

CORPORATE

2020

**SOCIAL
RESPONSIBILITY
REPORT**



MESSAGE FROM

Zakariae El Marzouki,

Executive director of Badrakh Energy LLC

“The need for electricity will continue to increase in the future decades, but at the same time it has become crucial to limit our greenhouse gas emissions by opting for low-carbon sources of energy. In this context, producing low-carbon electricity from natural uranium is an important part of the answer to combat global warming.

As part of the Mongolian-French joint venture Badrakh Energy, we are committed to the development of the world-class Zuuvch-Ovoo and Dulaan-Uul uranium deposit located in the Dornogobi region and therefore contributing to the global fight against climate change. Furthermore, we want our project to provide significant economic benefits to the country, contribute to diversify the mineral export of Mongolia and reinforce the international positioning and influence of Mongolia among the other world nations. This shows how the corporate social responsibility, which

should be understood as a way to provide a positive influence to our country and to the world, is deeply embedded in our business model and corporate mission.

Through this report, we provide a fully transparent account of our commitments and our efforts to integrate our activities into a strategy driven by the health and safety of our employees, the preservation of the environment and the contribution to the well-being of our local communities.

Our first priority is to protect the health and safety of the employees who have contributed so much to the achievements of our company. Until mid-2020, we had a record of 1,782 days without lost time injuries. This is a truly unique safety performance that deserves to be applauded. However, a first lost time injury occurred on Dulaan-Uul site on June 13th at the maintenance workshop of one of our subcontractors on a rather simple task. Fortunately, the consequences of this incident were benign and the subcontractor employee was able to resume his work after a short period of time. This incident shall remind us that our vigilance needs to be always kept at the highest level even for simple tasks. A comprehensive action plan was put in place to avoid the occurrence of such incidents in the future.

Despite the COVID-19 context, which deeply affected our activities during the year 2020, our company continued its contribution to social projects for the benefit of our local communities such as the scholarship program, the livestock reconstitution project and the support of equipment to the local hospital. It is also worth mentioning that the Cooperation Agreement with the local communities was extended in 2020 for one additional year. This Cooperation Agreement represents the main frame through which our company makes its contribution to the social projects which currently amounts to almost 5,6 billion MNT in total since 2006.

Regarding our operations, in the year 2020 we launched the operation of our Zuuvch-Ovoo Pilot Plant with the treatment of uranium charged resins of the Umnut Test of 2011. This launch was done in accordance with the authorizations granted to our company from relevant Mongolian authorities. We are happy that this important milestone was successfully achieved. In July 2021, we started the operations of the 1st cell of the Zuuvch-Ovoo Pilot. This step shall mark the start of our pilot test in the full sense of the term.

I hope this report will give you a comprehensive view of our Corporate Social Responsibility commitments and achievements that we are proud of and I am fully confident that our teams will remain dedicated to the development of our uranium extraction project while ensuring the highest level of safety and health for our colleagues, the well-being of our neighbors and local communities, as well as the protection of the environment.



KEY FIGURES



GEOLOGICAL RESERVE OF
THE DEPOSIT

93,291 tons



LOCAL CONTRIBUTION
since 2006

Total of
5,6 billion MNT



LICENSE FEE

1,053,000,000
MNT per year



97%

OF ALL SUPPLIES COME FROM
MONGOLIAN REGISTERED
CORPORATE ENTITIES



86 EMPLOYEES IN TOTAL

96% are Mongolian citizens

24% are women



ASSESSMENT OF
ENVIRONMENTAL MANAGEMENT
PLAN FOR 2021

90.1%



INDIVIDUAL DOSE OF
PROFESSIONAL EXPOSURE IN
2020

2.40 mSv/y

(average natural radiation dose received by
world population)

0.10 mSv/person

(average annual individual dose of natural
exposure worldwide)



SCHOLARSHIP PROGRAM
since 2010

60 students

140 scholarships



LIVESTOCK RECONSTITUTION
PROGRAM

Since 2007, total of

115 herder families

84 from Ulaanbadrakh soum

31 from Zuunbayan bagh

CONTENTS

COMPANY PROFILE 6

- About Badrakh Energy 7
- Badrakh Energy Shareholders 7
- Company Governance 9

OUR PROJECT 10

- Mongolian Energy Policy 11
- Zuuvch-Ovoo pilot 11

OUR CORPORATE SOCIAL RESPONSIBILITY APPROACH 14

- Badrakh Energy key stakeholders 15
- Identifying stakeholders' expectations 15
- Partner organizations 16

OUR COMMITMENTS 17

ABOUT THIS CSR REPORT 50

1 | COMMUNITIES 18

- Transparency and consultation 19
- Community investment 20
- The Code of Ethics 24
- Grievance Mechanism Procedure 25
- Transparency of payments 25

2 | ENVIRONMENT 26

- Environmental protection 27
- Water 28
- Climate 29
- Energy 29
- Waste 29
- Remediation/Biodiversity 32

3 | HUMAN RESOURCES 34

- Our employees 35
- Prioritizing local recruitment 35
- Management and development of skills 36
- Collective agreement 36
- Quality of life at work 37
- Remuneration policy 37
- Telework 37
- Employees benefits 37

4 | HEALTH, SAFETY AND RADIATION PROTECTION 40

- Health 41
- Occupational safety 42
- Radiation protection 46

5 | SUPPLY CHAIN 48

- Supply chain values 49
- Supporting local suppliers 49

COMPANY PROFILE



About Badrakh Energy

Badrakh Energy LLC is a responsible mining company committed to the development of the world-class Zuuvch-Ovoo uranium deposit in the Dornogobi region. The Zuuvch-Ovoo Project is the most advanced uranium mining development project in Mongolia.

