

CORPORATE

2022

**SOCIAL  
RESPONSIBILITY  
REPORT**



## MESSAGE FROM

# Marc MELEARD,

CEO of Badrakh Energy LLC



**“ Badrakh Energy has successfully operated the first in-situ recovery pilot test in Mongolia with no incident on environment, human and animal health.**

Since our last CSR Report in 2020, our company successfully accomplished important milestones including the operation of the Zuuvch Ovoo pilot test on the territory of Ulaanbadrah soum, Dornogobi aimag.

The pilot test began in July, 2021, and was completed in December 2022, with zero lost-time accident and no impact on the environment. The Zuuvch Ovoo pilot test extracted with in-situ recovery (ISR) method 10 tons of uranium which are safely stored at our site. I am also glad to mention that Badrakh Energy LLC was granted with a permit to own, use and sell radioactive minerals from the Nuclear Energy Agency in August 2023 in accordance with Article 15.1.3 of the Law on Nuclear Energy.

It is worth noting that our teams celebrated three years of operation with zero lost-time accidents in June 2023. With the Zuuvch-Ovoo pilot test run in 2021 and 2022 we obtained the data and information necessary to update and revise the feasibility study and confirm that mining with ISR technology will have minimum impact on the environment and that ISR is the right mining technology to mine our deposit and that our project is profitable.

The very low impact of ISR has been also confirmed by the independent studies and monitoring performed before and after the pilot stage by the Academia of Sciences and also by a large livestock health survey performed by the veterinary cooperative.

The updated feasibility study for the Zuuvch Ovoo project has been submitted to the Professional Mineral Resources Council in 2023.

While operating the pilot, Badrakh Energy LLC, in accordance with the Cooperation Agreement signed with Ulaanbadrah soum and Zuunbayan bagh of Sainnshand soum, Dornogobi aimag, invested 2 billions

MNT during pilot test stage to support animal health, environmental protection, water supply and education projects meeting specific needs of the communities, in consultation and cooperation with local stakeholders.

These projects contribute to the well-being and economic prosperity of the local citizens. Zuuvch Ovoo is the uranium mining project that is at the most advanced stage of development in Mongolia. Developing Zuuvch Ovoo, Badrakh Energy LLC is also developing a new mining industry in the country. This requires consistent education and information efforts to educate people about uranium mining and gain public acceptance. The dedicated communication action plan agreed with its shareholders for 2021 – 2022 was driven to explain operations of the pilot, technology used by the company and answer any questions of communities as well as to fight fake news about company's operations and the uranium industry enlarging its cooperation with the Mongolian media, including traditional and social media outlets.

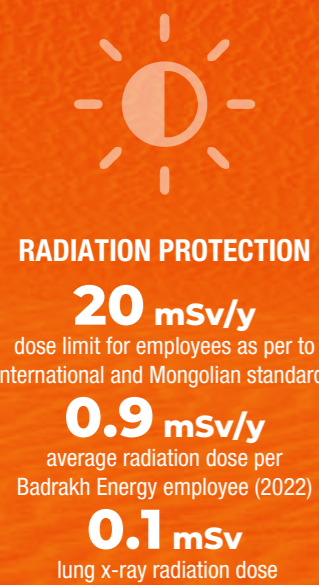
The successful completion of the test, makes it possible for us to perform another important step to bring our mine into operations. The negotiations on the Investment Agreement between the shareholders of the project, Mon-Atom LLC and Orano Mining, with the Mongolian Government have been launched and the agreement is expected to be concluded by the end of 2023.

Signing the investment agreement would launch the preparation of the main mining operation of the Zuuvch Ovoo project in 2028, which will produce 2,500 tons of uranium per year and create more than 800 direct jobs plus another 800 jobs indirectly through our contractors. During the 33 years of the mining operation, more than 2 billions USD will be paid as tax and fees to the state and 1 million USD will be spent on social projects per year, providing substantial support for local social and economic development.

This would be a continuation of the company support, equivalent to 8 billion tugrug, already spent on local development since 2006.

We are excited to contribute to the revival of the Mongolian economy, to improve diversification of Mongolian exports while making a substantial contribution to global climate effort and providing the resource the world needs to produce low carbon energy.

# KEY FIGURES



*\* as of December 2022*

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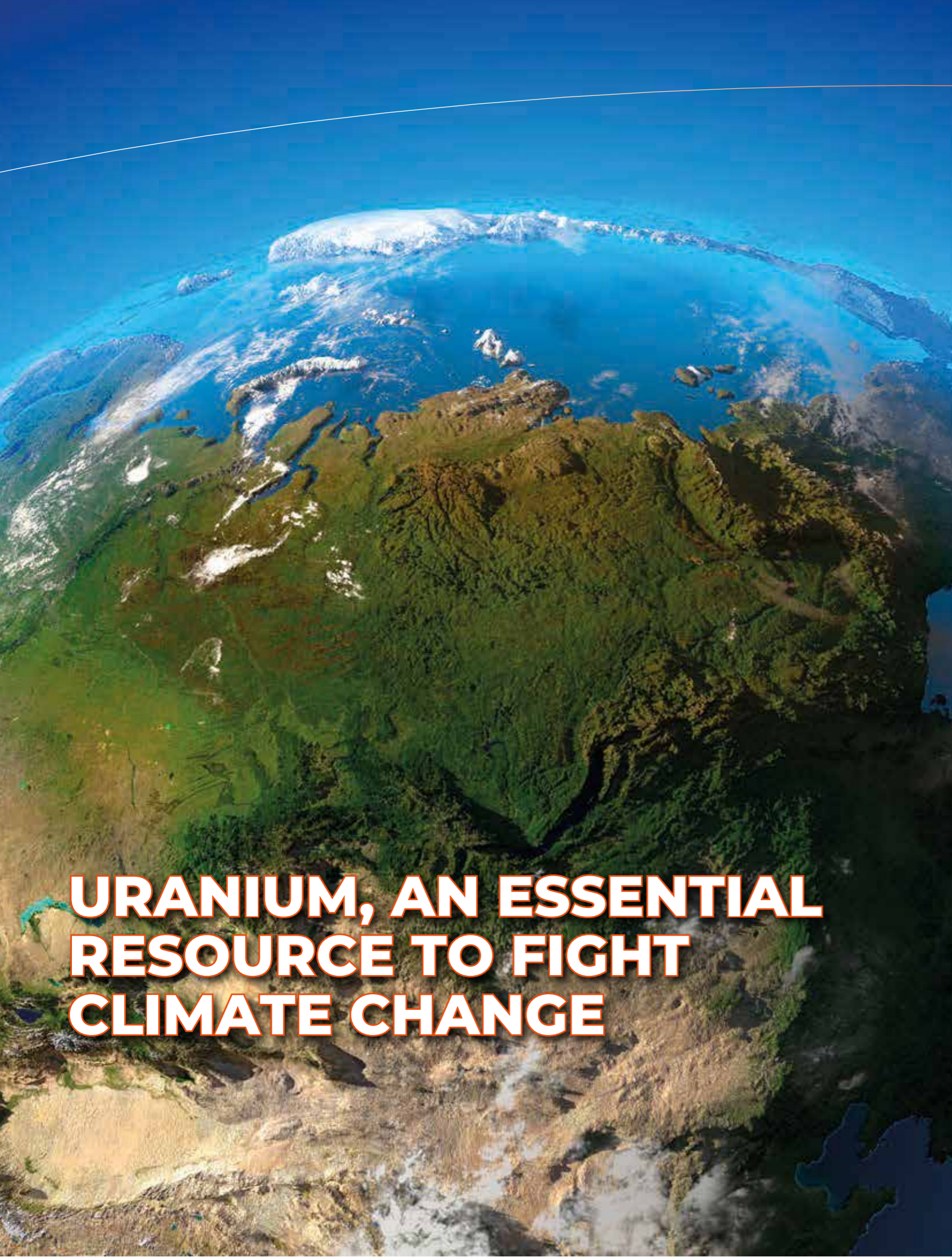
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**Badrakh Energy LLC**

November 2023

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# URANIUM, AN ESSENTIAL RESOURCE TO FIGHT CLIMATE CHANGE

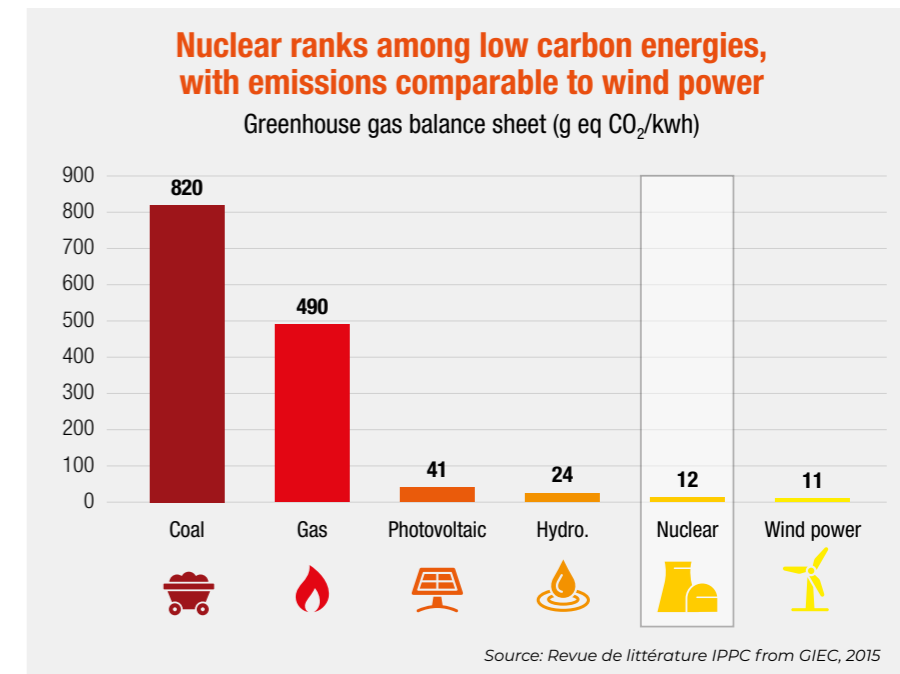
## Nuclear energy - a source of low-carbon electricity

With the population of the world growing, the switch to electric cars and the ongoing economic development of emerging countries, by 2050, the world will need twice as much electricity as today. At the same time, to avoid irreversible climate change, the world needs to cut CO<sub>2</sub> emissions by half. To drastically reduce greenhouse gas emissions, decarbonization of electricity production, a major source of CO<sub>2</sub> emissions via the burning of fossil fuels (coal and gas), is needed.

Nuclear power, for which uranium is the raw material, is a reliable source of carbon free energy, alongside renewables. Nuclear and renewable energies are complementary in fulfilling this challenge.

### Mongolia is particularly impacted by climate change

The global average temperature has warmed by 0.86°C over the past 100 years but Mongolia's average temperature has increased by 2.25°C over the past 80 years. Natural and climatic disasters, such as forest fires, have doubled over the past 20 years in the country. Owing to its geographical location and climatic factors, Mongolia is one of the most impacted countries by climate change.



## Mongolia: an opportunity to contribute to the global climate effort

Mongolia is the 12th largest player in terms of registered uranium reserves, with 200,000 tones, and therefore it can play an important role as a supplier of this strategic resource to produce the low-carbon nuclear electricity the world needs to fight climate change.

- Some 30 countries are considering, planning, or starting nuclear power programmes;
- With development of new technologies such as SMRs (Small Modular Reactors).

Forecasts of increased demand for uranium by 2040:

- Global demand could reach up to 100,000 t/year according to Red Book 2020;
- China is investing significantly in nuclear power to fulfil its carbon neutrality plan by 2060. It could become the leading market for uranium in the coming decades: at the start of 2021, 16 of the 54 reactors under construction globally were in China.

