



MODERN SLAVERY
STATEMENT



This statement has been prepared by Orocobre Limited (Orocobre) to meet the requirements of the Australian Modern Slavery Act 2018 for the financial year ended 30 June 2020 (FY20).

The statement outlines the activities of Orocobre and our subsidiaries and the entities that we own and control.

This Statement was approved by the Orocobre Board on 26 March 2021.

Signed,



Martín Pérez de Solay
Managing Director and CEO

About Orocobre

Orocobre Limited (**Orocobre**) (ACN 112 589 910 ABN: 31 112 589 910) 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 are focusing our growth on our lithium operations and partnerships to contribute to the responsible development of this critical chemical product for the transition to a net zero carbon future.

Orocobre is committed to respecting, protecting, and promoting human rights across our operations and supply chains. Our behavioural standards developed by our management group in 2012 and contained within our [Code of Conduct](#) are shown to the right.

Orocobre has two corporate offices, one in Buenos Aires, Argentina and the other (our registered office) is in Brisbane, Australia, with executive staff in both locations. As at 30 June 2020, our corporate offices employed 18 people. Additional information about our assets and controlled entities and investments is available below, on our website and in our [FY20 Annual Report](#).

Structure, Operations and Growth Projects

Orocobre's assets include a 66.5% effective equity interest in the Olaroz Lithium Facility, 100% ownership of the Cauchari resource (following acquisition of Advantage Lithium), and 100% ownership of Borax Argentina, all located in north-west Argentina. Orocobre also has a Joint Venture Partnership with Toyota Tsusho (**TTC**) resulting in a 75% economic interest in the Naraha Lithium Hydroxide Plant in Japan. Operational control of the Naraha Lithium Hydroxide Plant (currently under construction) is exercised by TTC. See locations in Figure 1.



Responsibility

We assume responsibility for our actions and commitments



Respect

We recognise and promote all without distinction of age, sex or position, maintaining attitudes and actions that help our community and improve our environment



Honesty

We behave and engage with sincerity and consistency



Integrity

We act with integrity in every situation



Commitment

We convert our different opinions into shared convictions to achieve a common vision



Solidarity

We strive for the common good, acknowledging that we are all responsible for our collective wellbeing