Badrakh Energy LLC adheres to best-practice standards and is proud of its excellent environment, health and safety record.

Badrakh Energy LLC is a joint-venture company involving Mon-Atom LLC, daughter company of the state-owned Erdenes Mongol LLC from Mongolia and Orano Mining from France.

- 2 shareholders partnerships: Orano group and Mon-Atom
- 3 mining licenses for Dulaan-Uul/Umnut and Zuuvch-Ovoo deposits
- N°1 uranium mining development project in Mongolia
- 86 employees, 96% of whom are from Mongolia

KEY DATES

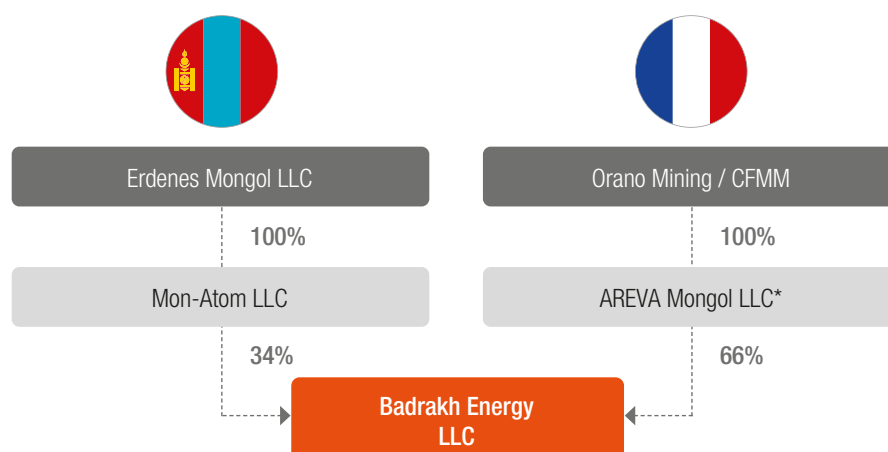
- 2013**
 - Resources classification of the Zuuvch-Ovoo deposit
 - Signature of the shareholder agreement
- 2015**
 - Approval of the Zuuvch-Ovoo project feasibility study
- 2016**
 - Granting of three mining licenses
 - Establishment of the Deposit Development Agreement with the Mineral Resources and Petroleum Authority of Mongolia
- 2017**
 - Entry of Mon-Atom LLC into the capital (34%)
- 2018**
 - AREVA Mines LLC becomes Badrakh Energy LLC
 - Establishment of the Cooperation Agreement with Ulaanbabrakh soum and Zuunbayan bagh authorities of Dornogobi aimag
 - Zuuvch-Ovoo Pilot test facilities constructed
- 2019**
 - Commissioning of the Zuuvch-Ovoo Pilot test facilities
- 2020**
 - Increase of the proven reserves of the Zuuvch-Ovoo deposit to 93,291 tons of uranium
- 2021**
 - In July, launch of the Zuuvch-Ovoo Pilot plant



Badrakh Energy Shareholders

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

- AREVA Mongol LLC* with a participating interest of 66%
- Mon-Atom LLC, on behalf of the Government of Mongolia, with a participating interest of 34%.





Orano group, the major shareholder of Badrakh Energy LLC

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. Every day, the Orano group's 16,500 employees draw on their skills, unwavering dedication to safety and constant quest for innovation to develop know-how in the transformation and control of nuclear materials, for the climate and for a healthy and resource-efficient world, now and tomorrow.

Mining activities

Being the first link in the nuclear fuel cycle, Orano's mining activities cover uranium exploration, remediation, production and commercialization throughout the world.

Orano is among the world's leading producers of uranium, with competitive production costs and cutting-edge extraction techniques implemented in mines in operation in Canada, Kazakhstan and Niger.

Committed to its role as a responsible mining company, Orano conducts its mining activities in a manner that fully respects people and the environment and contributes to the economic development of local regions and their populations.

16,500

Total number of employees

3,7 billion euros
in revenue in 2020

Orano's key activities



Mining



Uranium
conversion and
enrichment



Used fuel
recycling



Nuclear
logistics



Dismantling
and services



Engineering

ZOOM

The amount of uranium produced annually by Orano is enough to supply the electricity needs of a country such as Spain. The production of the same amount of electricity from coal would have resulted in the release of 240 million additional tons of greenhouse gases.

Orano Mining has a diverse assets and resources portfolio, which constitutes an important security factor for utilities seeking long-term guarantees with regard to uranium supplies.

Orano Mining employees are present in various countries, with uranium production sites in Canada, Niger and Kazakhstan.

A responsible mining company

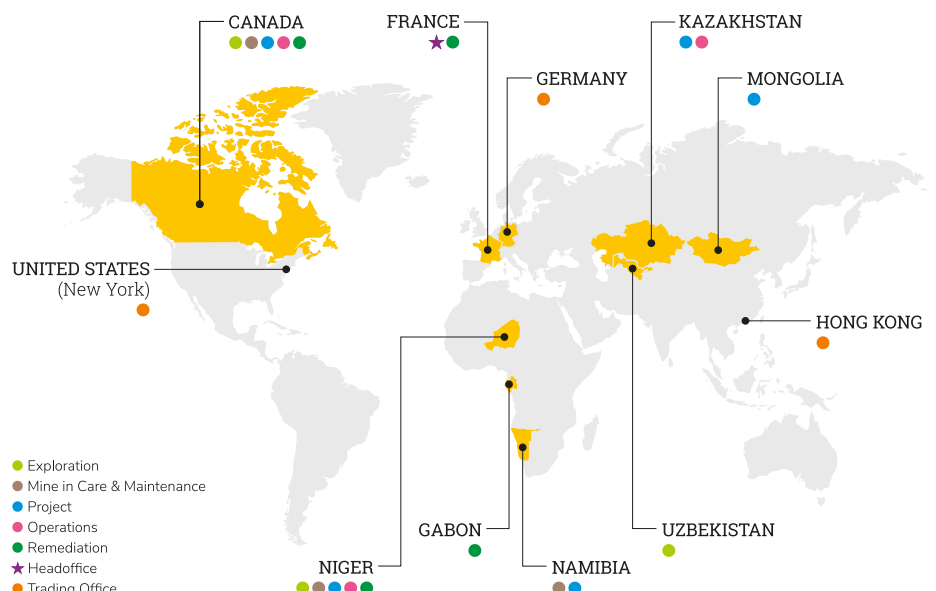
As part of its strategic vision, Orano has defined the values that all its employees should embody.