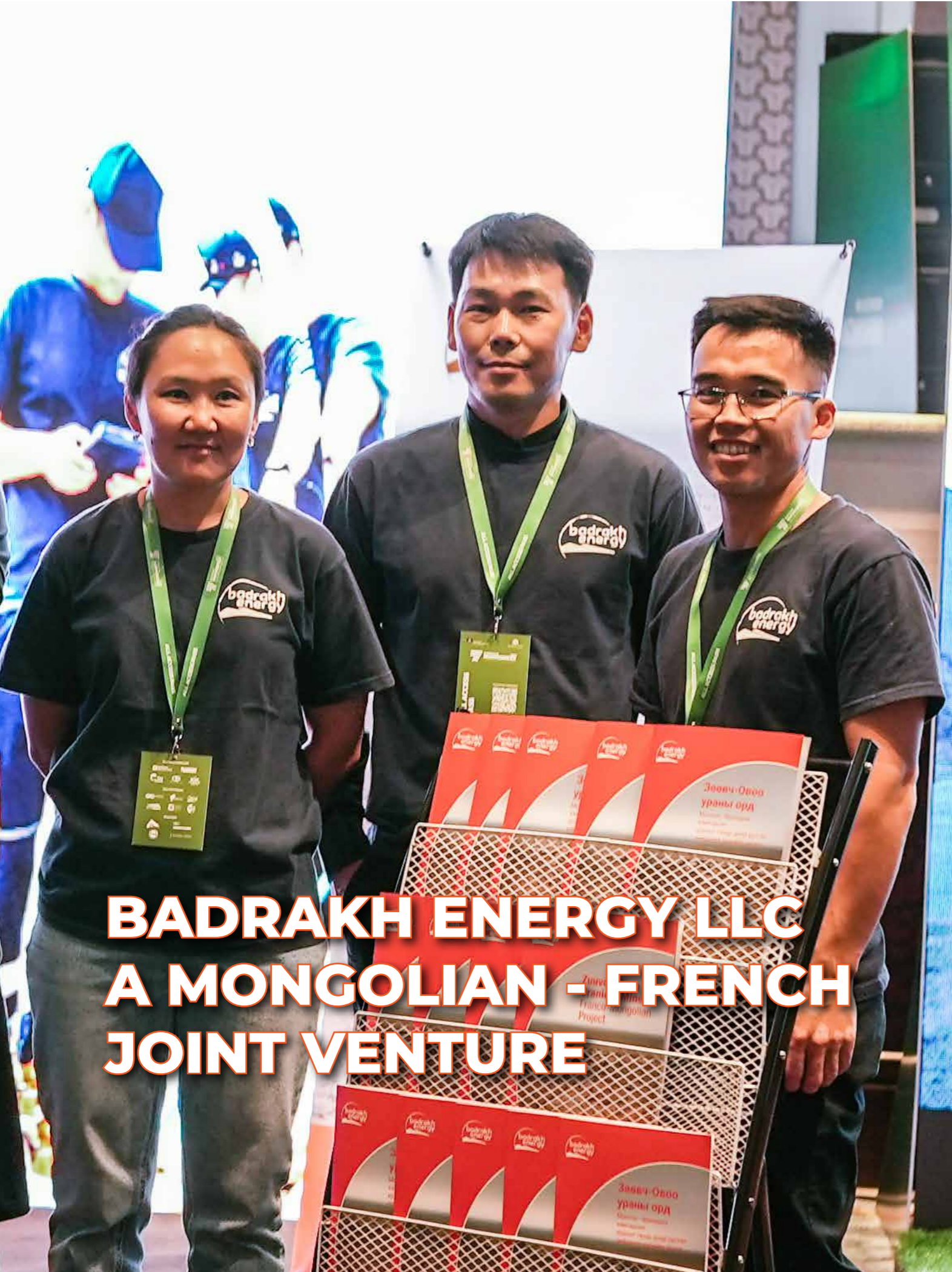
## Promising perspectives for nuclear and uranium production

The world nuclear fleet is growing:

- 445 nuclear reactors in operation (10% of world electricity) and 54 nuclear reactors under construction;

### DID YOU KNOW?

As of February 2022, the European Commission has officially included nuclear power in its green taxonomy. This decision confirms the positive role that nuclear energy has to play in the low-carbon energy transition, given the climate and energy sovereignty issues facing the European Union.



# BADRAKH ENERGY LLC A MONGOLIAN - FRENCH JOINT VENTURE

## The Company

**Badrakh Energy LLC is a joint Mongolian-French mining company committed to the development of the world-class Zuuvcch-Ovoo uranium deposit in the Dornogobi region and the uranium mining industry in Mongolia.**

Being a joint venture between two state owned companies, the Badrakh Energy LLC project is actually a project between two states - France and Mongolia. Badrakh Energy LLC is a responsible company and adheres to best practice standards, with an excellent record on the environment, health and safety as well as community integration and dialogue.

## Shareholders

According to the shareholder's agreement dated October 2013, the shareholders of Badrakh Energy LLC are:

- Orano with a participating interest of 66%
- Mon-Atom LLC, on behalf of the Government of Mongolia, with a participating interest of 34%

The Government of Mongolia holds 34 percent of Badrakh Energy LLC through Mon-Atom LLC. Badrakh Energy LLC became a Mongolian-French joint venture upon the transfer of these shares to Mon-Atom LLC in 2017.



**Mon-Atom LLC was established by the Mongolian Government resolution no. 45 in 2009 as a 100-percent state-owned limited liability company with the primary function of participating alone or jointly with other legal entities in the geological exploration and mining of uranium and other types of radioactive minerals and implementing the state representation according to the relevant legislation.**

Pursuant to the Mongolian Government resolution no. 04 of January 9, 2019, the state-owned shares of Mon-Atom LLC were transferred to Erdenes Mongol LLC, after which Mon-Atom LLC became the subsidiary of this company.

Mon-Atom LLC is currently implementing the state representation according to the relevant law in the radioactive mineral geological exploration and mining projects. Mon-Atom LLC is developing joint project together with Orano from France, Czech Uranium Industry from Czech Republic, Chinese National Nuclear Corporation from China and with Rosatom from Russia.

**As a recognized international operator in the field of nuclear materials, Orano delivers solutions to address present and future global energy and health challenges. Its expertise and mastery of cutting-edge technologies enables Orano to offer its customers high value-added products and services throughout the entire fuel cycle.**

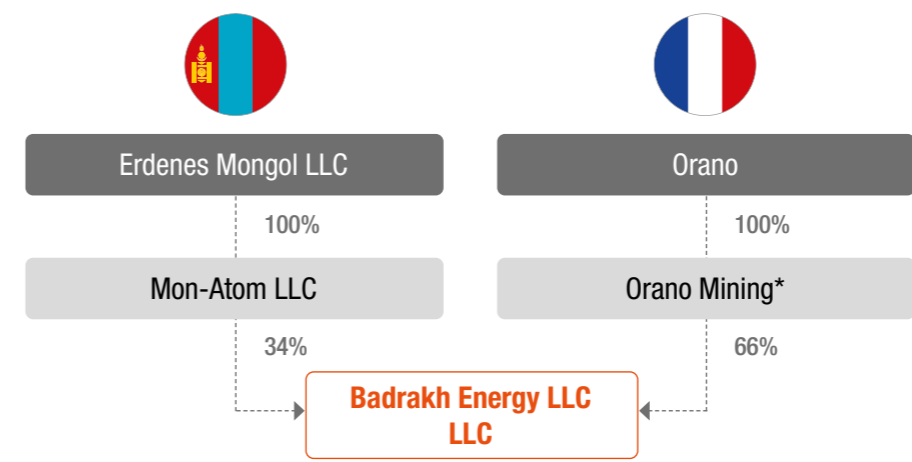
## Orano Mining - among the top 3 uranium mining companies

Orano Mining's mission is to reliably supply natural uranium to its customers, who produce carbon-free electricity. By doing so, Orano Mining contributes to the effort against global warming. Orano brings its expertise and know-how to Mongolia, working alongside with Mongolian experts and professionals:

- 70 years of experience in uranium mining across the globe;
- ISR technology expert, operating one of the largest ISR uranium mines in the world in Kazakhstan;
- Long-term partnerships in Canada, Niger and Kazakhstan;
- Project development in Mongolia, Uzbekistan and Canada.

As part of its responsible commitments' roadmap 2020-2030, Orano Mining is committed to:

- Protecting the safety and security of its employees and subcontractors, aiming for the highest standards;
- Reducing the CO<sub>2</sub>-equivalent carbon emissions of its activities in operation and support electricity decarbonization in the countries where it operates;
- Maintaining a high level of local recruitment and the local purchase rate;
- Maintaining ISO 14001 and 18000 certifications of all its operational sites and certifying its development projects;
- Developing the skills of its employees and local people through partnerships with schools;



\* via its AREVA Mongol LLC subsidiary

- Involving representatives of the public and the authorities in the mining project from the start of its activity and maintaining a dialogue and consultation throughout the project via dedicated organizations;
- Listening to local populations, defining priorities with them in terms of societal programs while favoring projects linked to improving local access to water, energy, health, and education and overall local economic development.

**I Transparency - one of Orano Mining's core values**

Orano has supported the Extractive Industries Transparency Initiative (EITI) since its creation in 2003. Today, Orano publishes its earnings and its contracts on its website in accordance with the EITI standard whenever authorized by the countries concerned.

Since 2011, Orano has been a member of the International Council of Mining and Metals, an international association aiming to improve extractive companies' operating practices.

ZOOM

**THE ZUUVCH OVOO PROJECT**

**The Zuuvch Ovoo project of Badrakh Energy LLC project is at the most advanced stage of the uranium mining development process in Mongolia.**

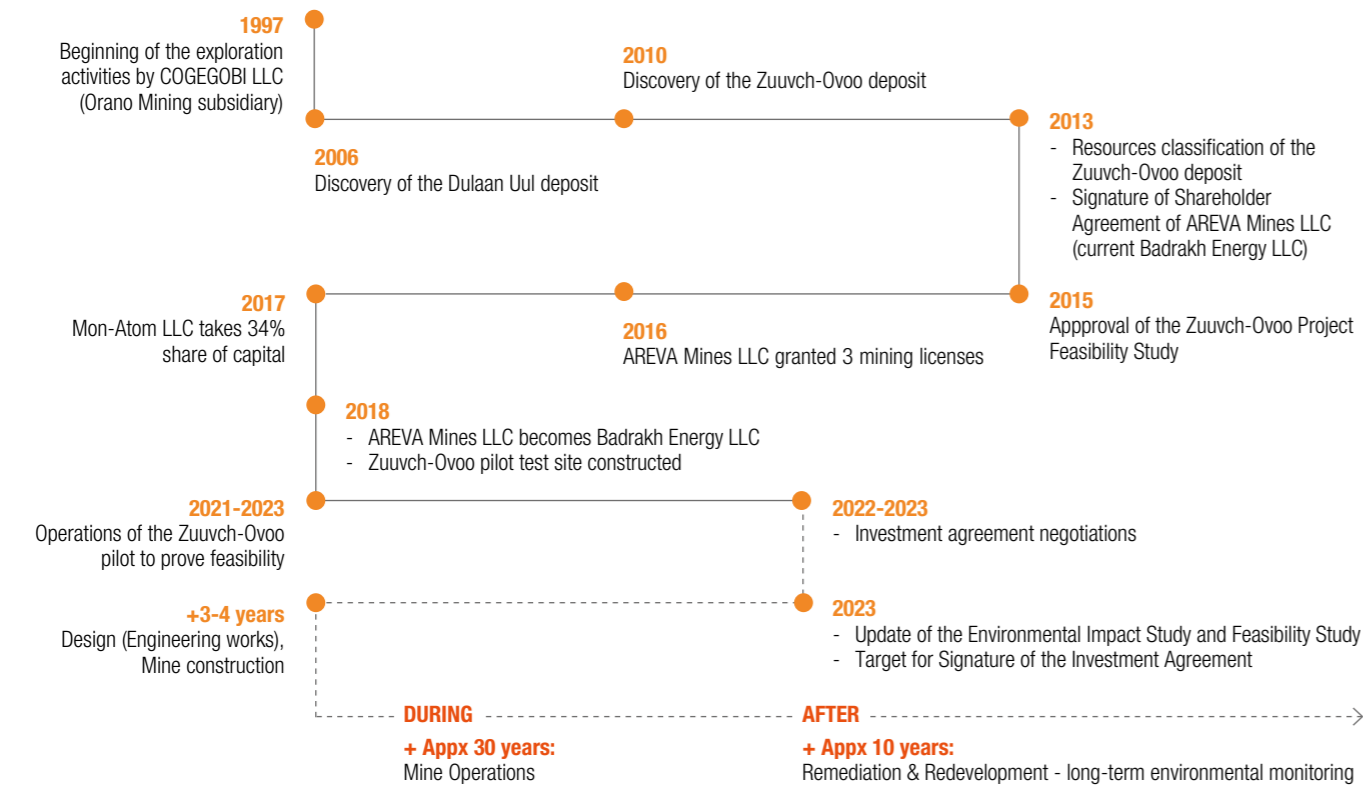
The company holds 3 mining licenses for the Dulaan Uul/Umnut and Zuuvch Ovoo deposits in the Dornogobi province. From July 2021 to December 2022, Badrakh Energy LLC conducted a full-scale on-site pilot test for uranium extraction from the Zuuvch Ovoo deposit by the ISR (in-situ recovery) mining method. The company produced 10 metric tons of natural uranium concentrate and confirmed that the ISR mining method applied at Zuuvch Ovoo is safe both for people and the environment.

Orano is committed to working with the Mongolian Government throughout 2023 to develop a mutually beneficial Investment Agreement to guarantee the sustainable future of the Zuuvch Ovoo mine which is expected to last for more than 30 years, produce up to 2,500 tU annually and employ, directly and indirectly, 1,600 people.