Figure 1—Orocobre Operations and Growth Projects

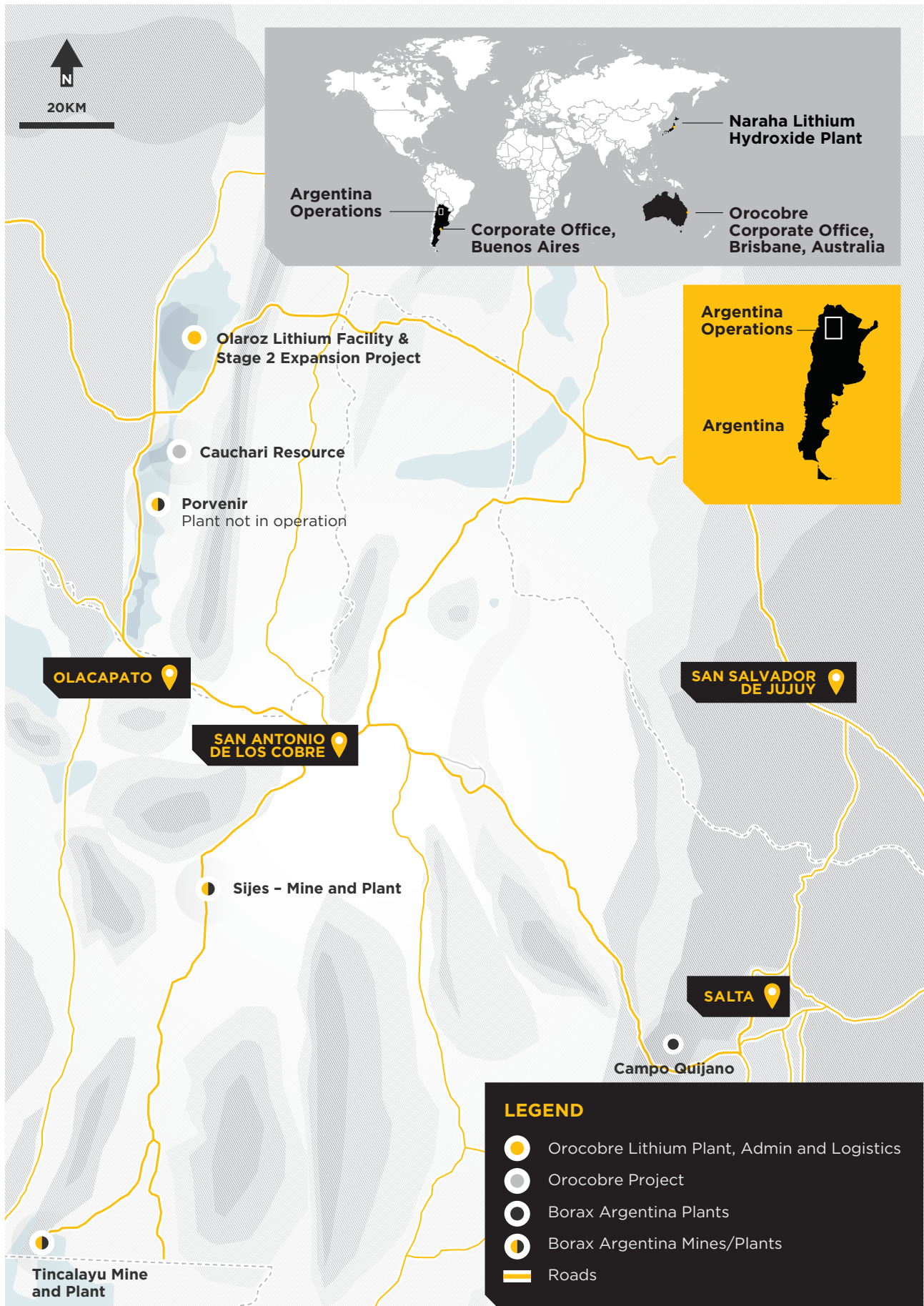
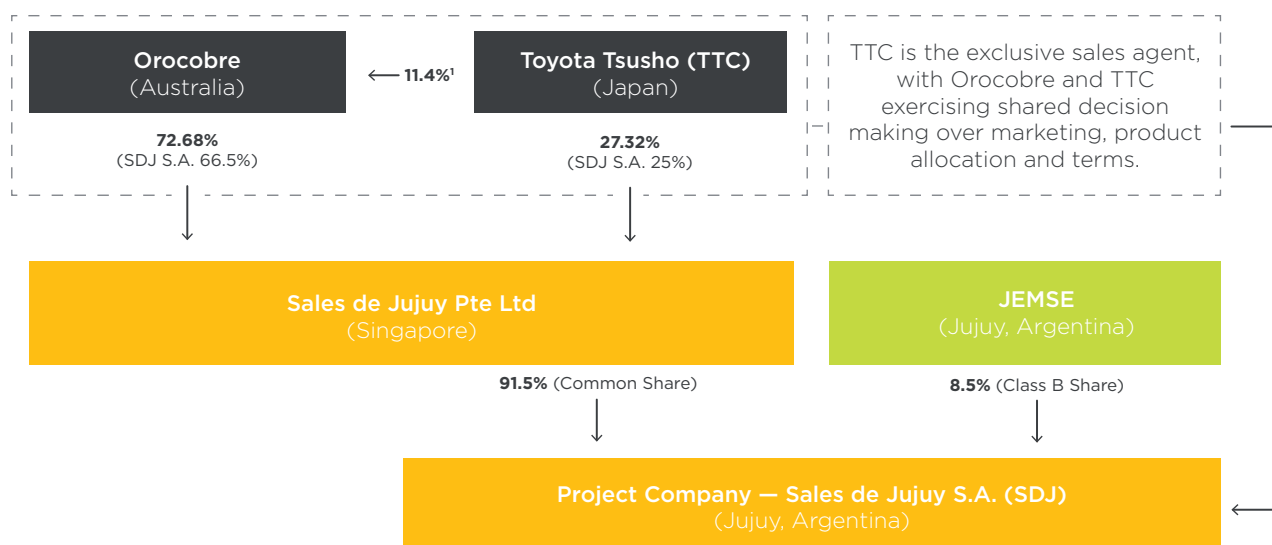


