b>83%</b>	<b>17%</b>	<b>39%</b>	<b>35%</b>	<b>25%</b>	<b>1%</b>	<b>22%</b>	<b>69%</b>	<b>9%</b>

#### Workforce Breakdown—Borax

										
	Total	Male	Female	Local**	Provincial	National	International	<30	30 - 50	>50
2020	309	270	45	203	72	31	3	41	210	58
2021	285	252	33	195	61	27	2	32	209	44
		<b>88%</b>	<b>12%</b>	<b>68%</b>	<b>21%</b>	<b>10%</b>	<b>1%</b>	<b>11%</b>	<b>74%</b>	<b>15%</b>

\* All of the 10 local communities near SDJ are considered indigenous Atacama communities.

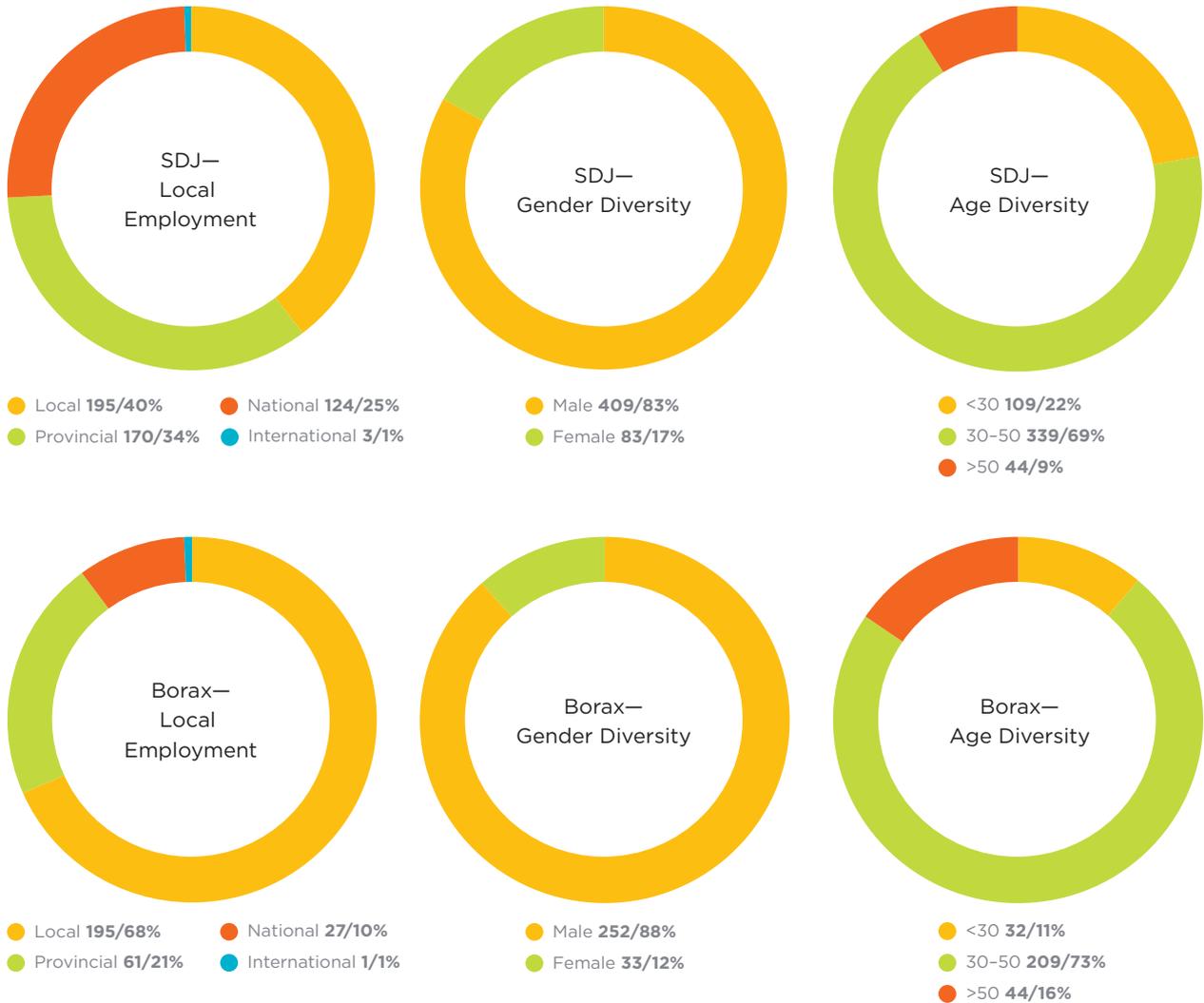
\*\* 25% of Borax local employees in FY21 belong to indigenous communities.