For more information about Pilot Test, see page xx

**KEY DATES**



**OUR PERFORMANCES**

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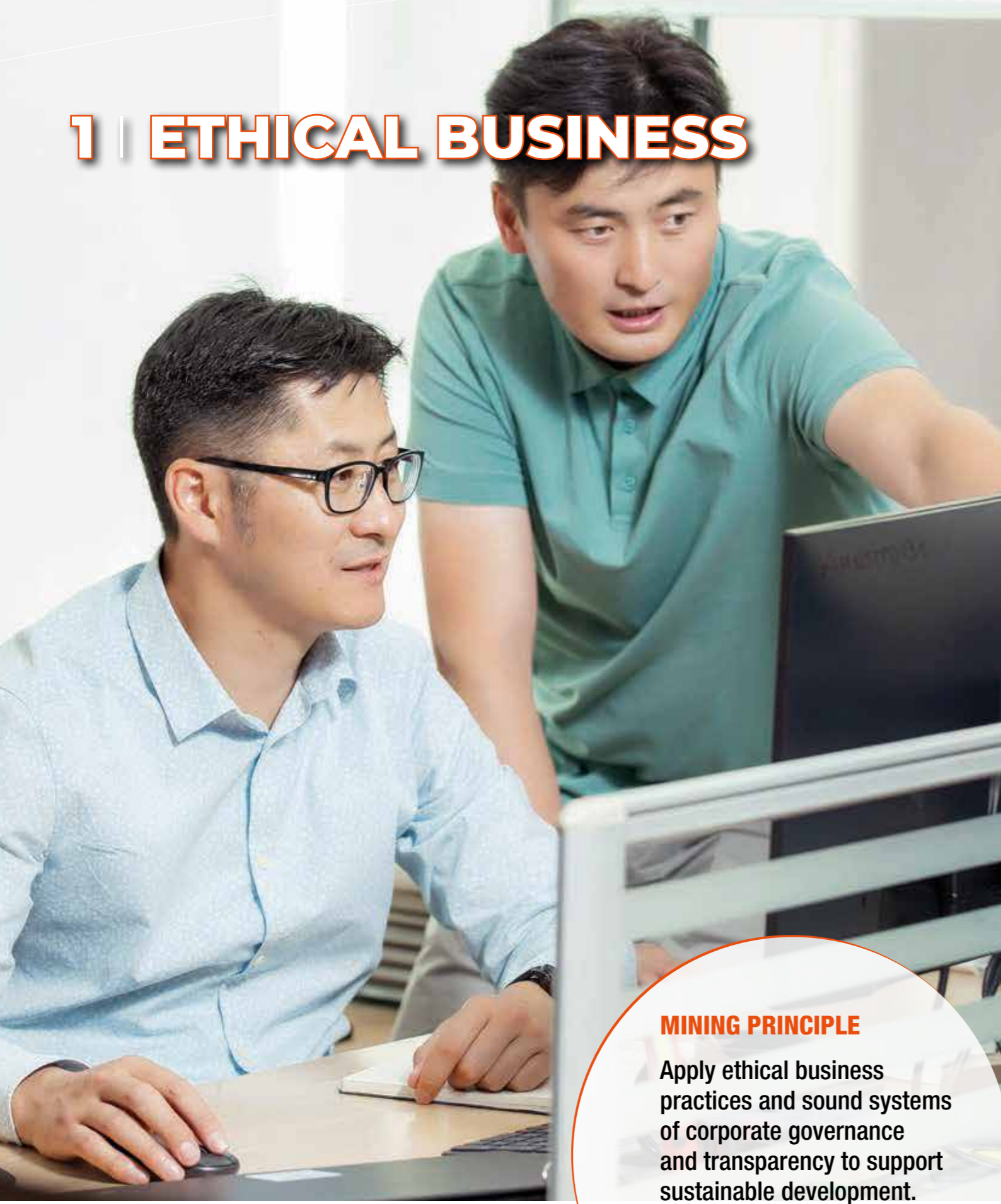
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# 1 | ETHICAL BUSINESS



### MINING PRINCIPLE

Apply ethical business practices and sound systems of corporate governance and transparency to support sustainable development.

As a socially responsible mining company, Badrakh Energy LLC is committed to operating ethically and with integrity and to establishing and following processes and behaviors that support this approach. We believe dialogue, consultation and transparency build confidence with our stakeholders and is essential to the sustainability of our activities.

Badrakh Energy LLC, as an affiliate of Orano group, implements Orano group's Code of Ethics and Business Conduct and its Corruption prevention program consisting of eight pillars of actions in its day-to-day operations, as follows:



### DID YOU KNOW?

#### The Code of Ethics and Business Conduct

Badrakh Energy LLC applies Orano group's Code of Ethics and Business Conduct (the "Code"), which is a core policy that describes the different principles and behaviors to adopt in order to avoid situations of corruption and influence peddling as well as the behaviors to proscribe. The Code embodies the commitment from the Company's top management to an ethical and anticorruption approach within the organization, and it must be followed by all employees, suppliers and partners of the Company in their day-to-day work. The Code is available on the company's internal network system in the Mongolian, English and French languages.



## Corruption Risk Mapping

The purpose of the Corruption Risk Mapping exercise is to identify, assess and categorize risk scenarios of corruption and influence peddling to which the company might be exposed, covering management, operational and support processes of each entity and activity. The risk mapping aims to identify employees exposed to risks, third-parties who may be vectors of such risks and financial transactions that

could conceal corruption. It also allows for an adequate prevention and detection system for mitigating potential risks of corruption and/or influence peddling and to define action plans to strengthen it.

The risk mapping methodology is displayed below:



## Third-party compliance assessment

The third-party compliance assessment aims to define the methods of evaluating third-parties against the risks of non-compliance, particularly corruption and influence peddling. It applies to all current and future third-parties with whom Badrakh Energy LLC intends to enter or has entered into a business relationship, including clients, intermediaries, suppliers, consultants, advisors, sponsorship recipients, patronage, joint-venture partners, acquisition targets, etc.

The assessment process is implemented for initial establishment or renewal of a relationship with a third-party or periodically, and the process then goes through the following stages:

1. A prior assessment of the third-party's corruption risk level using an internal "Third-party assessment form" called "self-check" on the online platform "SCORE";
2. Complementary checks as required depending on the potential risk level;
3. Confirmation of the assessed risk level and decision (go/no go, favorable/unfavorable opinion, recommendations).

## Compliance training

An e-learning course on the Code of Ethics and Business Conduct is mandatory for all employees of Badrakh Energy LLC. It must be completed by all new employees and every two years by each employee. It is checked during the annual appraisal review. The course is available online in Mongolian as well as other languages.

Additionally, each year, compliance training is provided to the executive management and all exposed employees of Badrakh Energy LLC on the subject of "Preventing corruption and influence peddling".



## Whistleblowing system

As part of its ethical commitment, Badrakh Energy LLC uses Orano group's whistleblowing system open to employees, contractors, service providers, partners or customers, to report any violations of the Code of Ethics and Business Conduct or any internal rule, as well as a crime or misdemeanor, a serious and obvious violation of the law or regulations. Reports can be made via the online secured platform, through the managers or the compliance correspondent. Orano group and Badrakh Energy LLC guarantee the protection of the whistleblower and the confidentiality of his or her identity.



In addition to the Orano group whistleblowing system, Badrakh Energy LLC also operates a grievance box in accordance with the Mongolian Labor Code. The employees may file a complaint or an opinion related to our activities through this mechanism.

## Accounting controls

The purpose of carrying out accounting controls is, in particular, to prevent and detect possible offences, based on the company's accounting and financial data. They should specifically address sensitive transactions identified in the corruption risk map.

- There are 3 levels of control:
- Level 1: Financial operational
  - Level 2: Independent review
  - Level 3: Internal audit

## Monitoring and assessment

The assessment of the effectiveness of the compliance program is performed through:

- the monitoring of indicators shared with the CEO of Badrakh Energy LLC and the governance bodies of Orano group;
- a plan of controls and reviews of the maturity of the Company carried out by the Compliance Department of Orano group;
- the self-assessment according to the compliance process; and
- controls carried out by the Risk and Internal Audit Department of Orano group.

## Disciplinary sanctions

The Company applies "zero tolerance" policy for any act of corruption. In the event of an infringement or failure to comply with the rules and the Code, or in the event of misconduct committed by any employee in the course of their duties, disciplinary sanctions may be applied depending on the seriousness of the offence, such as:

- Warning / reprimand

- Suspension
- Demotion
- Dismissal for misconduct.

## Compliance actions completed

- Risk mapping exercise and assessment carried out by the company's management personnel;
- Maturity review by Orano group compliance department, and report of follow-up action;
- Corruption and influence peddling training was organized to exposed personnel, training materials were translated into Mongolian language and made available to all employees;
- Gifts and invitations offered or received were declared by the employees, reminders were sent periodically, and the gifts and invitations register has been maintained up to date;
- Third-party assessments were systematically completed and, depending on the risk level identified, specific further checks

were made by the Orano's Compliance Department;

- The updated Code of Ethics and Business Conduct also available for commercial and industrial partners was provided to all employees by email, and is also accessible via the internal network;
- The Code of Ethics and Business Conduct is an integral part of all contracts Badrakh Energy LLC is establishing with third parties;



- Reminders to report any ethical violations via the whistleblowing portal and compliance refresh emails were sent out to all employees throughout the year, and posters containing instructions on whistleblowing were physically posted on Badrakh Energy LLC information boards located in all of its offices.





# 2 | DECISION MAKING



## MINING PRINCIPLE

**Integrate sustainable development in corporate strategy and decision-making processes.**

## Environmental, social and governance embedded into our strategy

**Badrakh Energy LLC integrates sustainable development in corporate strategy and decision-making processes.**

As a responsible mining company, Badrakh Energy LLC ensures sustainable, concerted and balanced management of resources and of their use, and address all the challenges - social, environmental, societal, technical or economic, at each stage of the mining cycle.

Implementing these practices, Badrakh Energy LLC follows the Orano policy and shares Orano's group purpose which is: "Develop know-how in the transformation and control of nuclear materials for the climate, for a healthy and resource-efficient world, now and tomorrow".

## Company governance

### I Board of Directors

The Board of Directors ensures operational consistency in company activities. Mongolian Company law requires a separation between the functions of Chairman of the Board of Directors and Chief Executive Officer, which has been fulfilled since the establishment of the Company.

The organization, operation and prerogatives of the Board of Directors are set by the charter of Badrakh Energy LLC.

The Board of Directors meets at least twice a year. It decides how the Company orients its activities and ensures their implementation. It is made of representative of AREVA Mongol LLC (subsidiary of Orano Mining), Mon-Atom LLC, Executive Office of the Nuclear Energy Commission and



Authority of Mineral Resources and Petroleum of Mongolia.

The Board of Directors has Operation and Audit Committees. The Audit Committee is chaired by the representatives of the shareholders alternatively elected each year. The Committees meet at least four times per year to discuss matters related to the operation and financial operations of the company and raise them for discussion at the Board of Directors, if necessary, for decisions.

### I Management Committee

Badrakh Energy LLC is run according to a decentralized operating model, based around a head office that performs overall management and oversight functions.

The Management Committee made of heads of operational departments ensures that the Orano Code of Ethics and Business Conduct is respected, in addition to the Company's commitments to sustainable development.

## Supply Chain

Badrakh Energy LLC promotes a longterm relationship with local suppliers based on mutual respect, trust, constructive dialog and joint efforts to reach international standards.

Our teams work closely with the HSE, Legal and Compliance departments to ensure that suppliers meet compliance requirements, particularly regarding the prevention of corruption and influence peddling.

### I Compliance & transparency

Each service provision or purchase is done according to the Mongolian and international laws, norms and regulations frame.

All suppliers hired by Badrakh Energy LLC are required to review and comply with the Code of Ethics & Business Conduct and Sustainable Development Charter and may be requested to provide a signed declaration. Contracts signed with suppliers outline General Terms and Conditions or contractual clauses especially health, safety, and protection obligations for contractors, as well as their environmental responsibility.

Non-compliance with terms and conditions may result in termination of the contract.

### I Procurement process

The procurement process includes competitive bidding or quote comparisons, as per the procedure of the company. The supplier choices are done fairly, based on objective criteria including environmental, social, human rights after a compliance assessment.

### I Quality and safety

The priority is on pursuing quality and safety for all the employees and suppliers. That is why suppliers are included in our safety month campaign and trainings as well in our safety targets (number of days without lost time injury, etc.).

### I Environment

Environmental responsibility and the reduction of footprint is promoted by the actions such as waste management and sorting by type of waste, for instance. In addition, for all work which could have a direct impact on the environment, a sustainable development declaration is agreed and attached in the contracts.

# 3 | HUMAN RIGHTS



### MINING PRINCIPLE

Respect human rights and the interests, cultures, customs and values of employees and communities affected by our activities.

Badrakh Energy LLC conducts its business in compliance with the fundamental texts aimed at protecting human rights. It reflects the company's commitment to eliminating child labor and all forms of forced or imposed labor, adherence to free association, privacy, and the right for collective bargaining.

Badrakh Energy LLC applies the group's policy and the HR teams promote diversity during the course of exercising their functions by taking care to develop employees' skills and career paths in a way that excludes any discrimination related in particular to origin, gender, race, sexual orientation or identity, disability, age, or belonging to a political, trade union, or religious organization or to a minority.

As a leading employer, Badrakh Energy LLC ambitions to attract, develop and retain talented individuals who will make its projects a success.

## Our employees

On December 31, 2022, Badrakh Energy LLC had a total of 91 employees: 74 permanent employees and 13 fixed-term employees, 4 expatriates. Starting from 2023, following the end of the Zuuvch Ovoo Pilot test, the number of the company staff decreased by 13,5 %. At the time when Badrakh Energy LLC will pass to the mine development and mining phase, we will need a large number of professional and



Total number of employees on 31 December, 2022

Category	Gender		Total
	Female	Male	
Permanent employees	19	55	74
Fixed term employees	1	12	13
Expatriates	0	4	4
<b>Total number of employees</b>	<b>20</b>	<b>71</b>	<b>91</b>



specialized teams to conduct our operations and will give a priority to those employees who participated to the test phase.