Figure 2—Olaroz Lithium Facility JV Structure



Olaroz Lithium Facility (and Stage 2 Expansion Project)

The Olaroz Lithium Facility is a large-scale brine-based lithium 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 managed by Sales de Jujuy S.A. (SDJ). The structure as of June 30, 2020 of this Joint Venture between Orocobre, TTC and JEMSE (a mining investment company owned by the provincial government of Jujuy, Argentina), is outlined in Figure 2¹.

The Olaroz Lithium Facility produces primary grade lithium carbonate and both micronised and non-micronised purified lithium carbonate. Products are sold to a diverse customer base in Asia, Europe, and North America.

Recognising the future demand for high quality primary grade lithium carbonate feedstock, Orocobre has commenced an expansion of the Olaroz Lithium Facility. The Stage 2 expansion of the facility will comprise a primary lithium carbonate production circuit and is designed to deliver an additional 25,000 tonnes per year of primary grade lithium carbonate of which approximately 10,000 tonnes per year will be converted to lithium hydroxide at the Naraha Lithium Hydroxide Plant (under construction).

As at 30 June 2020, SDJ had a workforce of 474 people, 418 permanent employees and 56 employees of fixed term contracts. These figures include people employed in operations as well as the Stage 2 Expansion Project.

Cauchari Resource

During FY20 we acquired 100% of Advantage Lithium, and its Cauchari mineral resource located adjacent to the southern boundary of the Olaroz Lithium Facility. During FY20, Advantage Lithium employed 12 people.

Borax Argentina

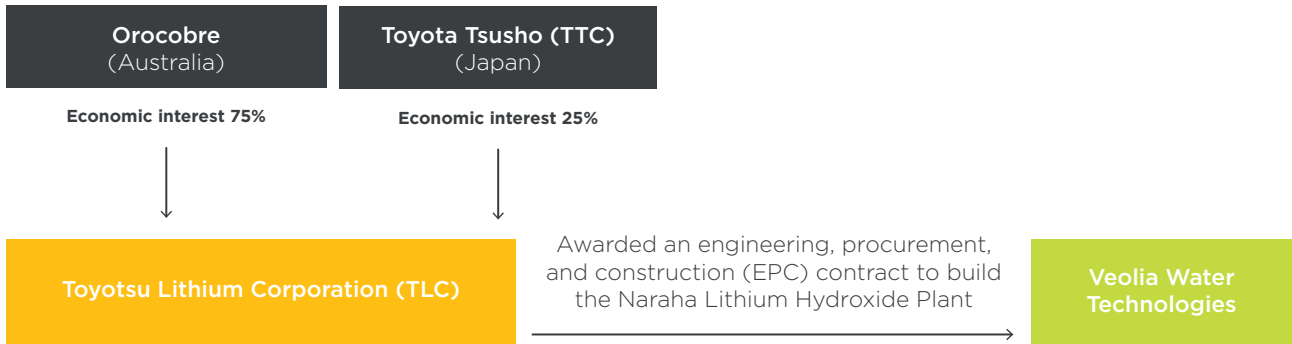
Orocobre owns 100% of Borax Argentina which is a producer of borates minerals and refined chemical products located in northwest Argentina. Borax Argentina has mining and processing operations in at Tincalayu (refined borax products) and Sijes (mineral concentrates) at approximately 4,000m in remote mountain areas of Salta province and a boric acid plant and fusion plant at the town of Campo Quijano at 1,350 metres near Salta City. Facilities at Campo Quijano also include the main office, and logistics facilities for dispatch of Borax products. As at 30 June 2020, Borax Argentina had a workforce of 309 people, 297 permanent employees and 12 employees on fixed term contracts.

