

## Support to Local Suppliers in Response to COVID-19



This year, we implemented a **Program to Support Local Suppliers** from the local communities in Orocobre's area of influence. This program was implemented in response to the impacts of the COVID-19 pandemic. Through this program, we provided administrative assistance to help our local suppliers access benefits and credits associated with COVID-19 granted by the Government. We also assessed and redistributed projects on site to maintain the workflow for these suppliers enabling them to avoid contract terminations and consequent employee dismissals.

Strategic alignment to

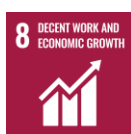


Shared Value Pillar



Empowerment

Direct Contribution



Indirect Contribution



For the initiatives generated within the framework of immediate socio-economic response in view of the COVID-19 pandemic, we have followed the United Nations guidelines. Within the targets regarding SDG 8, Orocobre has contributed by:

1. Ensuring that essential health services are still available and protecting health systems
2. Helping people cope with adversity, through social protection and basic services
3. Protecting jobs, supporting small and medium-sized enterprises through economic response and recovery programmes
4. Guiding the necessary surge in fiscal and financial stimulus to make macroeconomic policies work for the most vulnerable and strengthening multilateral and regional responses
5. Promoting social cohesion and investing in community-led resilience and response systems

## Background

In March 2020, the Argentine National Government established Preventive and Mandatory Social Distancing in response to the health crisis created by the COVID-19 virus. As a result, the financial performance of many companies, including those that operate from the local communities near our Olaroz Lithium Facility, were impacted. Our operations were also impacted with the number of people authorised to work on site limited.

Recognising the potential impact within our local communities, Orocobre devised a support program for local suppliers, helping them transition to a reduced level of demand for their products and services.

## Proposal

The **Support to Local Suppliers in Response to COVID-19** program carried out several activities including:

- **Administrative support to help suppliers obtain the credits and benefits granted by national and provincial governments:** Ten Orocobre employees volunteered to provide support to 25 small and medium sized local suppliers so that they could access benefits such as:
  - Emergency Assistance Program for Work and Production (ATP), granting a 50% subsidy in employee wages.
  - National Program - Extension of instalment plans for tax payments
  - National Program - Credits for payment of salaries (banks)
  - National Program - Emergency Family Income
  - Contingency provincial plan: Credit line
- **Redistribution of tasks and works in the plant:** We identified tasks considered essential that could be performed with reduced personnel under strict compliance of our Bio-security Protocol. Our local suppliers were able to safely carry out these tasks that were mainly focused on cleaning of camps and offices, laundry, rental of water trucks, civil works and earth moving.
- **Comprehensive support to each local supplier:** During this challenging time, we maintained active involvement with our local suppliers, listening to their needs, questions, and expectations regarding their work with the Company. As a result of this increased level of engagement, we were able to make improvements to our supplier processes such as those related to pending payments. Overall, trust has increased and relationships with these key stakeholders for our company have strengthened.

## Barriers faced: Lack of knowledge about administrative capabilities

The main barrier for local suppliers to access national and provincial government programs was the lack of knowledge about some administrative processes. Initially, we also experienced some challenges implementing communication processes virtually due to limited accessibility. Through focused efforts, we have been able to overcome these complications and set up an efficient, virtual communication process.

## Partnerships

There was no need to negotiate new external partnerships for this program. Instead, we focused on strengthening the existing relationships that we have with our local communities. By working closely with these local suppliers to provide support during this period, we have improved our understanding of community expectations, needs and perception of Orocobre. We continue to build on and improve our

understanding of what supplier skillsets are available locally and what aspects are important to our local communities. We have been able to develop maps of where our local suppliers are located and undertake scenario analysis to better understand and address the potential impacts of current and future disruptions. We will be able to draw on this information to design new long-term programs to generate shared value.

### **Indicators**

Indicators related to the implementation of this initiative will be further developed throughout FY21. Indicators that we plan on monitoring include: the number of local suppliers supported, number of employees participating in the support program, types of benefits obtained by local suppliers, and total number of applications submitted by local suppliers.