Orano is among the world's leading producers of uranium with **6,529 tons** of uranium produced in 2020

The Orano Group fulfils its commitments via its different policies in the areas of human resources, diversity, nuclear safety, occupational health and safety, environment and ethics.

These different policies and codes are used together to organize the business' activities in ways that respect human rights, environmental protection and the laws that govern these areas.

Orano strives constantly to improve its performance in all areas and takes account of the expectations of those of its stakeholders that are directly or indirectly affected by the Group's activities.





I MON-ATOM LLC , representing the Government of Mongolia

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.

About Mon-Atom LLC

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 with the French Republic, Czech Republic, People's Republic of China and the Russian Federation.

Company Governance

Operation of the Board of Directors

The activation of the operation of Badrakh Energy LLC took place in June 2017 with the first meeting of the Board of Directors, whose primary function is to ensure 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.

The Board of Directors comprises 9 directors:

- 6 members are nominated by and represent AREVA Mongol LLC (subsidiary of Orano Mining)
- 3 directors are nominated by and represent Mon-Atom LLC.

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.

Management Committee

The Company CEO chairs the CODIR, or Management Committee, which is made up of directors from the operational departments (Pilot test project, Health, Safety and Environment, Corporate Social Responsibility, Communication) and the functional departments (Human Resources, Finance and Supply, Legal, Corporate Affairs) who are in charge of the activities of the Company on a day-to-day basis. The CODIR meets regularly to discuss and decide on Company operations.

- Executive director
- Vice director
- HSE, SDLA director
- Technical director of Zuuvch-Ovoo Pilot test
- Chief financial officer
- Human resources director
- Legal affairs director
- Executive secretary

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

It also ensures that the Orano Code of Ethics is respected, in addition to the Company's commitments to sustainable development.



OUR PROJECT





Mongolian Energy Policy

I Global Energy Context

In a context of rising demand for electricity and the fight against climate change, the development of low-CO₂ energy is a top priority. In 2050, the world's global demand for electricity is expected to double, while, at the same time, to avoid irreversible climate change, countries' CO₂ emissions will need to be halved.

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

10%

of the world's electricity is provided by nuclear energy (World Nuclear Association, May 2021)

I Radioactive minerals policy

Mongolian State policies support increased exploration of natural radioactive mineral resources. Their objective is to improve the quality of exploration, mining and processing activities and to develop high-tech technologies to produce valued-added products.

All "radioactive mineral resource deposits are classified as strategically important without regard to their size" according to the Nuclear Energy Law of Mongolia, and the Mongolian State Policy on Radioactive Mineral Resources and Nuclear Energy.

The Nuclear Energy Commission of Mongolia has signed memorandums of understanding with France, Japan, India, the Czech Republic, the USA, Russia, China, Canada and South Korea for cooperation in the radioactive mineral resources sector and the nuclear energy industry. Mongolia continues to strengthen and develop its radioactive materials legal and regulatory frameworks in line with international industry standards.

The parliament of Mongolia adopted the Mongolian State Policy on:

- Radioactive Mineral Resources and Nuclear Energy on 25 June 2009.
- Minerals and Resources for 2014- 2025 on 16 January 2014.

Mongolia is ranked 12th in the world for its registered uranium resources

Zuuvch-Ovoo Pilot

Badrakh Energy has built the facilities to perform tests at the Zuuvch-Ovoo site.

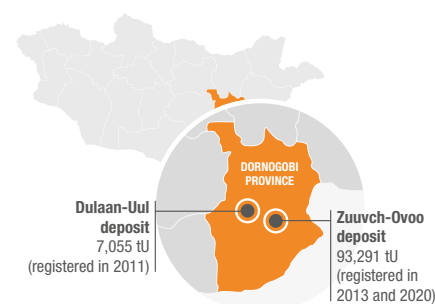
The tests started in July 2021 (with approval and necessary authorizations of the relevant Mongolian authorities).

During the development phase, the technical, economic and environmental feasibility of a mining project is established. This involves confirming the resources identified by the geologists and characterizing the deposit and its ore.

A pilot installation is also set up during this phase to determine the mining and ore processing methods best suited to the deposit.

The performance of on-site testing is part of the legal requirement in Mongolia to register the geological exploration reserves.

- The pilot test results provides information for the feasibility study and confirm technical and economic parameters.
- The test provides data to confirm the expected low environmental impact of the ISR mining method chosen to operate the mine.
- Another objective of the pilot test is to involve the local communities in the monitoring of the test, thus contributing to the societal and environmental acceptance of the project.



I Zuuvch-Ovoo deposit

Orano, via its exploration subsidiary Cogegobi LLC made a uranium exploration in Mongolia in 1997. Exploration drilling began on the Zuuvch-Ovoo licensed site in 2003 and the Zuuvch-Ovoo deposit was discovered in 2009, after which the detailed exploration was done.