Non-operated Joint Venture

Orocobre has a 75% economic interest in the Naraha Lithium Hydroxide Plant JV project with TTC. The Plant is under construction and during FY20, achieved 70% completion. The structure of the joint venture is outlined in Figure 3 on the next page.

¹ As of the date of this report the TTC holding reduced to approximately 11.4% following the issuance of Orocobre shares to raise capital and for other routine business matters.

Figure 3—Naraha Lithium Facility JV Structure

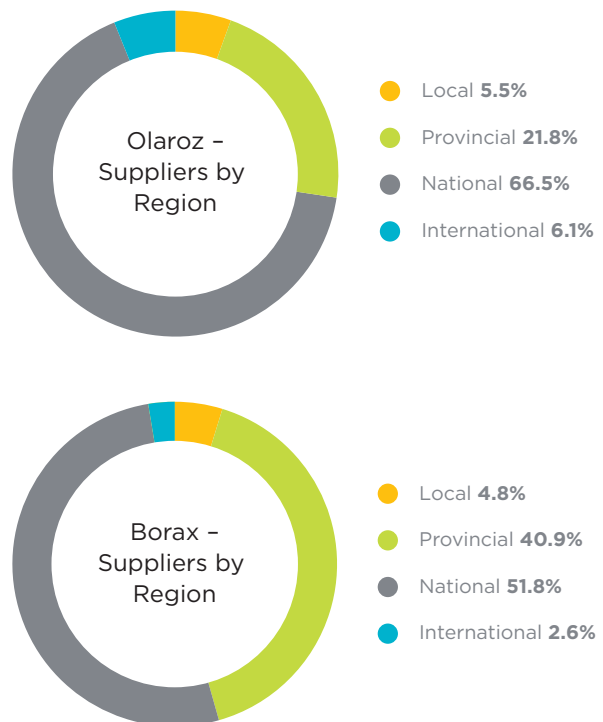


TTC will have management responsibility once operations commence, with input from Orocobre technical personnel. A technical oversight committee of Orocobre and TTC personnel is in place to provide strong governance and reporting practices. The project is being delivered by an engineering, procurement, and construction (EPC) contract with Veolia. As we do not have operational control of this asset, we have not included the Naraha Project in the scope of our Modern Slavery Statement. Further information about TTC’s approach to Human Rights and Supply Chain Responsibility is available on the [Toyota Tsusho Corporation Website](#).

Figure 4 shows the geographic distribution of supplier numbers for the Olaroz Lithium Facility (including the Stage 2 Expansion Project) and Borax Argentina.

Most of our tier 1 suppliers (approximately 94% for the Olaroz lithium facility, and 98% for Borax Argentina), are in Argentina. Our largest supplier by spend outside of Argentina is our soda ash supplier, based in the USA.

Figure 4—Distribution of Supplier Numbers for Olaroz Lithium Facility and Borax Argentina²



Supply Chains

During FY20, our key supply chain activities were associated with our operations in Argentina, as well as the construction of our Stage 2 Expansion Project at the Olaroz Lithium Facility. Key goods and services procured included:

- Process input materials (e.g. soda ash, lime, sulfuric acid and hydrochloric acid)
- Construction materials (e.g. geomembrane)
- Fuel (natural gas, intermediate fuel oil)
- Construction labour
- Logistics and transport (trucking, maritime freight and storage)
- Cleaning and maintenance.

Our operations at the Olaroz Lithium Facility and Borax Argentina are in remote areas of Argentina. Due to this, and in accordance with our principles of shared value, we make efforts to procure as many goods and services as possible from the local communities and regions around our operations.