The company offers career paths including a competitive level of remuneration, fosters quality of life at work and labor relations dialogue.

### Priority is given to local recruitment

Badrakh Energy LLC had always aimed to support employment where it operates. 96% of Badrakh Energy LLC employees were Mongolian citizens during the pilot test, of which 33% were from Ulaanbadrakh soum and Zuunbayan bag of Sainshand soum.

According to the Recruitment Procedure of Badrakh Energy LLC, during the selection for site-based positions (Dornogobi aimag) that do not require specific qualifications, priority is given to local candidates residing in Dornogobi aimag.

Between 2021-2022, 15 employees were hired from local regions:

Region	Hires
Sainshand	2
Zuunbayan	3
Ulaanbadrakh	8
Zamyn-Uud	2
<b>Total</b>	<b>15</b>

### Management and development of competencies

Every year, the Company conducts Performance Appraisal campaign, which consists of 2 parts:

- **The performance assessment:** This part is intended to assess the past year performance and set the priorities and objectives for the upcoming year.

● **The professional development interview:** This part addresses the development of skills and the professional aspirations of employees. This interview allows employees to discuss their career aspirations, skills they would like to develop, receive feedback on their strengths as well as areas for improvement, and create their development plan with their manager.

### I Trainings

On annual basis the employees are provided with trainings aimed at their professional development and acquisition of necessary skills, knowledge and competencies, organized both in local training establishments or abroad.

In 2021-2022, Badrakh Energy LLC successfully organized following trainings for its employees:

- Degree programs in the accredited universities
- Soft and technical skills training programs
- Certificate trainings
- English and French language trainings



### Percentage of trainees

Training	2021	2022
Degree programs in the accredited universities	8%	7%
Soft and technical skills training programs	47%	14%
Language trainings	31%	18%
Mandatory trainings	100%	100%

Moreover, 7 employees attended international seminars in France in 2022.

### I Remuneration policy

The salary reviews are conducted on annual basis and the company's compensation objective retributes:

- Recognition of performance, potential (key talents, experts)
- Pay equity
- Budget Compliance
- Market competitiveness

### I Diversity as a performance factor

Orano is convinced that diversity is a performance factor, a source of innovation, that diversity enriches exchanges, confronts skills and nourishes reflections.

### I Constructive social dialogue

Badrakh Energy LLC Human Resources policy, in accordance with current regulations, is based on the principles of discussion and consultation between parties. A responsible and constructive social dialogue is a vital element in the healthy running of the Company.

Badrakh Energy LLC has renewed, in November 2022, a collective agreement with its employee representatives, who are elected by employees on a two-year basis.



### DID YOU KNOW?

The Collective Agreement is registered at the district administration office as per Labor Law of Mongolia. Its implementation is monitored in cooperation with Employee representatives. There are five employee representatives who conduct negotiations and make an agreement with the management team in order to reflect the employees' interests, in our policies and decisions.

The collective agreement was renewed in November, 2022 for a two-year period.

The company management and employee representatives meet on a quarterly basis and address numerous topics such as renewal of internal procedures, the remuneration policy of field and meal premiums, implementation of transportation allowance and training and development plans of employees.

their morning and evening routines such as dropping/picking up children to/from school or kindergarten or avoid rush hours.

### DID YOU KNOW?

**Work-life balance**  
During COVID-19 period, the company introduced a remote work to all employees until the country softened the lockdown. Starting from 1st of October, 2022, the company switched to 1 day per week remote work.



### Quality of life at work

The Zuuvch Ovoo camp site in Dornogobi hosting more than 30 employees during their 2 weeks shifts is equipped with a fitness hall, a basketball yard, billiards and ping-pong tables, all these creating favorable conditions for leisure time on site. Two weeks shifts were introduced following the newly adopted Labor Law of Mongolia effective from January 1st, 2022.

Ulaanbaatar office based employees have a benefit to get reimbursed up to 600,000 MNT per year for expenses related to sport activity.

Employees working in Ulaanbaatar and Sainshand city offices have option to start their workday any time between 8:00-9:30 and finish respectively between 17:00-18:30. This allows employees to plan accordingly

### Paid leave and compensation

In order to support the happy and sad moments of the employees, the company provides paid leave together with one-time compensation on following cases: 3-5 days paid leave together with one-time compensation is paid to the employees for their marriage, delivery of new baby, marriage of employees' children and condolences in their family.

### Social protection

According to the Collective Agreement, our employees have 100% health and medical insurance coverage and 85% insurance coverage for their immediate family members including children under 21 years old.

If employment in the company is terminated due to retirement of the employee, dismissal of positions, evolution in skills required for a position company pays up to 12 months salary depending on employee's company experience.

Retired employees enroll in a medical check-up once a year and receive a monetary allowance during Lunar New Year and Elders' day.

Single father and mother employees receive an allowance once a year. If employee's family has a difficult time due to health reason, the company provides one-time financial compensation.



### I Employees benefits

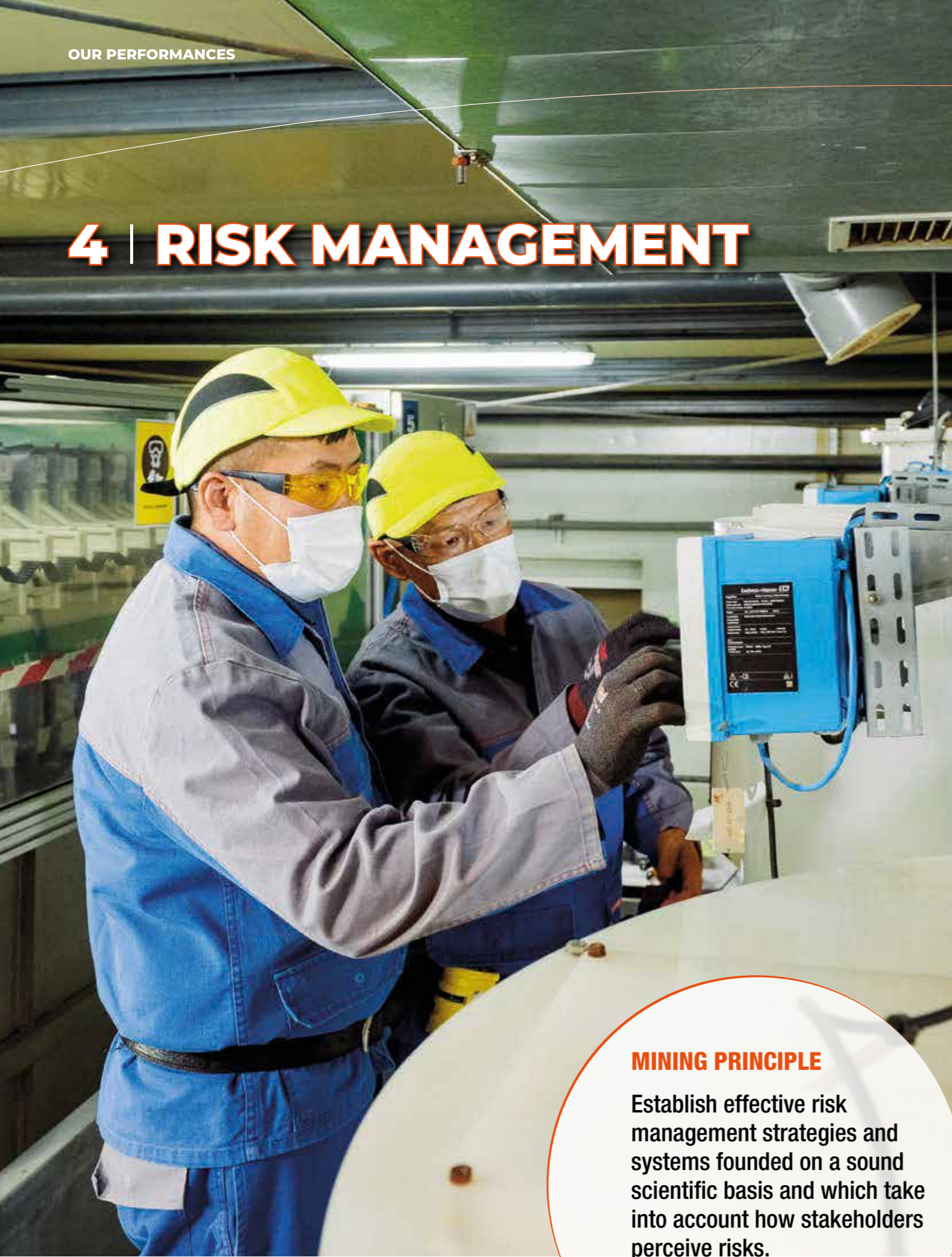
#### Bonus

On top of the bonuses provided to directors and employees of the company depending on their objectives, performance and duration of work. The employees receive a seniority premium on annual basis, starting from their third year of company experience.

#### Allowance

Company provides the employees with food allowance and transportation allowance for each day worked in Ulaanbaatar city or Sainshand city offices and a field premium for the days worked on the Zuuvch Ovoo site in Dornogobi. Besides, when employee travels from Ulaanbaatar city to site, travel meal allowance and travel compensation is paid.

# 4 | RISK MANAGEMENT



### MINING PRINCIPLE

Establish effective risk management strategies and systems founded on a sound scientific basis and which take into account how stakeholders perceive risks.



### Risk management

As part of the Orano Group, Badrakh Energy LLC, identifies and assesses risks of all kinds every year using a Business Risk Model (BRM). This document is used to adjust and update the action plans put in place to manage the risks.

The BRM lists, within a defined 40 risk families, all foreseeable or unexpected situations or events that could have an impact on the health and safety of the staff, the environment, the operations, the strategy or the financial results of the group, its compliance with current regulations, as well as its reputation and image. The BRM is to be updated on a regular basis with best practices, feedback from experience and regulatory changes. Due diligence and risks of bribery and trading in influence have been integrated into the group's mapping of risks since 2018, with, in 2022, a more in-depth analysis of the risks related to the group's social, societal and environmental engagement.

Badrakh Energy LLC pays a special attention to preventing serious violations of human rights, and to the health and safety of people and the environment, whether in relation to its activities or activities undertaken by suppliers as part

of their contractual relationship with Badrakh Energy LLC, it being understood that all these companies are required to comply with local laws.

The campaign to identify and assess risks has the following main objectives:

- The formal identification of risks of all types
- The characterization of these risks in order to prioritize them
- The establishment and implementation of action plans to control these risks

The duty of care plan, incorporated into the annual risk mapping exercise, is subject to approval by the Board of Directors.

### Risk management controls

Badrakh Energy LLC implements risk-based controls to protect the health, safety, environmental impacts to workers, local communities, cultural heritage, and the workplace. The radiation protection is monitored across all facilities, throughout the design, construction, operations, rehabilitation, and decommissioning phases. In addition to the rules and regulations of Mongolia, Badrakh

Energy LLC complies with the Orano group's Nuclear Safety Charter.

These systems enable the establishment of a method and procedures for managing the major hazards faced on sites, prioritizing them, monitoring them, taking corrective action, and making changes.



### Industrial risks

The safety team monitors and analyzes industrial risk events on a regular basis.

Whenever an incident or high-potential event happens, feedback is formalized and shared with the appropriate teams, especially in other departments. It reminds them of the preventative actions that must be taken, as well as the significance of adhering to the management system for industrial safety processes and laws.





been meticulously drafted by professionals of both Orano and National Emergency agencies and revised every year. Furthermore, Badrakh Energy LLC utilizes first response teams to mitigate risks and impacts. Monthly trainings and drills are scheduled to ensure team readiness.

Badrakh Energy LLC has also its MERP (Medical Emergency Response Plan) which is main guide in case of any health issue with employees and contractors.

### | Crisis exercise

As a new mining industry in Mongolia, the ability to respond, resolving problems both technically and operationally, and management across numerous interfaces are all components that contribute to our company becoming a responsible industrial player. Badrakh Energy LLC is collaborating with local emergency agencies and planning a joint drill exercises on the topics of safety, environmental disasters, and radiation incidents.

Training offered during these exercises equips Badrakh Energy LLC employees and other stakeholders to act and use the emergency systems available. It is also a chance to instruct everyone present within the protected area what to do in the case of an emergency.

publicly. Drills of varying levels are held on a regular basis to assess the efficiency of these teams, with external stakeholders such as local and national regulatory authorities.

### | Emergency response

The Emergency Response Plan is developed alongside with national authorities to prepare and respond to any foreseeable situations including natural disasters. These plans have



## Comprehensive emergency response organization

At Badrakh Energy LLC, Emergency Response teams are made of individuals with strong analytical and decision-making capabilities, so that in the case of an emergency or crisis scenario, all essential actions may be done to make facilities safe, lessen the impact of the event, and convey information internally and



3 levels of crisis exercises:

- Level 1 (frequency varies) involving local crisis management team
- Level 2 (1 per year) involving Badrakh Energy office teams and local crisis management team
- Level 3 (1 every 3-year) involving Orano Mining team, Badrakh Energy office teams and local crisis management team

	2021	2022
Level 1	2	2
Level 2	1	1
Level 3	0	1

FOCUS

### CRISIS EXERCISES IN 2022

#### Level 3 exercise

Badrakh Energy LLC has organized with support of Orano Mining team a full-scale safety drill level 3 at the Zuuvch-Ovoo pilot test facility in July 2022. It involved the local and regional crisis management team respectively based at Zuuvch-Ovoo pilot test site and in Ulaanbaatar as well as the headquarter Crisis Management Team based in Paris (France).

