

# COMMUNITY ENGAGEMENT

## Strategic Significance

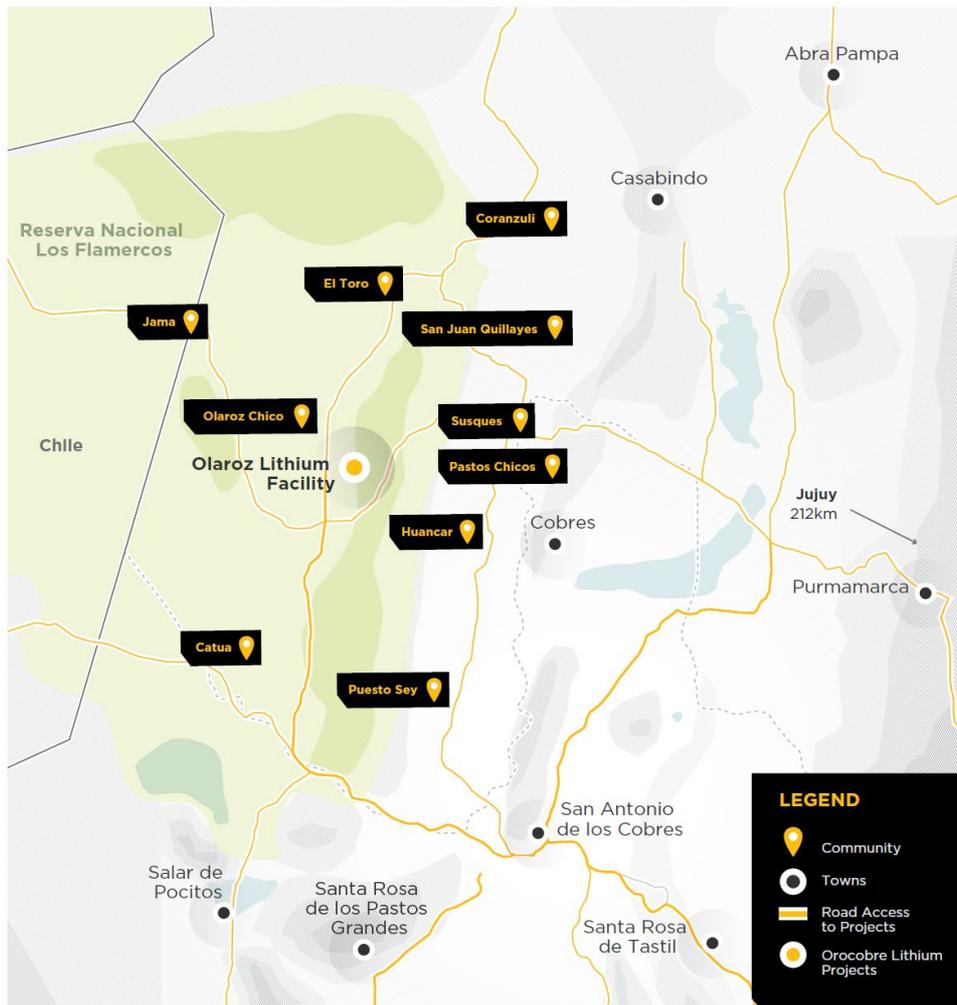
Ensuring local communities are informed, engaged and supportive of Orocobre’s activities is critical for maintaining a social license to operate in the region.

Given the lack of telecommunication infrastructure in the operating region, maintaining effective communication channels and ensuring communities are provided with information in a timely manner presents a significant challenge. Orocobre overcomes this through regular face-to-face meetings and attendance at community assemblies to provide space for two-way dialogue and facilitate greater trust and understanding.

Orocobre has a strong relationship with the local communities neighboring the Olaroz Lithium Facility, and it does not take that relationship for granted. Orocobre is very aware of the time and effort invested by both the communities and the Company to develop such an open and collaborative relationship and is equally aware of the work that needs to be done to maintain that relationship moving forward.

## Impact Boundary

This Management Approach Disclosure relates to Community Engagement at Sales de Jujuy’s operations specifically, with particular focus on the 10 communities neighbouring the Olaroz Lithium Facility.



## Management Approach

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### Commitment

The following policies outline Orocobre's commitment to local communities and effective Community Engagement:

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

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

### Management Systems

Community Engagement is managed directly by the Company's Shared Value team, through established channels of communication including face-to-face meetings, email, WhatsApp, telephone calls (where possible), and attendance at community assemblies.

All meetings are documented and signed by both parties to ensure transparency and traceability of agreements and discussions.

Equally, all emails are centralized through a common Shared Value email address to enable effective monitoring and management of information and engagement with community representatives.

A more formal system is now in place to enable the tracking of comments and grievances through to resolution via a documented series of internal and external meetings. It also enables the categorization and monitoring of issues raised by community members during meetings so that trends and shared concerns can be readily identified and proactively addressed.

Centralised registers for Community Grievances and Community Commitments are maintained by the Shared Value team. These enable tracking of response and compliance across the business, and also facilitate communication and engagement with communities.

### Monitoring and Reporting

Community engagement metrics are included in monthly operational reports, providing all teams with visibility of the current interest areas, commitments, and grievances of local communities.

Every area acknowledges the need to respond promptly and effectively to community enquiries and information requests. While requests are channeled through the Shared Value team to enable management and tracking, business areas hold the information required to provide the response, so responsibility is shared across all areas.

### Responsibility

At an operational level, responsibility for community engagement rests with Community Relations Superintendent in the Shared Value team.

That said, responsibility for ensuring that information flows effectively between the business and the communities is the responsibility of every operational manager.

### **Accountability**

Indicators have been defined for community engagement at an operational level, with requests for information requiring a response and resolution within determined timeframes.

Operational teams will be evaluated based on these indicators and the extent to which they have supported the Company in maintaining its commitment to effective community engagement.

Orocobre's Executive and Board performance process is also being reviewed to incorporate community-related performance targets into their short-term and long-term incentive criteria.

## **FY19 Update**

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The increase in expansion-related activity in FY19 made it quite a challenging year for Community Engagement.

Given the increased number and capability of local community suppliers since completion of Stage 1 construction of the Olaroz Lithium Facility, there was a significant increase in expectations concerning employment and supply contracts entering Stage 2.

Orocobre's Shared Value team facilitated significant engagement between community suppliers and internal departments (particularly procurement and risk management) to ensure that community suppliers understood the need to meet both the technical requirements and social-environmental performance standards, in order to be considered for construction contracts.

Community suppliers were keen to understand the nature and timing of the contracts that would be offered so that they could prepare the necessary skills and capabilities in advance. Given changes in project timelines, accurate information on contract dates for specific works could not be guaranteed. This equally stimulated greater need for engagement.

Additional pressures on community engagement in FY19 included execution of the pre-established land access agreement granted in the Argentine Mining Code and the Olaroz Chico Agreement. As Expansion activity progressed, land access for construction of the ponds was complicated by the existence of informal land agreements between the Commission of Olaroz Chico and other community stakeholders which alleged possession rights in the area ("Occupants").

The Shared Value team provided significant engagement and mediation until the Commission could reach an agreement with the Occupants. This was a unique situation and one which prompted the drafting of the [Landholder Cooperation Policy](#).

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

In FY20 the Company is looking to further systematize its community engagement approach and ensure that community engagement is centrally maintained and documented.

For more information regarding Community engagement refer to [Community Performance Data](#).