² Olaroz Lithium Facility Local Communities: Olaroz Chico, Susques, Hauncar, Pastos Chicos, Puesto Sey, Catua, Jama, El Toro, Coranzuli, and San Juan de Quillaques, Borax Argentina Local Communities: Campo Quijano, San Antonio de los Cobres and Santa Rosa de los Pastos Grandes, Provincial—Olaroz Lithium Facility: Jujuy Province (not including the local communities), Provincial—Borax Argentina: Salta Province (not including the local communities), National: the rest of Argentina.

Modern Slavery Risk and Due Diligence

Modern Slavery, as defined the Australian Government *Modern Slavery Act 2018* (the Act) refers to eight types of serious exploitation: trafficking in persons; slavery; servitude; forced marriage; forced labour; debt bondage; deceptive recruiting for labour or services; and the worst forms of child labour. The worst forms of child labour refer to situations where children are subjected to slavery or similar practices or engaged in hazardous work.

Risk Factors Identified

We need to understand potential *risk factors* that could indicate that we are at risk of *causing, contributing to, or being linked to* (through the activities of other entities that we have business relationships with) modern slavery. To do this, we draw on internal and external data sources to continually refine our modern slavery risk profile. Below, we have summarised the key risk factors relevant to our operations and supply chain:



Product and Services Risks

Although modern slavery can occur in all industries and sectors, some products or services are associated with higher incidences of modern slavery³. This can be due to working conditions, or the processes used to create the products.

- Higher risk *products* in our supply chains include materials, chemicals, textiles, and technology
- Higher risk *services* that we procure are associated with construction, cleaning and laundry services, logistics and transportation (including trucking, maritime freight, and storage).



Geographic Risks

Some countries may have higher vulnerability to modern slavery due to poor governance, weak rule of law, conflict, and other socio-economic factors like poverty. Most of our tier 1 suppliers are based in Argentina which has a relatively low vulnerability to modern slavery based on the classification by the Global Slavery Index⁴. Very few of our tier 1 suppliers⁵ are based in countries identified as being highly vulnerable to modern slavery.



Entity Risks—Local Suppliers

Through our shared value team, we work closely with our local communities in Argentina to identify opportunities for local businesses in our supply chain. We recognise that there may be some small to medium enterprises that are still developing management capabilities and understanding of labour standards.

³ ACSI (2019) [Modern Slavery Risks, Rights and Responsibilities](#)

⁴ www.globalslaveryindex.org/2018/data/maps/#prevalence

⁵ Further investigation with our tier 1 suppliers is required to quantify potential geographic risks present in tier 2 suppliers.

How We Manage Risk and Assess Effectiveness

Governance and Policies

The Board Sustainability Committee assist the board in its responsibilities regarding Modern Slavery.

A Modern Slavery Working Group was formed to address risks of Modern Slavery in the Company's operations and supply chains and comprises the Chief Operations Officer, Chief Human Resources Officer, Chief Legal, Shared Value and Communications Officer, and the Corporate EHS Manager. Senior sustainability, supply chain, logistics and human resource personnel from Orocobre's subsidiary entities also contribute to the working group as required.

Orocobre has relevant [policies](#) and [management approach disclosures](#) in place which outline our commitment to human rights, responsible labour practices, and associated capacity building. These are available on our website and include:

- Code of Conduct
- Human Rights Policy
- Community Policy
- Sustainable Development Policy
- Supply Chain Management Approach Disclosure
- Human Rights Management Approach Disclosure.

Contractual Requirements for Our Suppliers

We are strengthening our processes to carry out due diligence and manage risks in our supply chain. Currently, we ask our suppliers to adhere to the requirements of Orocobre Policies including our Code of Conduct and Human Rights Policy. This is required regardless of if the supplier carries out work at our sites or at other locations. Information regarding a new supplier's acceptance of these policies is recorded in our supplier management system along with general legal, fiscal and tax information. For existing suppliers, acceptance of our policies regarding human rights have been incorporated into purchase order statements. A signed copy of the purchase order is then entered into our supplier management system. We also maintain effective and ongoing supplier engagement to address potential risk factors including those related to modern slavery.