<sup>12</sup> Workforce data does not currently include employees of Advantage Lithium S.A. (acquired by ORE in FY20).

## Diversity

While the Argentine national average participation rate for women in mining is 7%, SDJ has 17% and Borax have 12% women making up the workforce. This includes operators, supervisors, engineers, geologists and nurses. During the year, we formed a Diversity Committee with participants from all the Orocobre group companies and conducted workshops to raise awareness of diversity and biases.

We actively promote diversity, a safe work environment, and have no tolerance for harassment or mistreatment, as outlined in our Corporate Code of Conduct.



## Future Focus—Diversity

SDJ and Borax Argentina have put in place the following KPIs for gender diversity.

Diversity KPIs	Values FY21	Target		
		FY22	FY25	FY30
<b>SDJ</b>				
Women in Senior Management positions (%)—Managers	29	30	> 30	> 40
% Women in Total Headcount	16.9	18	>20	> 30
<b>BRX</b>				
Women in Senior Management positions (%)—Managers	14	14	14	14
% Women in Total Headcount	11.6	12	13	13

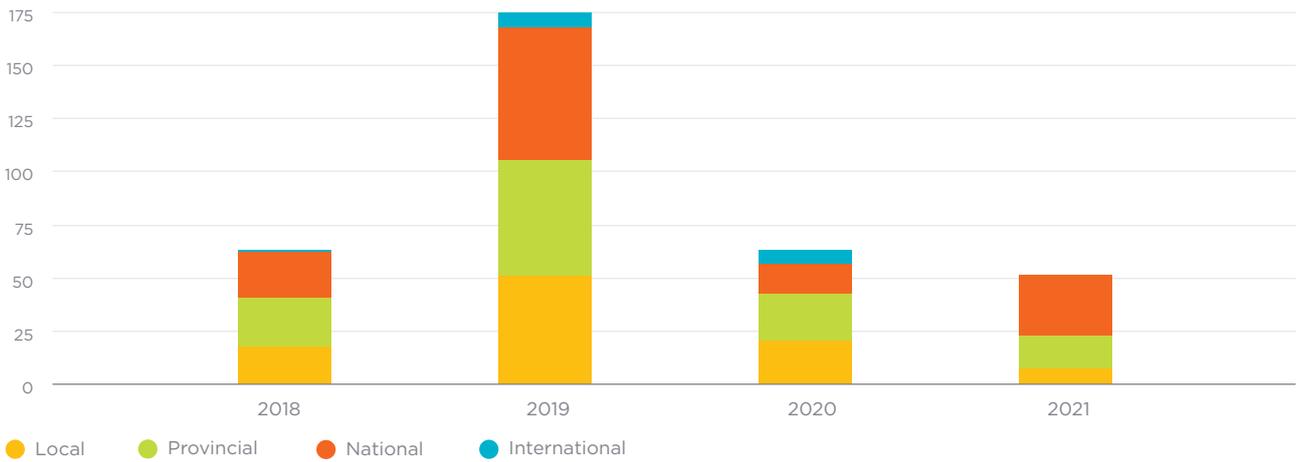
## New Hires

### SDJ



	Total	Male	Female	Local	Provincial	National	International	<30	30 - 50	>50
2019	175	147	28	51	55	62	7	66	97	12
2020	63	53	10	21	22	14	6	15	42	6
2021	51	35	16	8	15	28	0	16	29	6

