

BIODIVERSITY

Strategic Significance

As part of the Company's broader commitment to the environment and natural resource management, Orocobre is committed to maintaining, enhancing and conserving local biodiversity and ecosystems.

While the Olaroz Lithium Facility is not located within a national or international protected area, the 18,000-ha site is located within the Olaroz-Cauchari Reserve. The Reserve was created in 1981 by the Jujuy provincial government to protect the vicuña, which had become a threatened species. Art. II of the Provincial Law 3820 established the reserve as a multi-use area in which agricultural, mining and scientific-technical research programs could be carried out. Any activity related to hunting or the introduction of exotic fauna and flora is prohibited.

Given the minimal biodiversity impact identified by the Company's operations in the short, medium and long term, it is not a high-priority issue for Orocobre, but it does remain a constant focus.

Impact Boundary

This management approach disclosure refers exclusively to Sales de Jujuy S.A. and its activities.

When considering the biodiversity impacts of the Company's operations, Orocobre considers all impacts on biodiversity not only within the 18,000-ha operating site, but also more broadly across its zone of operations.

For example, Orocobre considers the impacts brine extraction might have on biodiversity in other parts of the Salar, and also considers the impact of climate on biodiversity in the region and how its activities might exacerbate or alleviate that impact.

Equally, Orocobre explores ways that its communities might be able to support, promote and leverage the region's biodiversity to generate revenue and ensure sustainable long-term livelihoods.

Management Approach

Commitment

Orocobre's commitment to biodiversity and land use are outlined in the following corporate policies:

- [Environmental Policy](#)
- [Sustainable Development Policy](#)

Orocobre is committed to preserving local biodiversity and to ensuring controls are in place to monitor and maintain potential impacts. In accordance with its commitment to the UN Sustainable Development Goals, it also seeks to promote [SDG 15: Life on Land](#) through the preservation and promotion of biodiversity in the Company's operating region.

Management Systems

The project's main biodiversity impact relates to the risk of vehicular movement on fauna. The Company has various precautionary measures in place to manage this including restrictions on vehicular circulation, employee training on wildlife preservation and warning signs and maximum speeds in sectors with animal presence.

Orocobre's pond system was designed to conform with the local topography to minimise land-use impact and facilitate future remediation.

Other practices the Company adopts to ensure minimal land-use impact include restrictions on surface-level intervention, strict requirements for new road construction and preventive maintenance of roads to avert erosive processes.

Monitoring and Reporting

A biodiversity baseline was conducted in 2010 as part of the project's detailed Environmental Impact Assessment. In the four subsequent EIA updates (conducted biennially) there have been no identified impacts on biodiversity or ecological processes. The Company regularly evaluates its impacts with monitoring undertaken quarterly over a defined series of data points and locations.

Responsibility

At an operational level, responsibility for biodiversity management sits with the Environmental Superintendent and the Health, Safety and Environment Manager, with the support of the Company's Chief Sustainability Officer.

Equal engagement and responsibility sits with Orocobre's Shared Value team who undertake natural resource and production projects and programs in local communities, as well as supporting the Company's participatory monitoring activities. As such, they have significant input to biodiversity management and performance. For more information about participatory monitoring and biodiversity projects refer to the [Community Engagement](#) disclosure and the [Vicuña Shearing Case Study](#).

Accountability

The Company's Chief Sustainability Officer is accountable for its biodiversity performance.

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

FY19 Update

There were no significant changes to the Company's biodiversity management approach or performance in FY19. Orocobre remains actively aware of the need to protect local biodiversity, particularly given its operations are in a zone designated by the provincial government as a fauna reserve for the preservation of vicuña.

Participatory monitoring continued on a quarterly basis with no identified impacts or trends emerging in the evaluations.

While there were several incidents involving vicuñas during the year, with two killed in vehicle incidents either on site or on access roads, the overall number of vicuñas in the region continues to increase.

In FY20, Orocobre seeks to maintain preserved species in accordance with the project's environmental baseline and to improve the Company's biodiversity reporting and disclosure through defined biodiversity metrics.