Additional Requirements for On-site Suppliers

For contractors and service providers who work at our Olaroz Lithium Facility, we have incorporated an additional level of control with our supplier management system (**SICOP**). SICOP assists us with documenting all supplier relationships and managing vendor service delivery at site. This system helps to monitor compliance with statutory and contractual requirements.

Through SICOP, we document supplier adherence to our policies concerning health, safety, environment, and social requirements (including human rights), as well as other contractual requirements.

The SICOP system implements document control according to three categories: suppliers, people (employees of contractors) and vehicles. The people category checks that companies are complying with the legal requirements of Argentine authorities regarding issues such as payment of salaries, health and safety, and fair workload.

Instances where suppliers or contractors fail to meet requirements are investigated with outcomes also documented in SICOP.

Engagement and Collaboration with Local Community Suppliers

Our Shared Value Team work to identify opportunities to promote human rights with our local communities and manage programs aimed at empowering local indigenous populations. We are focused on building the capacity of our local and provincial suppliers so that revenue from our supply chain activities can further contribute to the socio-economic development of communities in the regions where we operate. We have built strong networks with our local communities and draw on these to better understand how we can manage any potential risks with these suppliers. Our Supply Chain and Shared Value teams provide support and training for these suppliers regarding labour regulation and the implications of the corresponding labour union agreements.

Grievance Mechanisms

Orocobre has grievance mechanisms in place, including a [Whistleblower Policy](#) that applies not only to our employees but also our suppliers and employees of our suppliers. This policy encourages disclosers to report issues if they reasonably believe someone has engaged in serious wrongdoing. This system is managed by an external company to guarantee transparency and objectivity. When complaints are registered, they are communicated to the relevant operating company (Olaroz Lithium facility or Borax Argentina), and an investigation is opened. All investigations are followed through until a solution is reached.

Training and External Partnerships

Through our membership with BSR⁶, we have conducted the first phase of our human rights risk assessment and plan to deliver information sessions about the UN Guiding Principles on Business and Human Rights with our staff and leadership during FY21.

Reporting on Progress

We report annually, in the [Orocobre Sustainability Report](#), on our performance against material social and environmental topics. We will continue to adapt our key performance indicators in our Sustainability Report to include progress against our Modern Slavery Action Plan, summarised below.

Modern Slavery Action Plan

We have developed and commenced implementing the following actions to improve our approach to managing modern slavery risk factors within our operations and supply chain. We will continue to adapt this list of actions as our approach develops.

Modern Slavery Action Plan

✓ Complete → Ongoing

1. Map our Structure, Operations, and Supply Chains

- Mapping of Orocobre structure, operations, and high level supply chains ✓
- Continue mapping and categorising Tier 1 supply chains (for Orocobre Corporate, Olaroz Lithium Facility and Borax Argentina) →

2. Set Policy Commitments in Relation to Modern Slavery

- Gap Analysis: Collating current policies, identifying gaps ✓
- Adapting existing policies and formulating new policies as required →

3. Carry Out a Risk Assessment

- Identify high level risk factors for modern slavery across operations and supply chain ✓
- Carry out further, more detailed modern slavery risk assessment focusing on suppliers or categories where high level risk factors are identified →

4. Assess and Manage Identified Risks

- Evaluate current controls for modern slavery risk across operations and supply chains ✓
- Review and adapt contract terms and codes of conduct with suppliers →
- Integrate modern slavery risk evaluation into supplier selection and review process →

5. Monitor the Effectiveness of Steps Taken

- Develop supplier performance KPIs to monitor the effectiveness of steps taken ✓
- Implement and report on supplier performance KPI's →

6. Awareness Raising Actions

- Conduct training for employees on the UN Guiding Principles on Business and Human Rights →
- Developing training for staff and contractors on modern slavery risks and impacts →