In 2013, the Professional Mineral Resource Council reviewed and approved 54,640 tons of the geological reserve in the Zuuvch-Ovoo deposit. As a result of the additional detailed exploration that was done up to 2018, **the geological reserve of the deposit was raised to 93,291 tons.** It was reviewed and approved at the meeting of PMRC in 2020.

The geological reserves of Dulaan-Uul and Zuuvch-Ovoo, the two uranium deposits discovered by Orano Group's branch company Cogegobi, form more than 50 percent of all geological uranium reserves of Mongolia, thus doubling Mongolia's registered reserves of uranium and brought Mongolia to #11 place in the world.

The Zuuvch-Ovoo uranium deposit is a sedimentary roll-front type deposit, filled with loose Cretaceous sediments and located in the Zuunbayan sub-basin of the Sainshand ore district.



Well field and treatment plant of Badrakh Energy LLC's Zuuvch-Ovoo Pilot test, Ulaanbadakh soum, Dornogobi aimag



Resources of Dulaan-Uul and Zuuvch-Ovoo deposits **doubled the registered resource of uranium** of Mongolia

I Technology used for the pilot

The in-situ recovery method is the technology chosen for the exploitation of the deposit.

It is called "In Situ Recovery" because, with ISR, the target metal is recovered from its deposit without excavating the host rock.

ISR utilizes wells to inject a leaching solution into the ore zone. Acidified water is the most frequent type of leaching solution used in ISR. The leaching solution dissolves the uranium while moving through the ore in a controlled manner to reach pumping wells (also called recovery or production wells), where it is pumped to surface for processing. Uranium is extracted from the solution to produce a saleable uranium concentrate.

For ISR to be effective, the ore zone must be located in a permeable formation, such as sand. This formation should be naturally isolated by non-permeable rock, such as clay, located above and below the ore zone.

57%

of uranium mined worldwide are produced by ISR*

* 2019, WNA



- The deep aquifer that contains the mineralization is well isolated from the shallow aquifer, where a few historical wells are located, by numerous clay barriers.
- There is no drinkable groundwater source in the area. Groundwater is characterized by naturally high concentrations of sodium, chlorine, uranium and many other elements. As a result of the groundwater chemistry, the water is not suitable for drinking purposes according to national and international standards.

Groundwater protection principles

The major environmental issue associated with ISR is the protection of groundwater. The following groundwater protection principles apply:

- The local groundwater system is fully characterized prior to ISR mining
- ISR mining should not compromise a water resource usable for drinking purposes
- At no stage should ISR mining compromise groundwater use in the mineralized aquifer outside an agreed distance
- ISR mining should not affect other aquifers present in the mining area
- Control wells are positioned within and around the extraction area to monitor groundwater flow and quality during operation
- After remediation, the post-mining groundwater quality should be returned to its pre-mining class of usage.

ISR advantages

ISR has become a popular method because it has economical, technical and environmental advantages over conventional open pit or underground mining:

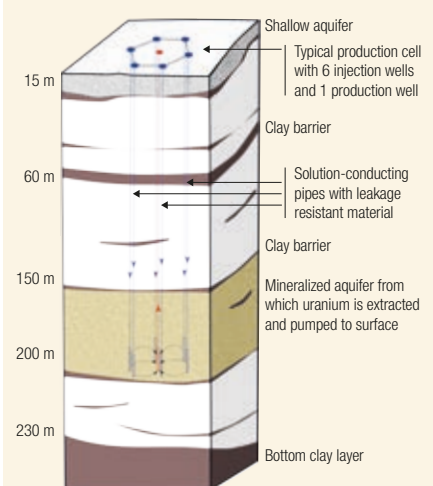
- Greater flexibility in production capacity
- No waste or ore removed
- No creation of open holes, waste dumps or tailings
- No mine dewatering
- Minimal visual disturbance
- Minimal noise, dust and emissions

Reasons for choosing the ISR technology for the project

The Zuuvch-Ovoo deposit is located below the water table, at a depth ranging from 150m to 200m, in permeable and poorly consolidated sand. These conditions are not favorable to traditional open pit or underground mining methods.

- Furthermore, the grade of the deposit is low (i.e., only 220g of uranium per ton of rock) making ISR the only technically and economically viable mining method for this deposit.
- Groundwater conditions in the Zuuvch-Ovoo area have been studied since 2006 through a network of 200 monitoring wells. Based on this monitoring network, it is confirmed that:

Groundwater protection principles



OUR CORPORATE SOCIAL RESPONSIBILITY APPROACH



Uranium is new and strategic sector for Mongolia. Holding regular dialogue with stakeholders is a prerequisite for Badrakh Energy LLC's project to be well understood and accepted.

Badrakh Energy key stakeholders

Our 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 Mongolian Government, local communities and authorities and the Mongolian scientific community. Hereafter the dialogue methods pursued by Badrakh Energy LLC with its different stakeholders.

	Methods of engagement
National authorities	Meetings, Seminars
Local authorities	Local Cooperation Councils Regular coordination meetings
Local communities and herders	Local Cooperation Councils Family visits Biennial community survey Workshops Local events
Mongolian scientific community	Scientific seminars on ISR, Uranium and Nuclear Technology
Greater public	External newsletter, Press articles, TV Programs, seminars Web site, Facebook page
Civil society and Industry organizations	Meetings, Conferences

- **Applicable national or international regulations.** In respect of such regulations, the company organized a public hearing for the Detailed Environmental Impact Assessment and presented 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.
- **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 voluntarily 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 Cooperation Councils since 2013.



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 our activity to them.