The scenario centered on a chemical leak that impacted personnel due to unauthorized entry by third party.

Key objective was to develop action plan through focus on further improvement during the drill and implement going forward.

#### Level 1 exercises

Three training sessions were conducted internally involving the employees of our company and contractors, such as Imperial Security LLC and Aden Services LLC. The topics included fire extinguishing, use of fire extinguishing devices, and arrival at muster point in the event of emergency. Total of 78 employees attended the training.



# 5 | HEALTH, SAFETY AND RADIATION PROTECTION



**MINING PRINCIPLE**  
Pursue continual improvement in health and safety performance with the ultimate goal of zero harm.

## Health, safety and radiation protection policy

Badrakh Energy LLC is committed to providing a healthy and safe work environment for all employees and contractors, and to ensuring that all work and process are performed in a safe and responsible way that meets regulatory and company standards.

We implement a Health, Safety and Radioprotection management to continually improve our performance with the ultimate goal of zero harm and accident.

### I Measurement and evaluation

Badrakh Energy LLC applies Orano's Health Safety and Radiation Protection Policy which complies with Mongolian standards as well as the requirements of local regulations.

Badrakh Energy LLC deployed 5 safety anchors and 7 safety standards of Orano group to apply the best practices which contributes to the management of risk and prevention of accidents.

#### Our 5 anchors and 7 safety standards



Evaluation methodologies for measuring effectiveness of health and safety system include:

- Internal Audits completed by Badrakh energy employees before any activity
- Planned and unplanned external audit and Inspections by Government Regulatory Agencies
- Badrakh energy's Health, Safety and Radioprotection Committee meeting and decision: management review regarding the HS and RP performance, inspection result, non-conformances, communication, changing circumstances etc
- AHEAD - Orano's Internal Information and Notification of Nuclear Safety, Health & Safety, Radiation Protection, Transportation, Environment event
- Annual reporting to the Government body
- Safety day - performance evaluation day

General evaluation and measurement methods include:

- Daily health safety meetings on site
- Review of employees for proactive safety behaviours
- Engagement of employees done by presenting safety performance indicators through visual board on our site - MVP - Visual Performance Management dashboard with Safety Pareto were implemented since 2020 to ensure the visual and operational detection and monitoring of safety deviations close to the field
- Risk assessment before any job performance
- VSP (Participative Safety Visits) or MIF (Manager in the Field) program to ensure safety inspections by all employees
- Job Observation - by Safety team
- Identification of actual and potentially serious injury and fatal events to ensure

an in-depth investigation is completed and preventative actions are taken

- Flash news – study and share safety related information within the Orano's companies and identify the critical issues on the bases of safety principles
- FMS - Fleet Management Software (Gaikham) with GPS system installed on all vehicles to ensure real-time monitoring of all movements and compliance of speed limits
- Monitoring and tracking of non-conformances and action plan follow-up

In order to minimize the risk of serious injury or fatality, the investigation reporting process includes a managerial review of new cases (incidents and non-conformances) in order to identify loss potential and provide clear accountabilities for the investigation results.

### DID YOU KNOW?

Annual internal objectives and targets are developed to promote continual improvement in the health and safety management system and build toward an interdependent safety culture. These objectives are one of the commitments specified in the Orano Health and Safety Policy and Mongolian Law on Occupational Health and Safety.

### I Safety results

	2021	2022
Fatalities	0	0
Lost Time Injury	0	0
Medical treatment injury	1	1
First aid	0	0
Near miss - Weak signals	3	6

Serious incidents with lost time were not recorded and Badrakh Energy LLC operated 931 days without LTI in 2022. Each case was the subject of deep investigation.

### I Identifying incidents with high potential severity

The company continues to identify and address any deviations, near misses, and high potential severity incidents (HIPOs) throughout its operations. Our employees, managers and directors were involved in various site inspections and in investigations of HIPO that occurred during the year.

#### HIPO

All HIPO are registered and subject of audit on the root causes. Audit report prepared by Safety team and with the involvement of relevant people are communicated among the company employees and its subcontractors.

A high potential of severity event can be:

- A SIF- serious injuries and fatalities,
- Another significant event,
- A near miss.

From 2020 to 2022, Badrakh Energy LLC had six HIPO cases. More than half of these were somewhat involved with faulty electrical installations. All HIPO have been investigated and all necessary action plans have been put in place and all deviations have been corrected on time.

Declaring any Near miss on time is very important for preventing any accident and injuries. All our employees are welcomed to declare any deviation in term of safety, radioprotection and health issue.



They are also presented and discussed during morning "5 minutes" Safety briefings. In this way, the Safety team is contributing to prevention the occurrence of incidents and accidents.

### I Safety management awareness training

In order to raise awareness on Occupational Health and Safety at our site, annual training is conducted by an independent certified organization.

It involves Badrakh Energy LLC employees as well as employees of the subcontractors. In June 2022, a focus was made on the HIPO safety awareness tool.

**DID YOU KNOW?**  
Orano group organizes Safety day event with all its subsidiaries. This event which is celebrated with all our contractors remind us the importance of safety and allow us to deploy our Safety culture.

**FOCUS**  
Chemical risk management training has been organized every year during the Zuuvch Ovoo Pilot activity in 2021 and 2022.

### I Health policy

Badrakh Energy LLC deploys healthcare policy to all employees that complies with prerequisites for occupational healthcare and sanitary standards. An annual medical checkup is conducted by an internationally recognized Songdo Hospital to monitor employee health conditions. Private guidance and consultations are recommended by the company doctor. In addition, employees working in the controlled zone at the company's site enroll twice a year for examination at the National Safety and Health Center.

Regularly assigned site-based doctors provide necessary assistance and other healthcare services such as:

- Protect the health of the employees and take preventive actions
- Organize training and awareness on health and hygiene
- Monitor and organize scheduled medical checkups
- Organize voluntary immunization plans on site
- Provide urgent medical assistance and medical evacuations
- Insure the hygiene control regarding the camp and restauration service

Badrakh Energy LLC offers a comprehensive medical insurance to employees and their family members.



**DID YOU KNOW?**  
Badrakh Energy LLC, in cooperation with Songdo Hospital, has signed an agreement to provide emergency medical evacuation services and facilitate the relocation of patients by road or air. The company also works with a consultant doctor who advises our doctors and improves their knowledge and skills.

### I Radiation protection

To successfully carry out its activities Badrakh Energy LLC has adopted a range of radiation protection measures to limit the exposure of its employees, subcontractors, and local populations to radiation.

For example, to keep personnel exposure to ionizing radiation in its facilities as low as reasonably achievable (ALARA), an in-depth study was performed by Badrakh Energy LLC and led to the implementation of a dedicated plan including measures to adapt exposure times, provide personal protective equipment, etc.

The radiation protection program in place is reviewed and approved by Nuclear Energy Commission and in accordance with Mongolian Law on Nuclear Energy.

#### Employees dosimetric control 2021-2022

Badrakh Energy LLC Employees	54
Suppliers Employees	7
<b>Total</b>	<b>61</b>

> 0 and < 2 mSv	59
> 2 and < 4 mSv	2
> 0 and < 1 mSv	35

	2021	2022
Average dose in mSv	0.46	<b>0.9</b>
Maxi dose in mSv	2.29	<b>2.43</b>
Dose limit for employees as per to international and Mongolian standards in mSv	20	<b>20</b>



### I Monitoring radiation

The internal radiation monitoring systems include the following controls according to the Radiological monitoring program:

- Bi-weekly radiological measurements are taken from all Badrakh Energy LLC sites
- Environmental radiological measurements taken
- Radioactivity level in the soil and water is monitored at specified locations across license areas.
- Site-alpha dosimeters are placed in strategic locations
- Employee external and internal radiation exposure measurements

For the Zuuvch Ovoo pilot test, the monitoring of the local population, demonstrated that there was no additional radiation exposure from the activity of the company.

### I Radiation protection training

The radiation protection training is mandatory for all employees working in the controlled zone. Badrakh energy LLC organizes this training every 2 years according to the Nuclear energy law. And all contractors working in the controlled zone or with the radioactive material are also requested to have a Radiation protection training.

**DID YOU KNOW?**  
Natural background radiation  
The average effective dose from natural radiation in the Gobi desert is 0.6 mSv per year, lower than the worldwide average which is approximately 2.4 mSv per year.

# 6 | ENVIRONMENTAL PERFORMANCE



### MINING PRINCIPLE

Pursue continual improvement in environmental performance issues, such as water stewardship, energy use and climate change.

## Environmental Protection

### Policy

Sustainable development is defined by ensuring the environmental protection in every step of our activity.

Every mining operations require the development of infrastructure, raw materials and resources, especially water and energy, throughout the life of the mine which generate an impact on the natural environment to be assessed minimized controlled and monitored.

In 2022, Badrakh Energy LLC signed a Responsible Mining Codex with the National Mining Association of Mongolia confirming once again its commitment to best international standards and showing its exemplary in terms of environmental protection.

Badrakh Energy LLC has conducted all necessary environmental and social studies and risk assessments before to launch the Zuuvch Ovoo ISR Pilot project of 2021-2022.

Our Environmental protection policy aims to respect the national and international standard and regulation and also the Orano groups standard in order to:

- Prevent all technological and environmental risks
- Minimize adverse environmental impacts of all its activities
- Reduce consumption of natural resources and energy, preserving biodiversity, controlling releases and optimizing waste management
- Assess, minimize, control and monitor every environmental component by identifying potential impacts, and implementing mitigating actions and/or developing effective contingency plans
- Deal proactively with environmental issues by involving and embarking all stakeholders such as employees, local community, contractors and authorities

ZOOM

**We get the following permits for our operation:**

- EMP – environmental management plan
- Radiological monitoring program
- Water Conclusion - water usage permit
- Water use contract
- Waste management contract
- Fire conclusion
- Chemicals permit
- Radiocative materials storage permit



### Permitting

Badrakh Energy LLC operations are operated in accordance with approvals provided by the Ministry of Environment and Tourism, Ministry of Mine and Heavy Industry, Ministry of Education and Science, Water authority, Water Basin Authority of Galba Oosh Dolood and NEMA (National emergency management authority).

These regulatory agencies provide permits and conditions for our annual operation, review and approve projects, conduct audits, and inspections to ensure Badrakh Energy LLC is meeting their commitments.

Badrakh energy LLC Health, Safety-Radioprotection and Environment Department's team ensure environmental programs are compliant with regulatory requirements, carried out consistently and accurately, and keep close contact with professional agency and organizations.

## Environmental studies at every stage of the mining cycle

**Badrakh Energy LLC carries out different environmental studies throughout the life of its operations, from exploration to production activities.**

We perform also different additional surveys in order to better know the particularity of our environment and its ecosystem.

### Mandatory studies

There are several mandatory environmental studies that every mining company should carry out before any activity.

#### Baseline survey

The environmental Baseline survey is vital and is conducted prior of every project.

Badrakh Energy LLC has launched environmental Baseline survey before the start of the Zuuvch Ovoo Pilot project. The project Baseline survey





has been presented in 2012 and has been updated lately, in 2020.

### General Environmental Impact Assessment

After Baseline survey, a GEIA (General Environmental Impact Assessment) is done by the Ministry of Environment and Tourism in accordance with the Mongolian regulation to decide if the project is subject of DEIA (Detailed Environmental Impact Assessment) and to give necessary recommendations regarding the environmental protection. The last GEIA –(2020) of Zuuvch Ovoo ISR Pilot project recommended to conduct a DEIA.

### Detailed Environmental Impact Assessment

A study of DEIA can be considered as a guideline of environmental protection plan of the project area.

The DEIA provides a detailed understanding of the associated environment (biodiversity inventory, socio-economic status of the region), and identifies all preventive or mitigating measures to reduce risks at the source. It includes all potentially significant impact on the environment. An action plan for its mitigation is developed and implemented and when needed offset measures can be proposed. It also includes the principles of remediation to be deployed at the end of the mine's life and environmental monitoring of activities.

The DEIA is subject to regulatory review and approval and a yearly financial deposit to assure

the closure plan realization after mining activity in accordance with the Law on Environmental Assessment of Mongolia.

The 5-year- DEIA update reflects the changes of activities, all new environmental data, social aspects and also the technological updates for environmental protection. It also considers identified environmental issues, changes to the physical facility or facility processes, adjustments in project scope or schedule, scientific advances or regulatory requirements. If the DEIA update reveals a potentially significant impact on the environment, an action plan for its mitigation is developed and implemented.

ZOOM

To date, three DEIA's considering activities occurring at the Badrakh Energy LLC Operation have been carried out by certified professional consultant.

