



MANAGEMENT
APPROACH
DISCLOSURE

COMMUNITY

10 REDUCED
INEQUALITIES



11 SUSTAINABLE
CITIES AND
COMMUNITIES



Community*

Related GRI Contents	103-1; 103-2; 103-3
Related Sustainable Development Goals	SDG 10 ; SDG 11
Related Performance Data	Communities
Related Case Studies	Community infrastructure ; Raising Recycled Walls ; Vicuña Shearing Program ; Artisan Development: Huáncar Fibre Spinning ; Baccalaureate Program ; UPAF-Family Food Production Units ; Local Supplier Support Program
Other related documents	Sustainable Development Policy ; Community Policy ; Human Rights Policy ; Landholder Engagement Policy
Future Commitments	<ul style="list-style-type: none"> + Further implementation of “Change Theory” to enhance measurement and assessment of the Impacts of our community investment strategy. + Begin implementation, monitoring and follow-up of Community Investment using the LBG methodology (now Business for Societal Impact). + Continuing to contribute to our communities and support the COVID-19 response.
Related Material topics	<ul style="list-style-type: none"> + COVID-19 Response + Local Employment + Local Procurement + Community/Indigenous Engagement

Strategic significance

Orocobre upholds a strong commitment to Sustainable Development, and to ensuring that local communities benefit socially, environmentally, and economically from the Company’s activities in the region.

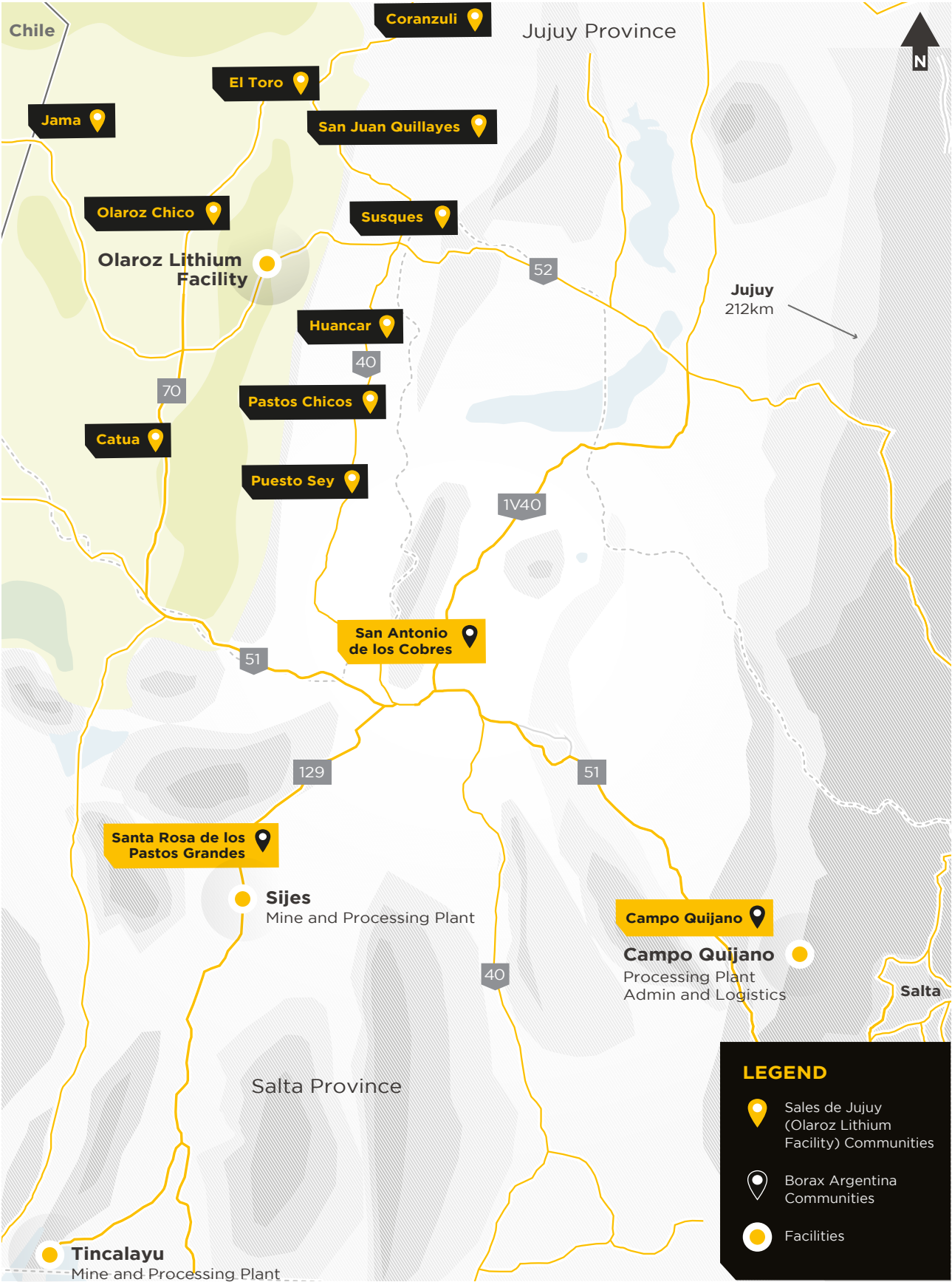
Given Orocobre’s corporate commitment to Shared Value, community investment extends beyond mere philanthropy, and is considered as an integrated element of core business, leveraging available resources and optimising the long-term benefits for both the operations and the community.