The following mechanisms enable us to identify our stakeholders' expectations:

In 2020, Company organized a public hearing for the DEIA* to the local communities and administrations visiting **more than 60 families**

* Detailed Environmental Impact Assessment

Partner organizations

WE VOLUNTARILY JOINED:



WE SUPPORT:



Extractive
Industries
Transparency
Initiative



Badrakh Energy LLC at the "Discover Mongolia 2020" conference, October 2020

The International Council on Mining and Metals (ICMM)

ICMM is an international organisation dedicated to a safe, fair and sustainable mining and metals industry. Bringing together 28 mining and metals company members and over 35 national, regional and commodities association members, ICMM strengthens environmental and social performance and serve as a catalyst for change, enhancing mining's contribution to society.

As a member since 2013, Orano has been adhering to the Mining Principles, which incorporate comprehensive environmental, social and governance requirements, robust site-level validation of performance expectations and credible assurance of corporate sustainability reports with annual disclosure.

Badrakh Energy LLC is a member of the Business Council of Mongolia protecting and promoting the common lawful interests of members for **a fair, stable and internationally competitive business environment.**

Seminar "Radiation protection and its application in the uranium mining activities by ISR", December 2019



OUR COMMITMENTS

1 COMMUNITIES	17
2 ENVIRONMENT	26
3 HUMAN RESOURCES	34
4 HEALTH, SAFETY AND RADIATION PROTECTION	40
5 SUPPLY CHAIN	48

1 | COMMUNITIES



Local cooperation council meeting, Ulaanbadrakh soum, Dornogobi aimag, January 2020

Transparency and consultation

To ensure the acceptability and sustainability of its business activities, Badrakh Energy is committed to a process of dialogue, consultation and sharing with its stakeholders.

These formal exchanges may take the form of face-to-face discussions, public meetings, or communication in writing and are adapted to the environment in which we operate. The topics most frequently addressed are those relating 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.



I Local Cooperation council

The Local cooperation council was established in 2013 in Ulaanbadrakh soum and Zuunbayan bagh of Sainshand soum.

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.

In 2020, the first meeting of the Cooperation Council was held in January, with representatives from Ulaanbadrakh soum and Zuunbayan bagh. The next meeting was held in July, with a limited number of participants owing to the pandemic.

At the Council's meeting the following topics were discussed, among others:

- Information on the company activities
- Implementation of social responsibility projects and programs
- Extension of the cooperation agreement
- Increasing the efficiency of the livestock project, updating the criteria for project application, signing contracts for handing over livestock including the contract term

- Exchanging information and opinions on topics such as water well maintenance reports.

Since 2013, the Cooperation Council has met **24 times in Ulaanbadrakh soum** and **24 times in Zuunbayan bagh**

INFORMATION DAY ON COMPANY ACTIVITIES

An information day has been organized annually since 2013 to introduce company activities to project stakeholders.

Presentations have been delivered to state administrative organizations, members of the Cooperation Council and herder citizens.

During the event, projects and programs implemented in the framework of corporate and social responsibility are introduced, guests' questions are answered and a mutual dialogue is developed. Guests visit the pilot test site, project facilities and the laboratory, and company specialists answer their questions.

In 2020, a total of 68 people visited the pilot plant, including:

- 23 representatives of FXB project beneficiaries (see page 22)
- 20 elderly people representing the elders of Zuunbayan bagh
- 13 employees of the Imperial Security company
- 12 specialists representing the major mining companies in Mongolia

Herders' Day, Cultural center of Ulaanbadrakh soum, Dornogobi aimag, January 2020



HERDERS DAY

In 2020, Badrakh Energy LLC's employees introduced the company's activities on January 2020 at the Herders' Day organized at the Cultural Center of Ulaanbadrakh soum of Dornogobi aimag.

During the event, doctors and specialists from the Joint Veterinary Cooperative of Mongolia gave a presentation on the rights and responsibilities of herders specified in the newly approved Law on Animal Health and Genetic Resource, and herders had their questions answered.



Elders of Zuunbayan bagh visiting the Zuuvch-Ovoo pilot plant, February 2020

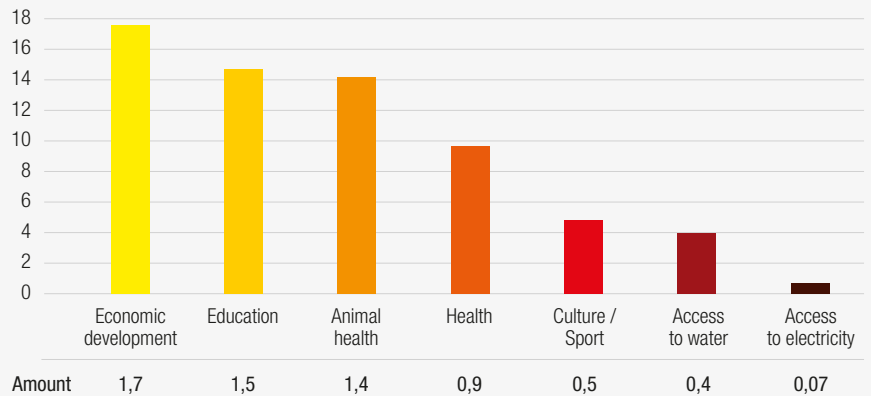
Community investment

Badrakh Energy LLC has been contributing to the socio-economic development of local communities since its establishment in Mongolia.

Orano Group became a member of the International Mining and Metals Council in 2013 and is committed to contributing to sustainable development when implementing its mining projects in accordance with local culture, tradition and features.

Badrakh Energy LLC undertakes projects and programs to support the socio-economic development of Ulaanbadrakh soum and

Investment made between 2006-2020 (in billion MNT and at national level)



Zuunbayan bagh of Sainshand soum of Dornogobi aimag where it operates. In doing so, the company has implemented health, environment, water supply and education projects that are tailored to the specific needs of the given community, in consultation and cooperation with local stakeholders.