- Umnut project DEIA in 2010
- Zuuvch Ovoo project DEIA in 2015/2016 and its update in 2020/2021

**Is it part of the DEIA?**

- A land quality certification survey assesses the land quality of the area. It identifies the impact and recommends actions to be taken for remediation. This survey also allows to control the impact of pasture located around the mining activity. Land quality certification survey is performed every 5 years. Badrakh Energy LLC last certification survey has been validated in 2020 and the next one is planned for 2025.
- An Environmental audit is done with a certified professional independent company. Badrakh Energy has been audited in 2021 and the result of compliance reached 99%. This survey serves as a guideline in terms of compliance.
- Archeological and Paleontological survey – are done according to the regulation. Badrakh Energy LLC has returned some part of its permit which is considered as a potential paleontological site.

FOCUS

### PUBLIC CONSULTATION

As the stakeholder communities are considered as part of the project development, a public consultation is mandatory and is organized during the DEIA study. The communities are provided all necessary information about the possible impacts, prevention and protection measures and their opinions are considered and included in this survey. Badrakh Energy LLC performed the public consultation in 2020 prior start of operations of Zuuvch Ovoo ISR Pilot and organized meetings in person (family visit) and with local population as well as sites' visits for the local population.



### Additional studies

- Ecological Risk Assessment (ERA) is performed to assess potential project impacts on animals in the vicinity of the project. Badrakh Energy LLC has performed this survey in 2016.
- Radiological risk assessment – was done before and during the Zuuvch Ovoo ISR Pilot project. The objective of this survey is to map the natural radiological background and identify the impact on the environment and on the population. This survey is also planned for 2024, on Zuuvch Ovoo Pilot plant with the objective to compare all data before-during-and post Pilot activity.
- Chemical risk assessment – which is the part of DEIA, was the subject of separated survey for ZuuO ISR Pilot project.
- Herders water well data analysis – we collect a lot of herders' water well monitoring data every year. And Badrakh Energy LLC cooperate with different independent expert to make a conclusion and analysis of data and to inform local community. Last data analysis is done for 2014-2018, and the next conclusion for 2018-2022 is planned in 2023.
- Mammals and birds survey – as suggested in the DEIA Zuuvch Ovoo ISR Pilot project, Badrakh Energy LLC has launched this survey and collected all necessary data. This survey is very valuable for the next DEIAs and will be used to compare with data in the future.
- A Water audit was completed with certified professional company under suggestion of Dornogobi aimag governor in 2021. No water pollution or deviation has been identified.

## Convergence of Mining Standards Environmental Management Plan and Monitoring

### Principle

EMP – Environmental management plan is one of key guidelines for environmental monitoring. Principles of EMP come from the conclusions of the DEIA and declined each year depending on the forecasted activities.

Annual EMP is approved by the Ministry of Environment and Tourism and evaluated in the end of the year by the local - Dornogobi Department of Environment and Tourism.

Environmental Management Plan includes but not limited the implementation of ground and surface water monitoring, soil and air quality measurement, hydrogeological monitoring, remediation program and biodiversity protection. The frequency and type of analysis are clearly mentioned in the EMP with methodology to be applied. Also, we have committed to inform local community on all actions mentioned in the EMP and to regularly report the results.

In the end of every year, the local Department of Environment and Tourism assesses the performance of annual EMP.



Badrakh Energy LLC EMP performance has been assessed as following:

- 2020: 90.1%
- 2021: 91.5%
- 2022: 93.3%

### Monitoring

Environmental monitoring is very important for every mining company and all monitoring results are subject for comparison with baseline survey result.

Monitoring program has to be defined with clear frequency and analysis type for every natural component as soil, air, flora, fauna, water.

Environmental monitoring is carried out with following methodologies:

- Identifying and determining every possible impact in environment due to our activity
- Field surveying and sample collection
- Preventing risks of environmental pollution and taking appropriate protection measures
- Processing the results of the analysis and make recommendations and conclusions
- Implementation of joint monitoring of environmental protection and provision of information with the local community
- Reporting

## Water management at the core of the company activities

### Methodology

Orano Mining annually assesses the level of water stress on all its ten sites worldwide using the "Aqueduct Water Risk Atlas" tool of the World Resources Institute (WRI).

This assessment distinguishes between:

- The physical risk related to quantity, which is assessed based on the following eight indicators: water stress, water depletion, interannual variability, seasonal variability, groundwater table decline, riverine flood risk, coastal flood risk, and drought risk

- The physical risk related to quality, which assesses the risk of access to water, which is unsuitable for use, by aggregating two indicators:
  - the existence (or lack) of treatment of connected wastewater and the potential for coastal eutrophication
- The regulatory and reputational risk, which includes the risk related to water management by local organizations (drinking water, sanitation), as well as potential conflicts with the public concerning access to water

The overall water risk combines these three risks.

Site	Badrakh Energy LLC
Pays	Mongolia
Climat Köppen Classification	Cold desert
Activity	Exploration
Main uses of water in 2022	Sanitary use production, elution process
Water consumption pattern	Sanitary use
Water stress	Arid - low water use
Overall water risk*	Extremely high (4-5)

Site	Badrakh Energy LLC
Physical risks quantity	Extremely high (4-5)
Physical risks quality	Extremely high (4-5)
Regulatory and Reputational Risk	Extremely high (4-5)
Overall water risk	Extremely high (4-5)

### Water monitoring

As a part of Orano group, Badrakh Energy LLC endeavors to implement the requirements listed in the ICMM principles regarding the management of water resources in terms of performance.



Water is a very precious natural resource that is essential to the well-being of GOBI desert communities in Mongolia where the company is active. Water quality is one of main concerns of community who lives with livestock activity during whole year.

Mining activities can have a significant impact on water resources, not only in terms of quantity, but also potentially on their quality.

As water is a subject of constant attention while using the ISR technology, Badrakh Energy LLC conducts a full water monitoring program compliant with regulatory standards and regulation in Mongolia, to assure the local water quality and quantity as it is before the mining activity.

The company follows water management and monitoring practices since its exploration work undertaken by the Cogegobi LLC, sister exploration company of Badrakh Energy LLC. This practice includes water monitoring program extensively with wide range of geological, hydrogeological, and ground water surveys which was one of the most extensive hydrogeological research projects in Mongolia.

Our professional environmental and hydrogeology team's objective is to perform the water monitoring on time in accordance with the procedure. This includes measuring the quantity and quality of groundwater using piezometers, and measuring surface water quality by sampling source and herders' water wells and static surface water bodies.

We perform 3 types of water monitoring which are the quality control of herders' water wells, piezometers control of ISR projects Umnut and Zuuvch Ovoo, and regional hydrogeological monitoring.

This program is part of annual Environmental management Program (EMP) and is approved by the MET every year.

### DID YOU KNOW?

**Quality control:** the analysis is performed in the different national laboratories with accreditation. Orano's CIME (Innovation Center for Extractive Metallurgy) laboratory in France is also involved for checking some elements.



### TYPES OF WATER MONITORING:

#### Herders water quality:

Badrakh Energy LLC monitors regularly 8 water wells and 1 spring every year and report the result to the relevant authority. These wells capture naturally water from sub surface aquifers. Also, we organize a monitoring of other water wells located outside of our permit and make inventory of water source point and conduct the quality survey with involvement of local people. The water quality of the GOBI region is not the same as the water in the north region of Mongolia. The average concentration of certain chemical elements is high in the desert and steppe region, for example the Arsenic, Silver, Lead, Manganese, Copper, Iron, Fluorine, Beryllium, and other - exceed the maximum permissible amount in the drinking water of the Gobi region. The monitoring is controlled by the Ministry of Environment and Tourism and Water Basin authority of Galba-uush Dolood. In addition of monitoring, Badrakh energy LLC implements a water well retrofitting project and around 60 water wells are retrofitted as of today.

#### Underground water quality monitoring

Monitoring different deep aquifers is very important for controlling the impact of ISR technology. For Zuuvch Ovoo Pilot project we monitor the deep aquifers by using 35 piezometers specifically set up inside and outside of wellfields. For control of herders water well, we monitor the sub-surface aquifer with piezometers and we also monitor the hydrogeology condition by using a network of more 200 piezometers at the regional level where the deposit Zuuvch Ovoo is located.

ZOOM

### DID YOU KNOW?

The Zuuvch Ovoo ISR Pilot test was successfully conducted without any environmental, namely surface and ground water unexpected pollution. In addition to rigorous monitoring of water quality, regular internal and third-party studies are carried out to prove that the quantity and quality of water ecosystems are not affected by the activities. The water in the effluent pond is subject to dedicated and regular measurement, sampling. And reports are regularly sent to agencies and checked on a regular basis. A water audit has been done when in 2021 by the independent professional company following the request of the Governor of Dornogobi aimag and no impact has been defined due to the ISR technology use on Zuuvch Ovoo Pilot test.



ZOOM

We have organized an independent environmental monitoring to control and prove that our activity has not any impact on environment, specially in water. Independent EMP was done since 2016:

- 2016: Weather and environmental monitoring authority
- 2020: Khatandalai LLC, professional environmental monitoring company
- 2021: Academy of Science

### Water use

Our water wells located on the company licenses and used for activity are equipped with the water meter counters and controlled by the local environmental specialists of Ulaanbadrakh soum.

The water use permit is issued from the Galb-Uush Dolood Basin authority or local Environment and tourism department depending on the quantity to use on a yearly basis.

After water use conclusion issuance, a water use contract is signed with local authority and all water use payment is paid directly to soum authority.

Badrakh Energy LLC is committed to reduce its water consumption by implementing the sensibilization action with our employees and also by optimizing our needs.

#### Consumed water quantity information

2020	3,359 m <sup>3</sup>
2021*	6,204 m <sup>3</sup>
2022	6,275 m <sup>3</sup>

\* increase due to workforce number raise and pilot operations

#### Annual payment on the consumption basis

2020	4,563,673.00 MNT
2021	8,429,003.00 MNT
2022	8,525,466.00 MNT

The deposits mined by Orano with the ISR technique are located in deep aquifers. The quality of the water, generally very saline and naturally high in uranium and other metals, rules out its usage by the local population.

During the step to prepare a block before it is mined, the volume of water present in the pores of the ore body is pumped to acidify it. It is then reinjected in the ore body at the level of this same block. This process is repeated in a loop until a pH is obtained that enables selective uranium dissolution. This water is central to the ISR process and is not reported under the indicator of "consumed water."

In 2022, the volume of water acidified for the Zuuvch Ovoo ISR Pilot was 12,272 m<sup>3</sup>.

**DID YOU KNOW?**

**PEMP – participative ENV management program**

PEMP - Participative Environmental Monitoring Program launched since 2013 with involvement of herders. A special PEMP was dedicated to the Zuuvch Ovoo ISR Pilot to monitor herders' water well located in the area with participation of herders-users. This program proves that there is no any impact due to the ISR Pilot project.



**Waste management**

**At every stage of a mining project, waste management is an important factor to consider.**

Badrakh Energy LLC assumes responsibility for its own waste and manages it effectively, in accordance with the regulations, whether it is radioactive or conventional waste. The volume of waste and its treatment varies from year to year depending on the activity. And it is important to minimize as much as possible the volume of waste and any impact. Waste is identified, classified on place and stored before being recycled where possible, in line with national regulations and all necessary reports are sent to the relevant authorities. This is part of annual EMP (environmental management plan).

**I Domestic waste**

Domestic waste includes household waste (trash bins), food and kitchen waste, and various non-recyclable materials (household, food and kitchen waste can also be non-recyclable).

Quantity table in kg:

- 2020: 2,075 activity has been impacted by COVID19 situation
- 2021: 2,941 activity has been impacted by COVID19 situation
- 2022: 5,851 full activity on site - increased number of employees and contractors

**I Industrial waste**

Industrial waste consists of industrial packaging materials (styrofoam and plastic), some scrap wood, tires, metal and other waste construction materials etc.

In 2021-2022, Badrakh Energy LLC conducted its Pilot test activity on Zuuvch Ovoo deposit and produced small volume of industrial waste as given in below table. Our nearest objective is to maintain as low as possible the industrial waste during the coming construction and development phase of the project.

**I Radiologically and chemically contaminated waste**

Radiologically and chemically contaminated waste (excluding effluent) originated from the back-end and laboratory of Zuuvch Ovoo ISR Pilot project.

We have generated 900 kg solid LRW and 560 l liquid LRW during the Zuuvch Ovoo Pilot project.

We have classified all waste on place and stored them in the dedicated places.

- The radiologically contaminated waste is stored in a dedicated controlled area. And the action to reduce the volume started in 2022. These radiologically contaminated waste is subject of the verification for LRW classification.
- The waste of chemicals originated from the laboratory was safely delivered to the

professional company for recycling and destruction.

Annual waste volumes fluctuate based on varying levels of site activity and maintenance activities from year to year.

Badrakh Energy LLC is targeting to recycle all plastic waste and used oil. As the company understands the importance of involving all the teams in recycling and sorting out waste, the company staff is mobilized to reduce waste volume with joint efforts. The waste volume varies from year to year, but the mobilization and efforts of all teams are crucial.

**DID YOU KNOW?**

Badrakh Energy LLC applies the waste management hierarchy:

- prevent
- reuse
- recycle
- dispose

These efforts aim to prevent pollution, better management of discharges and waste, and to avoid any impacts on human health and the environment.