SDJ—New Hires by Region



SDJ—New Hires by Gender



SDJ—New Hires by Age

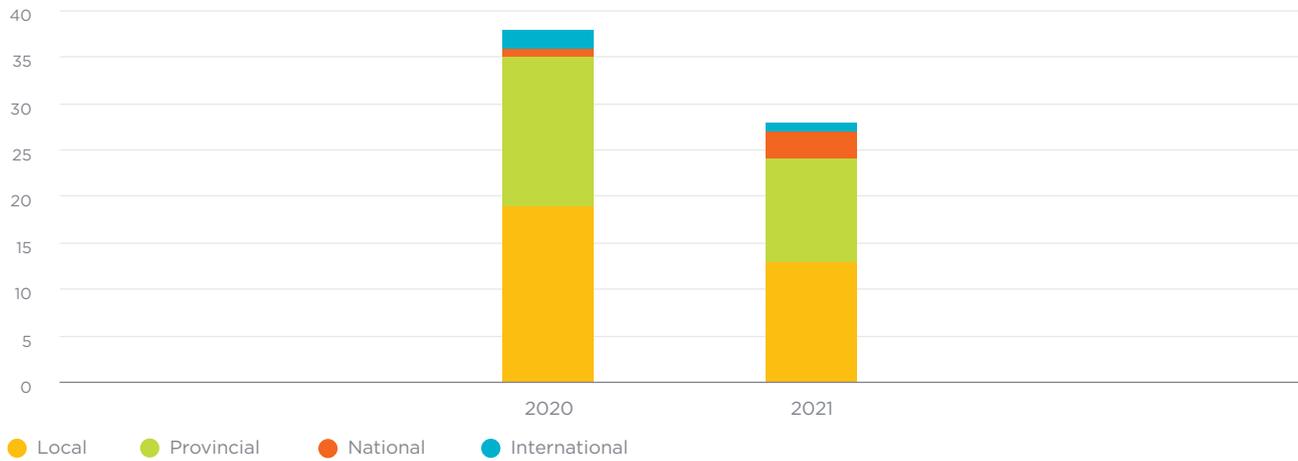


**Borax**

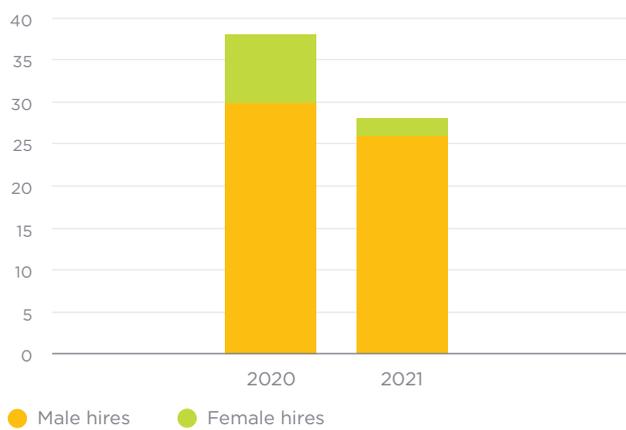


	Total	Male	Female	Local	Provincial	National	International	<30	30 - 50	>50
2020	38	30	8	19	16	1	2	9	28	1
2021	28	26	2	13	11	3	1	8	18	2