Cooperation Agreement

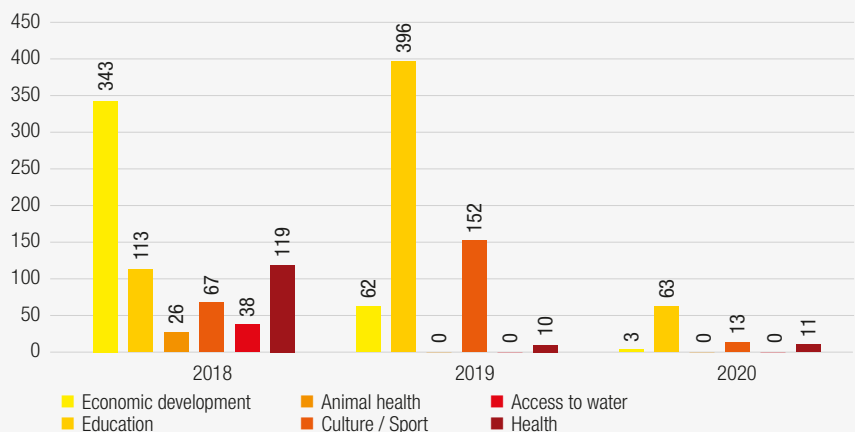
During the implementation phase of the pilot, the Cooperation Agreement, signed for the first time in 2018, established a formal framework for dialogue and discussion between the teams of Badrakh Energy, the local authorities and local citizens.

Themes of cooperation were specified: water, human health, animal health, education, culture, access to energy and economic development.

The company invested a total of 943.5 million MNT in projects and programs in 2018-2020 and supported the socio-economic development of local communities.

Since 2006 **more than 5,6 billion MNT has been invested for the socio-economic development** of the regions where it operates

Cooperation Agreement investments 2018-2020 (projects, years) (in million MNT)



For 2020, the Implementation Committee representing the stakeholders selected projects and programs and more than 90 million MNT was spent on a student scholarship program and the supply of medical equipment to soum health center and livestock reconstitution program.

At the end of July 2020, a meeting of the “Implementation Committee”, the decision body of the Cooperation Agreement, was dedicated to the contract renewal for one additional year.

** Although certain activities failed to run smoothly due to the restrictions of global pandemic, the company continued some of its projects including the student scholarship program.*

EXAMPLES

SCHOLARSHIP PROGRAM

Badrakh Energy has been continuously supporting a scholarship program since 2010 in order to train qualified personnel and support education in the region where it operates.

In 2020-2021, the number of scholarship students was increased, and two students from Ulaanbadrakh soum and six from Zuunbayan bagh of Sainshand soum joined the program.

Now, there are 21 students in total enrolled in the company's student scholarship program, successfully studying at leading universities in Mongolia.

Since the launch of the program, **a total of 140 scholarships awarded, through funding of nearly 290 million MNT.**



TRIBUTE TO ELDERLY PEOPLE

Badrakh Energy LLC has been honoring soum and bagh elders before the Lunar New Year since 2014. The event is not only appreciated by the elderly, but also introduces the company's younger generation to the tradition of respecting and caring for the elderly.

During this time, the company has paid tribute to 115 elderly people from Ulaanbadrakh soum, 88 from Zuunbayan bagh, a total of 203 elderly people.

LIVESTOCK RECONSTITUTION

The company began this project in an effort to assist herders who had suffered substantial losses in their herd numbers during the 2006-2007 zud, and the project moved on to further

assist families living on an income below the standard of living who had an aspiration to become herders, but owned only a few herd animals.

The eligibility criteria of the livestock reconstitution project were defined in the region with the involvement of herders. The livestock for the project was bought from the herder citizens of the bagh at a market rate and transferred to the project households. The principle of the repopulation involves introducing 25 female goats and 25 female sheep, for a total of 50 small cattle, to the herd of the participating family, and after they acquire offspring and benefits for 3 years, the family transfers the same number of young, female herd animals of reproductive age to the next herder family.

Accounting for the increase in number of families wishing to become herders, and the corresponding increase in requests to be part of this project, Badrakh Energy resolved to expand the project in 2019. Subsequently, herd animals were purchased at market value from 5 families from Zuunbayan bagh of Sainshand soum, and then delivered to 5 other families to assist in the repopulation of their herd. The project has earned the appreciation of herders and is being implemented successfully, with 84 families from Ulaanbadrakh soum and 31 families from Zuunbayan bagh, a total of 115 herder families, having taken part in the project thus far.

J. Erdenetuya

Manager of FXB Mongolia's Dornogobi project



***“Households enrolled in the project have increased their income and built their savings*”**

The objective of the project is to enable destitute people to escape permanently from poverty by working simultaneously in four areas over the three years of the program: strengthen economic capacity; consolidate food security and eradicate child malnutrition; improve access to medical care and hygiene; facilitate access to education for children and young people and develop the autonomy of adults.

The program with a peculiar name FXB is being implemented for the first time in Mongolia and specifically in Dornogobi province with financing from Orano Group. Can you briefly describe the program?

J.E.: The FXB program has been running in Dornogobi province since 2016. This program has successfully been carried out in more than 40 countries of the world. FXB is the abbreviation of François-Xavier Bagnoud's name, who

was an aspiring professional pilot of a rescue helicopter. He died at the age of 24 while flying his helicopter on a mission in Mali. In 1989, his mother, family and friends established the FXB Association in order to commemorate his rescue work, kindness and compassion by protecting many thousand children of the world, helping people in vulnerable groups and fighting poverty.

This international non-governmental organization was first created on the firm principles of human rights and health. It has worked over the past 20 years to protect many thousand children who are exposed to AIDS and poverty.