**I Climate contribution to carbon neutrality by 2050**

The Group's Greenhouse gas (GHG) emissions are published annually and are subject to external audits. Badrakh Energy LLC contributes to emissions reduction objectives and reports its data on the annual reporting system.

**Energy (extrait Tennaxia)**

MWh	2020	2021	2022
Fossil energy consumed	2 337,77	1 896,48	<b>2 462,45</b>
Electricity consumed	825	566	<b>615</b>
Energy consumed	3 162,77	2 462,48	<b>3 077,45</b>

The activity on site has been impacted by the Covid19 in 2021. When resuming operations, the amount of energy increased as well as GHG emissions.

**A minima scope 1 et 2 selon Tennaxia**

Emission tCO <sub>2</sub> e	2020	2021	2022
Direct GHG emissions - scope 1	635,7	515,7	697,15
Indirect GHG emissions - scope 2	1 230,9	844,47	916,09

**I Striving for energy security**

To ensure the continuity and safety of our activities, it is essential for Badrakh Energy LLC to secure energy supply while continuing to optimize our consumption and reduce our carbon footprint. Whether it originates from fossil fuels or renewable sources, the energy consumed by the Badrakh Energy LLC is continuously monitored.

**Drilling management - Mud pits**

**ISR technology has its advantage, there is no tailings disposal or storage facilities.**

The drilling mud is produced during the drilling of wells and the mud waste are safely monitored and rehabilitated.

This monitoring includes the radiological and chemicals analysis. A piezometer well is installed to control if there is any impact. The radiological

control measurements are regularly conducted on Dulaan Uul mud pit since 2009 and on Zuuvch Ovoo mud pit since 2010.

**Rehabilitation of site**

**The Zuuvch Ovoo Pilot project site will be re-extracted during the Industrial project phase and a rehabilitation is planned after full extraction of the field.**

A decommissioning plan of this site will be part of our industrial project which will be launched soon.

Zuuvch-ovoo Pilot site will be monitored on the regular basis and will be also presented to the public to show in place every stage of ISR technology with transparency.

The main objectives of a decommissioning plan will be as follows:

- Ensure long-term stability in terms of public health and safety;



- Minimize residual impacts to levels that are as low as reasonably possible (ALARA);
- Successfully integrate the site into the surrounding environment in order to preserve local biodiversity and maximize traditional land use;
- Remediate the aquifer by approaching the before test state as much as possible;
- Involve stakeholder communities in decommissioning planning;
- Facilitate the transfer of the site to the appropriate regulatory authority.

**Reporting environmental events**

All environmental events are fed back to the group level via a dedicated internal digital platform named "AHEAD". The Orano group has also developed a severity classification scale for environmental near-misses and events, "ASSESS", in order to promote operating experience feedback and sharing within the group.

# 7 | CONSERVATION OF BIODIVERSITY



## MINING PRINCIPLE

Contribute to the conservation of biodiversity and integrated approaches to land-use planning

## Biodiversity conservation

The project operations of Badrakh Energy LLC are conducted in the GOBI region and may disrupt ecosystems. Aware of this issue, since the beginning of the exploration, the company has taken into account biodiversity and ecosystems to minimize its impact.

Badrakh Energy LLC places a high priority on preserving biodiversity and views it as essential to the compatibility of its operations with the environment. As a subsidiary of Orano Mining, Badrakh Energy LLC commits to:

- Avoid prospecting or developing new mines in areas classified as World Heritage Sites by UNESCO;
- Respect areas recognized as “protected areas” by legislation, design and operate all new developments or modify existing mines so that they are compatible and do not adversely affect the value attached to these areas;
- Identify, assess, and mitigate risks and impacts on biodiversity and ecosystem services by applying the mitigation hierarchy methodology.

This follows Orano Mining’s approach and is fully in line with the recommendations of the IFC (International Finance Corporation) Performance Standard 6 on “Biodiversity Conservation and Sustainable Management of Living Natural Resources”. At the heart of this approach, the protection of biodiversity,



and the sustainable management of living natural resources remain among the priorities for ensuring the sustainable development of activities.

### I Commitments with regards to biodiversity

The ongoing DEIA survey of the project will enable Badrakh Energy LLC to identify the total number of threatened species in its areas of activities and to assess the potential impact on certain plants and animal species. Then, all the necessary measures will be taken to prevent their degradation.

### I Minimizing risks

Our central and operational teams work together to “avoid - minimize - remediate/ restore - offset” and preserve ecosystems.

They share best practices used by mining companies that are members of the ICMM, while specific actions are carried out at each site in accordance with regulatory requirements.

The company’s site in Dornogobi region is particularly known for having forest of saxauls, iconic shrubs of the region. We have launched

several studies on the compensation in collaboration with Laboratory of Forest Genetics and Ecophysiology, National University of Mongolia, with EGIS Mongolia LLC and also with the Center for International Cooperation in Agriculture Research for the development (CIRAD).

### DID YOU KNOW?

Partly within the perimeter of our original licenses, Bayanshiree is a site well-known for its fossil findings of Cretaceous dinosaurs. In December 2014, this site was proposed by the Mongolian government to be included on the indicative list of UNESCO, Badrakh Energy LLC returned the parts of the licenses concerned.

The Khar Zag forest, covering 2,512 hectares of saxauls under local protection is located at the edge of Zuuvch Ovoo license. The natural reserve of Burdene spring is also under protection and located in the east of licenses, in the west of Aravnain Bogd Mountain (category 4, IUCN) within a radius of about 100 kilometers around Dulaan Uul and Zuuvch Ovoo licenses.



The animals present on our sites were inventoried during environmental baseline studies. For example, the class of birds (IUCN status) was included: 11 species classified as minor concern and 1 specie as near threatened were observed.

Inventories of other animal species were performed according to the Mongolian Red Book classification. We note the presence of the subguttura gazelle (vulnerable species) and the equus hemionus (endangered), 7 species classified as minor concern and 4 as near threatened. Note that the subguttura gazelle is also classified as a vulnerable according to the IUCN level and the equus hemionus is recognized as a near-threatened species.

### I Compensation project

In order to mitigate the impact of mining activities on biodiversity, the “mitigation hierarchy” is implemented from the very first phases of the project. Our aim is to work towards- as a minimum - zero net loss of biodiversity.

As part of the preparation of the Zuuvch Ovoo ISR pilot site, the detailed environmental impact assessment determined that the destruction of a certain number of saxauls, would be unavoidable. Badrakh Energy, has opted for an ecological compensation scheme.



### DID YOU KNOW?

In November 2021, Badrakh Energy LLC, along with the major mining companies in Mongolia, committed to planting 5 million trees during the period of exploitation of the mine, thus contributing to the National Programme to Plant 1 bn Trees, initiated by the President of Mongolia.

Upstream of the project, the majority of the facilities will be built outside areas with a high density of saxauls, and Badrakh Energy ensured that roads were strictly managed.

The company has offered to replant saxauls and other endemic species over a surface area equivalent to that affected by the pilot (5 ha).

The compensation measures started in an area close to the pilot and compatible with the sustainable regrowth of the trees, in a location chosen in agreement with stakeholders and in accordance with local traditions.

In order to create a positive societal and environmental dynamic, the stakeholders are encouraged to take part in the compensation process, as the work is carried out by local companies and professionals specializing in biodiversity compensation schemes and in the replanting of trees in arid regions.

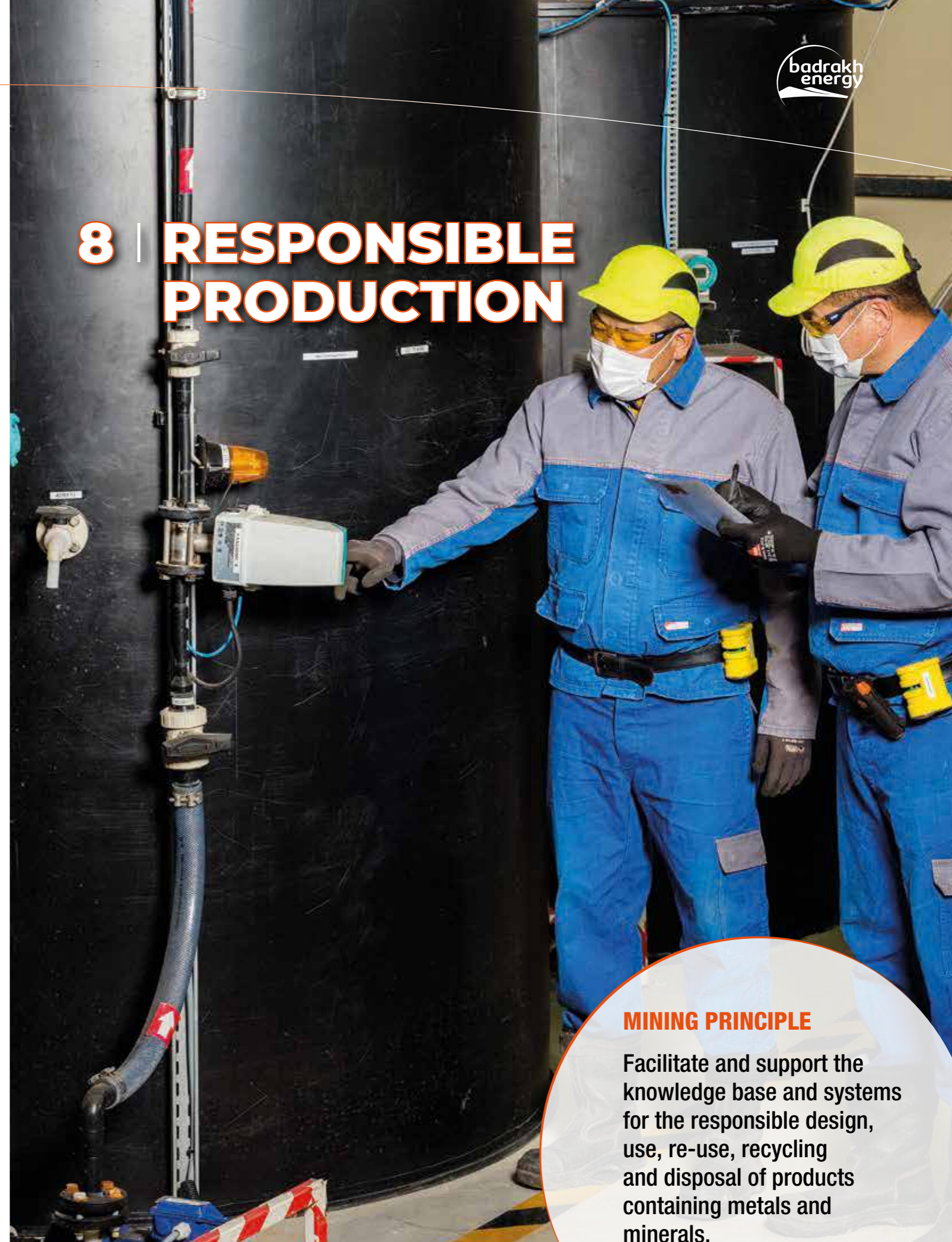
After 5 years of studies, the plantation started in 2021 and should last till 2024. The monitoring of the plants' growth will continue for 4 to 5 more years.

### COMPENSATION PROJECT KEY FIGURES

- 12,500 trees in 3 years /2020-2022/
- Survival rate – 75-85% (standard average 45-60%)
- 11,000 seedlings prepared
- Involvement of local residents
- Seasonal employment - 15 work places
- 380 people participated in 2022 (employees, site visitors, representatives of local communities)

ZOOM

## 8 | RESPONSIBLE PRODUCTION



### MINING PRINCIPLE

Facilitate and support the knowledge base and systems for the responsible design, use, re-use, recycling and disposal of products containing metals and minerals.

# 9 | SOCIAL PERFORMANCE

## THE ZUUVCH OVOO PILOT TEST, 2021-2022

Badrakh Energy LLC conducted a pilot test for uranium extraction from the Zuuvch Ovoo deposit from July 2021 to December 2022.

The pilot installation was set up to determine the mining method best suited to the deposit. On-site testing is also part of the legal requirement in Mongolia. The objectives of the Zuuvch Ovoo pilot test consisted of the following:

- Providing data for the feasibility study and confirming technical and economic parameters,
- Confirming the expected very low environmental impact of the ISR mining method,
- Involving the local communities in the monitoring of the test, thus contributing to the social acceptance of the project.

The Zuuvch Ovoo pilot plant operated for the whole test duration without any safety or environmental incidents.

All technical aspects (ex. uranium recovery rate, reagent consumption, concentrate purity) of uranium recovery and processing have been tested. Badrakh Energy LLC has successfully produced about 10 tons of natural uranium.

The pilot plant teams, mainly consisting of local recruits from the surrounding communities, have successfully demonstrated their ability to safely operate the ISR technology. Nearly 100% of the staff operating the pilot were Mongolian nationals (among 52 employees working on site, only 2 were foreign experts, and 50% of them were local youth).

During the transition phase between the end of pilot operation and the start of project investment, particular attention is paid to supporting pilot employees and providing training and education opportunities.

### DID YOU KNOW?

During the Pilot test operation, information about the project has been widely shared with local community and public. More than 700 persons from different walks of life (teachers, students, news reporters etc) toured the site and received in-depth knowledge. Since the end of pilot operation, the site facility remains open for organized visits and can be used as training center for mine operators in future.