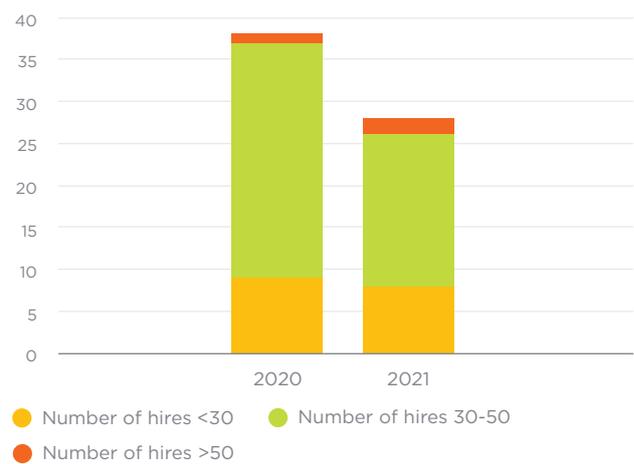
Borax—New Hires by Region



Borax—New Hires by Gender



Borax—New Hires by Age



Percentage of workers covered by collective bargaining agreements

**39.6%**

Olaroz Lithium Facility

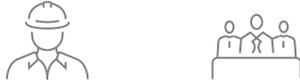
**61.8%**

Borax Argentina

## Turnover

At Borax Argentina we completed a restructuring project during the year. This resulted in significantly improved safety performance, lower costs, and higher productivity. This also accounts for the increased turnover reported this year.

### SDJ

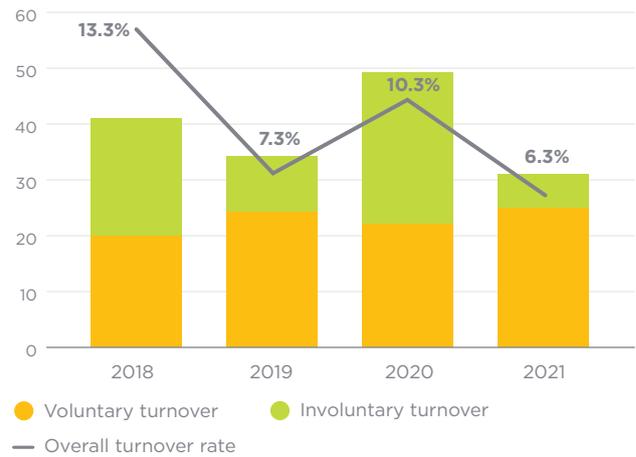


	Total	Voluntary Turnover	Involuntary Turnover
2019	7.3%	24	24
2020	10.3%	22	27
2021	6.3%	25	6

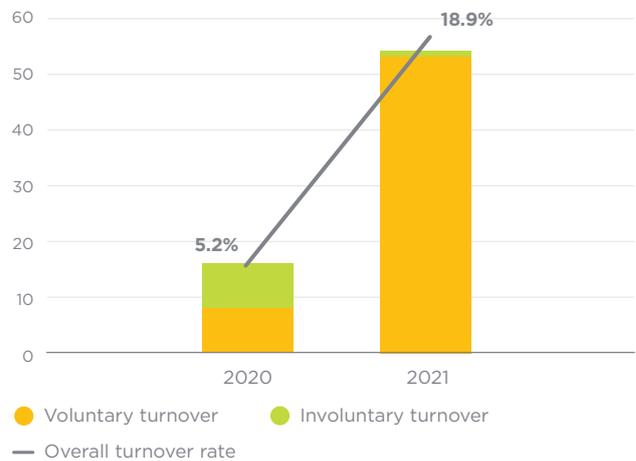
### Borax

	Total	Voluntary Turnover	Involuntary Turnover
2020	5.2%	8	8
2021	18.9%	53	1

### SDJ—Turnover



### Borax—Turnover



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—Turnover

SDJ and Borax Argentina have put in place the following KPIs for turnover.

Turnover KPIs	Values FY21	Target		
		FY22	FY25	FY30
<b>SDJ</b>				
Voluntary Turn Over (%)	5.7	5.5	4	4
Positions filled internally	25	10	20	20
<b>BRX</b>				
Voluntary Turn Over (%)	18.6	10	10	10
Positions filled internally	6	6	6	6

## **INDEPENDENT LIMITED ASSURANCE REPORT**

To the Directors of  
**OROCOBRE LIMITED**

### **1- Introduction**

We have been engaged by Orocobre Limited (“the Company”) to issue a limited assurance report over certain indicators contained in the Sustainability Report 2021 (“the Report”) listed in Annex A and referenced with “✓”, for the year ended June 30<sup>th</sup> 2021, considered to be the most relevant by the Management of the Company to the fulfilment of the expectations of their stakeholders and in line with Global Reporting Initiative (GRI) Standards guidelines.