At Orocobre, the provision of education, training and support to local communities enables people from these communities to contribute directly and indirectly to the Company’s success. Whether it be through participation in performance monitoring and engagement activities, direct employment, or the provision of local goods and services, Orocobre acknowledges that its strength as an organisation is reinforced by the capability and contributions of its local communities.

(*) This Document is part of Orocobre’s Sustainability Report and should be understood as part of itself.
Understanding Sales de Jujuy as Sales de Jujuy S.A., SDJ or Olaroz Lithium Facility and Borax Argentina as Borax Argentina S.A or BRX.

Impact boundary

This Management Approach Disclosure refers to initiatives related to Community Investment by Sales de Jujuy S.A. (the Olaroz Lithium Facility) and Borax Argentina S.A., with particular focus on.



Orocobre's Community Investment can be categorised both by nature and type:

- Nature of Investment
 - Strategic: Investment in programs and initiatives planned and delivered by the organisation (either individually or collaboratively with other stakeholders) in accordance with the five pillars of the Shared Value program: Education, Health, Transparency, Empowerment, Natural Resources and Production.
 - Donations: Provision of funds to support community-initiated events and programs, or to support communities through unexpected events or emergencies.
 - Commercial: Contributions from the business that do not fall within the Shared Value strategy or budget and are made with a view to advancing the corporate identity.
- Type of Investment
 - Cash: Contribution of funds to support the delivery of a program or initiative.
 - In-kind: Contribution of equipment, infrastructure and non-financial resources.
 - Time: Contribution of time given by staff volunteering on community initiatives.
 - Management: Investment in internal resources to enable the delivery of community initiatives.

Additional contributions captured within our Community Investment boundary are payments made to our direct impact community, Olaroz Chico, through defined contractual agreement for occupation and use of land ("Easement agreement") in compliance with the local legal framework. These payments are accounted for separately and can be found in our consolidated Community Investment [Performance Data](#) to differentiate between contractual and voluntary contributions.

Management approach

In accordance with Orocobre's commitment to the UN Sustainable Development Goals, and in line with [Goal 10: Reduced inequalities](#), and [Goal 11: Sustainable Cities and Communities](#), the Company is empowering and promoting social and economic inclusion of all the communities neighbouring the project.

Additionally, the Company's commitment regarding Community Investment is supported by the following policies:

- [Sustainable Development Policy](#)
- [Community Policy](#)
- [Human Rights Policy](#)
- [Landholder Engagement Policy](#)



Management Systems

Through the initial stages of the project's development and early years of operation, Community Investment and empowerment has been managed by the Olaroz Lithium Facility Shared Value team, based on contractual requirements, defined budgets, strategic pillars, and community feedback. These approaches determined the nature and focus (geographical and thematic) of community investment each year. At Borax Argentina, community Investment is managed by the Shared Value team based on the needs stated by neighbouring communities.

• Contractual Obligations – Olaroz Lithium Facility

There are ten local communities in the vicinity of the Olaroz Lithium Facility, Olaroz Chico, Susques, Hauncar, Pastos Chicos, Puesto Sey, Catua, Jama, El Toro, Coranzuli, and San Juan de Quillaques, and they all have community title to the lands as granted by the Province of Jujuy. However, Olaroz Chico is the only one directly impacted by current operations.

Under the provisions of the national Mining Code and in accordance with ILO Convention 169 for Indigenous and Tribal People, an agreement was entered into with Olaroz Chico community in 2016. This agreement is for the duration of the Mining Operation with reviews every five years and replaced the previous biannual agreements. In this agreement the Company committed to cooperate with access to energy, water, and internet, and to the development and maintenance of key infrastructure (such as access roads). It also defines direct monthly payment figures based on production values. The agreement allows for more frequent reviews under certain circumstances.

• Defined Budget

The Shared Value team works to an annual approved budget to deliver the objectives of the Shared Value program. Even though each company has its own budget, both have the same approach:

- A.** Seize opportunities to strengthen communities and promote wellbeing.
- B.** Build capacity of communities and local suppliers.
- C.** Provide and promote space for cross-sectoral dialogue and collaboration.