The regional FXB program provides assistance in terms of health, education, society and mental well-being and supports low-income families in creating their own source of income. The program adjusts to the social, cultural and economic norms of each country. Its advantage is that local employees run the program in their local area.

How do you select families for the program?

J.E.: First of all, we support orphans and families in vulnerable groups, who have many children and live below the poverty line. We consider whether the family has lived stably in the area. In addition, we also focus on herders with few livestock, single parent households, uneducated people and those who have little opportunity to obtain income. We worked together with the representatives of Badrakh Energy LLC in the selection of the families.

What are your areas of activity?

J.E.: Our program works to aid in health, education, society and mental well-being and to help in finding a source of income.

You said that the regional FXB program began in 2016 in Dornogobi province. How many families did you cover throughout that period?

J.E.: The first program was carried out with success in 2016-2018 with the assistance with the support from the Orano Group. Because the project ended in success, Orano Group decided to finance our project for another 3 years. Thus, our second project started in February 2019 and it will end in December 2021. Like for the first project, it was decided to implement the project in the area where Badrakh Energy operates. The first project covered 100 families – 76 families in Sainshand sum of Dornogobi province, 13 in Ulaanbadrakh soum and 11 in Zuunbayan village. The second 2019-2021 project covers 95 families – 64 families in Sainshand sum, 15 in Ulaanbadrakh soum and 16 in Zuunbayan village.

Can you briefly describe your activities to support these families in recent years, namely, in 2019-2020?

J.E.: As part of the program, we organize regular training and meetings according to the activities, visit the families enrolled in the project each month, view their living conditions and review their income and expenditure diaries and the progress in working towards increasing the household income. All 95 families have received household income assistance, which is the main activity area of the program, and they began to increase their home production and home revenue depending on their own skills, possibilities and opportunities.

The citizens in the provincial capital began a joint carpet-weaving business following a carpet-weaving training in 2019 to upgrade their skills, and they have begun to accept orders and create their products from 2020. In addition to carpets, they process the sheep wool to make felt shoes, slippers and insoles.

Citizens in Zuunbayan village are making handcrafted items together. They first started making various candles. Those in Ulaanbadrakh soum partnered with a teacher of the lifetime education center and also began handcrafting. They improved their skills through training on making pickled vegetables, candles and soap.

It seems that they are having a certain amount of income through small handcraft enterprises and skill improvement training. But do you support their individual development and growth in any other way?

J.E.: We do support. People can work, earn income and improve their livelihood only by staying healthy. That is why the FXB program regularly organizes a preventive examination and immunity strengthening for our beneficiaries, together with the provincial healthcare center and the household healthcare center.

We also paid for the tuition of two people in order to support their education and improve their skills. We have now assisted 278 people in obtaining tools. We are mainly focused on health and education.

We are glad to be supporting these many families, as our project has been carried out twice for 3-year terms with the assistance from the Orano Group. I believe that we will do more productive action together with people from Badrakh Energy LLC.

The Code of Ethics

As a socially responsible mining company, Badrakh Energy LLC is committed to operating ethically and with integrity. Badrakh Energy LLC follows Orano's Code of Ethics, updated in 2018, and its anticorruption program and communicates these policies to all its employees and partners.

The Code sets out Orano's ethical commitments to its stakeholders, as well as what it expects from its internal and external stakeholders; it specifies the rules of conduct that everyone must follow and comply with at all times.

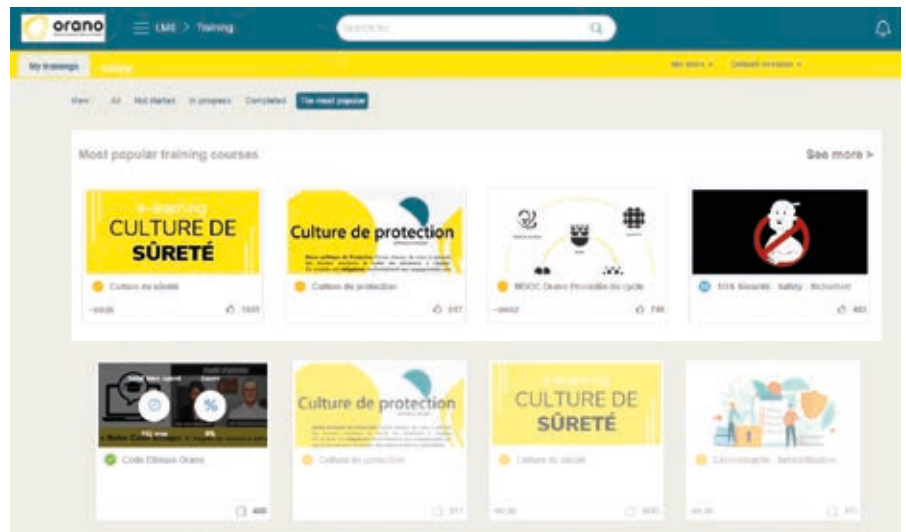
Available on the Orano website
(www.orano.group).



The booklet
"Code of Ethics" is distributed
to all the employees by the
Human Resources department

The following measures were continued
and strengthened in 2020, and in
particular:

- On an annual basis, gifts and invitations are declared by all the directors and managers of Badrakh Energy LLC
- The employees of Badrakh Energy LLC can report any possible breaches of the Code via an ethics alert system on an outsourced platform. This platform guarantees the confidentiality in information processing and protection of whistleblowers
- The company management continued to frequently communicate to staff about the Code of Ethics and whistleblowing system
- The company publicized the introduction of an e-learning course developed and based on Orano's Code of Ethics, which must be completed by all employees and new recruits).