### **2- Board of Directors’ responsibilities**

The Board of the Company is responsible for preparing and presenting the Report in accordance with GRI Standards. This includes establishing the bases and criteria for the preparation of the Report as well as defining, adapting and maintaining the management systems and internal controls from which the information is obtained.

### **3- Responsibilities of the independent auditor**

Our responsibility is to express a limited assurance conclusion on the GRI Standards indicators mentioned in item 1 and included in the Report, based on our independent assurance engagement.

### **4- Professional work**

Our professional work was developed in accordance with standards for other assurance engagements laid down in section V.A., second part of Technical Resolution No. 37 issued by the Argentine Federation of Professional Councils of Economic Sciences (“RT 37”), which is based on the international standard ISAE 3000 established by the International Federation of Accountants. These standards require that we comply with ethical requirements, as well as that we plan and execute the assignment in order to obtain limited assurance, in what is a matter of our competence, about whether the indicators included in the Report identified in Annex A and referenced with “✓” have been prepared, in all their significant aspects, in accordance with GRI Standards guidelines. Likewise, in accordance with these standards, a limited assurance engagement provides less assurance than a reasonable assurance engagement, due to differences in nature

and length of procedures applied by the auditor to gather evidence that allows him to issue his conclusion.

Consequently, our work included the review, on a selective basis, of the evidence obtained regarding compliance by the Company with the guidelines of the GRI Standards mentioned in item 1 and the application of other procedures that we consider necessary in accordance with the circumstances. We believe that the evidence we have obtained provides an appropriate basis for our conclusion.

The procedures mentioned in the previous paragraph have been applied to the records and documentation provided to us by the Company. Our task was based on the fact that the information provided is accurate, complete, legitimate and free from fraud and other illegal acts, for which we have considered its appearance and formal structure.

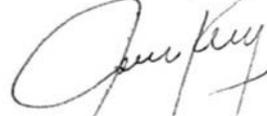
## 5- Conclusion

Based on the work performed and described in item 4, nothing has drawn our attention to make us believe that:

- a) The GRI standards reviewed and included in the Report (listed in Annex A and referenced with “✓”), are not prepared, in every significant aspect, in accordance with the GRI Standards guidelines.
- b) The self-statement made by the Company upon its adequacy to the GRI Standards “essential” option, does not meet, in every significant aspect, the Global Reporting Initiative criteria.

Buenos Aires City,  
November 15<sup>th</sup>, 2021

PISTRELLI, HENRY MARTIN Y ASOCIADOS S.R.L.  
C.P.C.E.C.A.B.A. T° 1 – F° 13



GABRIEL RODRÍGUEZ  
Partner  
Public Accountant U.C.A.  
C.P.C.E.C.A.B.A. T° 398 - F° 1



**Building a better  
working world**

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## ANNEX A

### List of GRI Standards

Indicator	Description	Section
201-1	Direct economic value generated and distributed	PD Economic Performance
201-4	Financial assistance received from government	PD Economic Perf.
202-1	Ratios of standard entry level wage by gender compared to local minimum wage	PD People
202-2	Proportion of senior management hired from the local community	PD People
207-4	Country-by-country reporting	PD Economic Perf. PD People
302-1	Energy consumption within the organization	PD Environment
302-3	Energy intensity	PD Environment
302-4	Reduction of energy consumption	PD Environment
305-1	Direct (Scope 1) GHG emissions	PD Environment
305-2	Energy indirect (Scope 2) GHG emissions	PD Environment
305-4	GHG emissions intensity	PD Environment
307-1	Non-compliance with environmental laws and regulations	PD Environment
401-1	New employee hires and employee turnover	PD People
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	PD People
401-3	Parental leave	PD People
405-1	Diversity of governance bodies and employees	PD People PD Governance and Ethics
405-2	Ratio of basic salary and remuneration of women to men	PD People
411-1	Incidents of violations involving rights of indigenous peoples	PD Communities
412-2	Employee training on human rights policies or procedures	PD Governance and Ethics

PD: Performance Data

# Memberships 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



## Other Management Systems