In addition to the Shared Value budget, there are also in-kind contributions made from other departmental budgets including Human Resources, IT, and Communications.

• **Strategic Pillars**

The Shared Value team identifies, facilitates, and develops community investment programs and initiatives. The Five Pillars that underpin the Shared Value program and define the focus for community investment are:



Community Empowerment can be divided into four distinct focus areas, each of which is independently managed and monitored in collaboration between the Company's Shared Value team and other relevant business departments:

MONITORING	EMPLOYMENT	PROCUREMENT	DEVELOPMENT
Training community members to participate in environmental monitoring activities.	Educating communities to prepare them for future employment opportunities.	Building the capacity of communities to establish businesses and provide services.	Strengthening socio-economic growth and opportunity through traditional livelihoods.

• **Community Engagement:**

There are different communication channels for community feedback, questions, and grievances so that people can express their concerns and preferences with regards to community investment programs and initiatives.

Communities raise issues directly with the Shared Value team who investigates and evaluates the grievance with a view to reaching a rapid and satisfactory resolution. In Salta province, in addition to direct relationships where our Borax Argentina operations are located, many communications are facilitated by working in multi company working groups coordinated by the provincial Secretariat of Mining with people from the community. In these working groups, there is discussion of concerns and projects affecting the local communities. For the Olaroz Lithium Facility, located in Jujuy province, the relationship with communities is more direct as the government does not provide a formal forum.

Monitoring and Reporting

Measures in place to evaluate Community Investment performance are currently based on input, activity, and engagement metrics. For example, for any investment made, the amount invested, the nature of the activity undertaken, and the number of participants or beneficiaries of the program are reported.

In the future, we plan to capture outcome and impact metrics. For example, so far, we have been able to report how much has been invested, the education programs that have been conducted, and the number of people participating in each initiative. However, we cannot yet report the increase in local employment or the change to the literacy rate in the local communities resulting from these actions.

To address this, we are focusing on:

- Defining metrics for outcome and impact
- Determining baseline data to enable impact metrics to be calculated
- Long term monitoring of program outputs

Responsibility and Accountability

At an operational level, Community Investment is managed by the Shared Value area, reporting to Orocobre's Chief Legal, Shared Value and Communications Officer.

FY20 update

SALES DE JUJUY (Olaroz Lithium Facility)

During FY20 for the Olaroz Lithium Facility, we implemented changes in the Community investment approach, by implementing the Theory of Change model. This approach utilises data obtained from social baseline (2010) and current data, to redirect Community investment towards strategic and impact investment. This model is aligned with UN Sustainable Development Goals and is intended to clearly define the types of resources and necessary activities to reach desired impacts of the 2030 Agenda.

In the process of alignment with the Company's Sustainability strategy, the Shared Value team adopted Theory of Change practices to manage Community engagement. With the new formats, advances can be considered in two terms: short-term strategies in which daily investments and field work are assessed and long-term strategies based on monitoring, systematisation, and impact metrics of those programs within Shared Value pillars. New systems and processes will result in improved capacity to measure, direct and maximise its Community Investment impact.

For further information about our application of this process through investment in community programs, see our Community [case studies](#).

BORAX ARGENTINA

Borax Argentina has been operating for over 50 years and has long standing relations with local communities and particularly with the people of the town of Camp Quijano where the company has its headquarters. During FY20 the following initiatives were completed benefiting both Campo Quijano and two communities close the company's mining operations:

Campo Quijano:

- Donation of building materials to make it possible for the Community to advance the construction of a large community dining hall.
- Investment of AR\$500,000 for the Campo Quijano community sports-centre.
- Established an easement agreement over a parcel of land and provided funding to improve the facilities and promote health and sport practices.
- AR\$760,000 were contributed for provision of food at dining halls.

Santa Rosa de los Pastos Grandes:

- A collaborative alliance was created with the community and several other companies in the area that provided the Santa Rosa de los Pastos Grandes community with drinking water. Borax Argentina donated the necessary materials for drinking water pipe systems and channels and also donated drinking water to the Community until the completion of the project.
- Donation of telephone signal amplifiers and internet service and satellite telephone equipment to Santa Rosa de los Pastos Grandes community which extended the signal to the health centre and to the Community citizens. Two have already been set up and a third is planned.
- Improvement of bandwidth and reduction of Wi-Fi service fees resulting from the partnering of Borax Argentina with the communities to facilitate infrastructure improvements from telecom providers in the area. This approach has been active for the past five years with improvements accruing over that time. This project also extended to Puesto Sey in Jujuy.

San Antonio de los Cobres:

- Donations of food to impacted families in the area in response to the COVID-19 pandemic.

Among the initiatives being evaluated for next year, there is a project to manage an alliance between Communities and recycling companies in the area, to promote a circular economy.

For more information on the performance on these matters, see [Community Performance Data](#) and [Case Studies](#) published in the Company's website.