### Project next steps

The update to the Zuuvch Ovoo feasibility study is scheduled to be submitted in the second semester of 2023, followed by the environmental impact assessment study in the course of the year.

Orano is committed to working with the Mongolian Government to develop a mutually beneficial Investment Agreement to guarantee the sustainable future of the Zuuvch Ovoo project, which is expected to last for more than 30 years.

This agreement will conform with Mongolian law and, upon approval by the Mongolian Government, will be made public in the spirit of transparency.



### MINING PRINCIPLE

Seek continual improvement of our employment performance and contribute to the social, economic, and institutional development of host countries and communities.

As a responsible miner, and as a member of the ICMM since 2011, Orano Mining is committed to contributing to sustainable development when implementing its mining projects in accordance with local culture, tradition and features.

### I Meeting local expectations

Through regular meetings and visits, Badrakh Energy LLC ensure the expectations of the local stakeholders are taken into account. Thanks to dialogue with local players, the company has established strategic priorities on environmental, labor relations, social, economic and governance-related questions, and defined an action plan.

Badrakh Energy LLC undertakes projects and programs to support the socio-economic development of Ulaanbadrakh soum and Zuunbayan bagh of Sainshand soum of Dornogobi aimag where it operates.

A Badrakh Energy LLC dedicated team for community relationships ensures constant communication and effectiveness of the social investments. This team studies and evaluates community needs and requirements and provides information and feedback on the company operations.

### I Projects tailored to meet local communities' needs

Thanks to this governance, Badrakh Energy LLC has implemented health, environment, water supply and education projects that are tailored to the specific needs of the communities, in consultation and cooperation with local stakeholders. These projects contribute to the well-being and economic prosperity of the local citizens.

### I Cooperation Agreement

During the implementation phase of the Zuuvch Ovoo Pilot test, the Cooperation Agreement, signed in 2018 with the Governors of Ulaanbadrakh soum and Zuunbayan bagh of Sainshand soum of Dornogobi province,



established a formal framework for dialogue and discussion between the teams of Badrakh Energy LLC, the local authorities and local citizens.

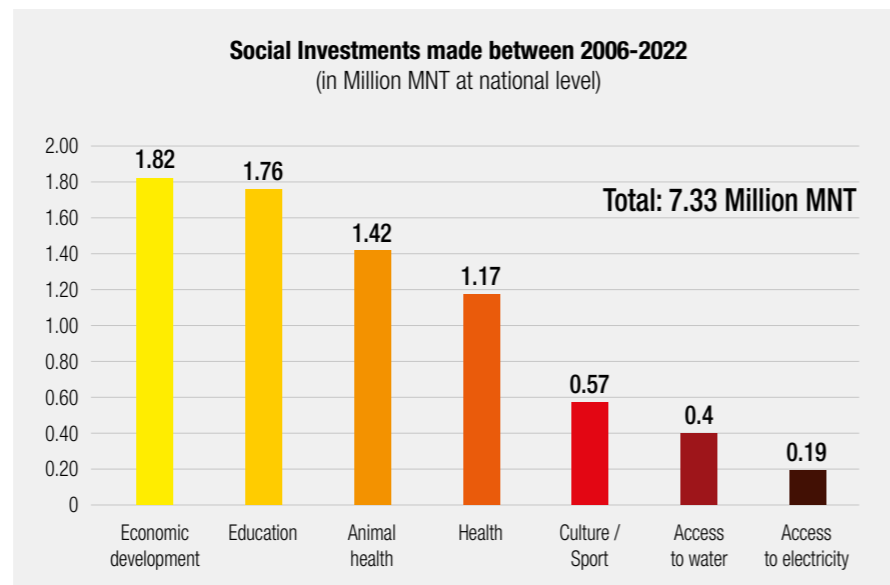
The cooperation agreement was established around 7 pillars:

- Economic Development
- Education
- Health
- Livestock
- Culture
- Water
- Energy Access

The cooperation agreement is managed by 2 sub-committees, the Implementation Committee and Relationship Committee - that met 2 times in 2021 and 3 times in 2022. The stakeholders represented in these committees propose, select and monitor and review projects and programs.

ZOOM

For the mining preparation phase the company is prepared to invest locally 1 billion MNT per year until operational phase



## EXAMPLES OF PROJECTS

### Economic development

#### LIVESTOCK RECONSTITUTION

Number of herding families are in decline due to young generations preferring to live in a centralized place. The livestock reconstitution project aims to assist herding families with low number of livestock and also young herders who have an aspiration to become herders.

38 families from Zuunbayan and 86 families from Ulaanbadrakh with total of 124 families had been involved to the project since 2013.



#### SUPPORTING LOCAL SUPPLIERS

Badrakh Energy LLC tends to have long-term and transparent relationships with its suppliers and does its best to support them to increase their standards (safety, quality, sustainability, transparency, etc.) by organizing training (external and/or internal), sharing good practices and assisting their employees in their task completion with our group experts.

97% of Badrakh Energy LLC supplies come from Mongolian registered companies, this contributing to the development of Mongolia.

And 9% of the goods purchased are from Donogobi where Badrakh Energy LLC operates.

### Social development

#### SCHOLARSHIPS

Badrakh Energy LLC developed a scholarship program in 2010 to support local communities of Zuunbayan bag and Ulaanbadrakh soum with qualified personnel. Total 72 students were enrolled into the program and the students upon graduation committed to work back in the community for 3 years. 60% of the students are female and 40% of them are male. As on the end of 2022, 34 students were studying.



#### FXB PROJECT

Orano Mining and Badrakh Energy LLC have supported the Francois- Xavier Bagnoud (FXB) association and its dedicated implemented in Donogobi province since 2016.

The program aims to lead families sustainably out of extreme poverty and enable them to achieve social and economic independence.

The families are supported on the issues of nutrition, health, lodging and education with different trainings organized and provided with seed fund in addition to theoretical knowledge and practical advice to start income generating activities. At the end of the 3-year program, the families should be able to sustain themselves financially and lead to further positive impacts on their community.



A total of 291 families with extended beneficiaries up to 2000 people from the Dornogobi province have benefitted from this program since 2016.

#### ACCESS TO ENERGY



In 2021, following the request from Ulaanbadrakh soum authorities and a decision made by the Cooperation Agreement Relationship Committee involving local administration and the company representatives, an electrical line project was completed thus allowing new residential area of the soum center residents to have access to energy. The electrical lines are of 0.4 kVa. Since 2006, the company invested more than 191 million MNT to improve access to energy for local residents with the recent project of these electrical lines in the center of Ulaanbadrakh soum.

## Grievance management

**The grievance management procedure launched at the end of 2020 is designed to pre-resolve problems before they lead to legal disputes. The company makes great efforts to answer well-documented requests and complaints from third parties, and to seek solutions without delay.**

After recording the requests or complaints submitted to the company, the company ensures they are resolved within two months, with the participation of the relevant company departments and employees in keeping with revised regulations. The report on the resolution of requests and complaints is presented to the Information Council on a yearly basis. There were no complaints reported in 2021 and 2022.

# 10 | STAKEHOLDER ENGAGEMENT



## MINING PRINCIPLE

Proactively engage key stakeholders on sustainable development challenges and opportunities in an open and transparent manner. Effectively report and independently verify progress and performance.

## Key stakeholders

The company stakeholders are persons or groups of persons upon whom our activities have had or are having an impact.

The key stakeholders for Badrakh Energy LLC include the Government of Mongolia, local communities and authorities and the Mongolian scientific community.

## Identifying stakeholders' expectations

Badrakh Energy LLC, as a responsible mining company, needs to understand the environment in which it operates.

To do so, the company enters into dialogue, discussions and meetings with the stakeholders on a regular basis to maintain a constructive relationship with them (authorities, local population, NGOs, media, company employees), to understand their expectations and explain its activity to them. The following mechanisms enable us to identify our stakeholders' expectations:

- Applicable national or international regulations. In respect of such regulations, the company organizes a public hearing for the Detailed Environmental Impact



Assessment and presents updates to the Feasibility Study to the local administrations.

- Mining agreements or special provisions in our contracts. Badrakh Energy LLC entered into the Deposit Development Agreement with the Mineral Resources and Petroleum Authority in 2016, which envisions the conduct of the Zuuvch- Ovoo Pilot test. In 2018, the company established the Cooperation Agreement with the Governors of Ulaanbadrakh soum and Zuunbayan bagh of Sainshand soum of Dornogobi aimag which were renewed till the end of 2022. The company is planning to enter new Cooperation Agreement in the course of 2023.
- Frameworks and standards set by professional organizations and associations in the mining sector. In order to contribute to transparent dialogue and the promotion of a healthy business environment in Mongolia, Badrakh Energy LLC voluntary joined EITI, the Mongolian National Mining Association, AmCham, the Business Council and the French- Mongolian Chamber of Commerce and Industry. These organizations are engaged in direct advocacy for supporting and increasing investment, and for better legal and regulatory policy in Mongolia.

- Stakeholder mapping is done on a regular basis and specific actions plans are then defined. In 2012, the mapping was completed for the Zuuvch-Ovoo project in Mongolia. The most recent mapping was conducted in 2017/ 2018.
- Local bodies for dialogue with stakeholders. Badrakh Energy LLC has established Local Information Councils in 2013.

## Local Information Council (CLI)

This dedicated dialogue body with local communities and administrations was set up to develop open dialogue, to facilitate the exchange of opinions, to ensure transparency, as well as to provide information on company activities and short and medium-term plans related to the project through regular meetings held with local communities.

The topics most frequently addressed are related to the environment and the economy.

The frequency with which we enter into dialogue depends on the results of the stakeholder mappings carried out on a regular basis.



**DID YOU KNOW?**

In 2021 and 2022, 5 CLI meetings were organized respectively 3 in Ulaanbadrakh soum and 2 in Zuunbayan bagh.

**AGENDA OF THE 2022 LOCAL INFORMATION COUNCIL (CLI) MEETING**

During the CLI organized in Ulaanbadrakh on May 29, 2022 the following topics were discussed:

- Projects that were completed in 2022 and their effectiveness
- Projects that were approved by CSMM (Mining Social Committee in Mongolia)
- Badrakh Energy LLC operations and expectations
- Relaunching water well retrofitting and better solutions
- Cooperation Agreement and community suggestions about the agreement progress
- Exchange of experience with communities of other provinces with large scale mines
- Small business opportunities and Badrakh Energy LLC company's role in it

FOCUS



**Communications & public relations activities**

The company's communications plan agreed with its shareholders for 2021 - 2022 was driven to explain the operations of the pilot, the technology used by the company and answer the questions of communities as well as to fight fake news about company's operations and the uranium industry as such.

**Dialogue with the media**

Dedicated actions were implemented to support transparency. In 2022, two information sessions were organized with about 20 representatives of national media, followed by visits to the pilot site. In 2021 Badrakh Energy LLC also participated to the Media Press Conference Event organized by Mon-Atom LLC.

On the occasion of 25th Anniversary of the Mongolian Press Institute, Badrakh Energy LLC



supported the "Best Reporting on the Economy" and "Best Investigative Reporting" competitions to encourage quality fact based journalism.

In November 2022, the company supported the organization of scientific conference "Discussion on hydrogeology, engineering geology and geo-ecology" held at the University of Sciences and Technology. The conference gathered 87 researchers of 12 scientific organizations as well as private companies.

**OPENLY MEETING RESIDENTS OF ULAANBAATAR AT THE CENTRAL SQUARE**

In 2022, the European Union Representative's Office in Mongolia organized the Europe Day on Sukhbaatar Square of the capital city. As a joint Mongolian-French company, Badrakh Energy LLC presented to the capital city citizens the Zuuvch Ovoo pilot test that is being carried out in Ulaanbadrakh soum of Dornogovi province and the in-situ recovery technology that is used for it.

Employees of Badrakh Energy LLC displayed the uranium exploration activity carried out by Orano Group, deposits discovered as a result of the exploration since 1997 and how their reserves had increased twice the registered uranium reserves of Mongolia and how the in-situ recovery production pilot at the world-class Zuuvch Ovoo deposit provided its first results.

ZOOM



**Transparency in payments**

Since 2003, by lending its support to the Extractive Industries Transparency Initiative (EITI), Orano has demonstrated its commitment to greater transparency in payments made to States, in relation to the management of mining resources.

Mongolia joined the EITI process in 2008. Since that date, Orano Group entities in Mongolia began reporting their payments to the Mongolian EITI office on a yearly basis.

All payments made to state institutions by Badrakh Energy LLC are publicly reported in the EITI report available online at <http://www.eitimongolia.mn/>.

In 2021-2022, 2,10 billion MNT was paid to the Mineral Resources and Petroleum Authority of Mongolia in license fees.

*Taxes paid by Badrakh Energy LLC / AREVA Mongol LLC / COGEOBI (2021-2022) in billion MNT*

2021	2.15
2022	6.21
<b>Total 2021-2022</b>	<b>8.36</b>

*Source: EITI (excluding environmental deposit, penalties, donation and SDLA service fees)*

*License fee by Badrakh Energy LLC in billion MNT*

2021	1.05
2022	1.05
<b>Total 2021-2022</b>	<b>2.10</b>

<http://www.badrakhenergy.com>  
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