The Code of Ethics rules of conduct deal with the actions that must be taken in relation to the following situations:

- compliance with international treaties aimed at protecting human rights
- conflicts of interest
- insider trading
- corruption
- gifts and unfair advantage
- influence peddling
- payments and relations with third parties
- competition

- advocacy and lobbying
- political funding
- protection of persons and assets
- philanthropy, sponsoring and donations

An e-learning course developed and based on Orano's Code of Ethics is mandatory for all employees and new recruits. This course is available in the Mongolian language.

System for alerting and issuing complaints in case of discrimination



In the event of a Company employee being personally aware of a breach or a violation of the Code of Ethics or witnessing or being victim of a major breach, he/she must follow these steps:

- Submit a report to the manager or to the Compliance Correspondent
- Or submit a report via the Orano secure whistleblowing platform, where it will be treated confidentially.

The Code of Ethics makes it clear that it is a duty for each and every employee to immediately raise the alert if he/she observes any blatant incident, or breach of a statutory or regulatory obligation, or violation of the Code of Ethics or of compliance policies and procedures.

<https://OranoEthic.signalement.net>

Grievance Management Procedure

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 will be presented to the Cooperation Council on a yearly basis. A summary of reporting on the processing of grievances will be drawn up at the end of 2021.



Transparency of payments

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

GRIEVANCES CAN BE SUBMITTED:

- by phone:
94091185 / 99103412
- by e-mail:
enkhjargal.tserendorj@orano.group
- by post:
Badrakh Energy,
ICC Tower, floor 8
Jamiyan Gun street 9,
Khoroo 1
Sukhbaatar District,
Ulaanbaatar

Badrakh Energy LLC has continued to apply and adopt the requirements imposed by the specific accounting controls and using face-to-face training sessions on the corruption risk for our management teams and exposed departments.

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 in Mongolia began reporting their payments to the Mongolian EITI office on a yearly basis.

In 2017-2020, **6,9 billion MNT** was paid to the Mineral Resources and Petroleum Authority of Mongolia in license fees.

Evolution of the amount of taxes paid by Badrakh Energy LLC/ AREVA Mongol LLC/ COGEOBI LLC (2017 – 2020) in billion MNT

MNT	2017	2018	2019	2020	Total 2017-2020
Total	4,9	6,4	3,4	2,9	17,8

Source: EITI report (excluding, environmental deposit, penalties, donation and SDLA, service fees, historical cost reimbursement)

License fee paid by Badrakh Energy LLC, in billion MNT

MNT	2017	2018	2019	2020
Total	2,3	2,5	1	1

2 | ENVIRONMENT



Throughout the life of the mine, the extraction and processing of uranium ore entail a need for raw materials and resources, especially water and energy. Our aim is to optimize our consumption of natural resources and our discharges, find ways to upcycle our waste and protect the ecosystems in which we operate.

We are convinced that environmental stewardship is key to the acceptability of our activities and our «license to operate» in the countries where we operate.

Orano's Safety & Environment Policy acts as a framework for all Orano Mining entities. As well as ensuring compliance with the regulations in force and international standards, Badrakh Energy LLC applies this Safety & Environment Policy in the form of an action plan to:

- Reduce technological and environmental risks by means of a proactive approach
- Minimize the environmental footprint of their activities
- Improve the management of environmental liabilities
- Coordinate effectively with the Environment and Industrial Risk teams
- Integrate environmental standards at every stage in the mining cycle
- Maintain or implement an environmental management system (ISO 14001 or equivalent)

Environmental Protection

Badrakh Energy LLC has been diligently implementing the environmental policy of Orano Group. The company strives to keep the impact of project operation on the people and environment to the smallest possible level.

Any incident related to environmental protection is reported in web page specially developed to spread the best practices and the lessons from events that have occurred across the Group.

The teams working on the Badrakh Energy LLC's project site conform to the applicable environmental protection legislation and international standards and also strive to introduce the best practices in their work.

The annual planned works are regulated by the revised regulation A-618 that was adopted by the Minister of Environment and Tourism in 2019. Pursuant to this regulation, the benchmark score became more stringent, broadly covering in addition to the environmental performance, the actions done with the regional governance, safety, compliance to laws and rules and the fulfillment of duties undertaken pursuant to other laws and regulations.

Our company received the following evaluation regarding the environmental management plan, by year:

- 2017 - 87.8%
- 2018 - 88.8%
- 2019 - no activity
- 2020 - 90.1% of the fulfillment of the planned actions.



The work is according to the triple environmental monitoring system:

- We produce the annual environmental monitoring and management plan and secure the approval of the Ministry of Environment and Tourism. The local environment and tourism department supervises the implementation of this plan, whereas the environmental specialists of the company are in charge of achieving this plan.
- We are continuing to carry out environmental monitoring every year after the technological ISR pilot that was done in 2010-2011.
- The environmental monitoring program, with the participation of the local governance and representatives of citizens, has continued since 2013.

The environmental activities are inspected, verified and evaluated in two types every year according to the management plan:

- Works done in the site
- Works required by the law as part of the activities of the company, which holds meetings to discuss and assess the planned works.



Site laboratory, Zuuvch-Ovoo Pilot site

Environmental research and analysis actions carried out since 2017:

- State of the quality of the sites in Zuunbayan of Sainshand soum, Dornogobi province, Dulaan-Uul in Ulaanbadrakh soum and near Dulaan, Zuuvch-Ovoo, Uushiin Govi, Umnut and Bogd Uul
- Report of the study on species, population, migration, movement and habitat of ungulates (mammals) and birds
- Report of the environmental audit at the uranium project implemented by Badrakh Energy LLC
- Justification and plan of establishing the tree cultivation site and carrying out the reforestation through planting of saxauls in pots.

Environmental monitoring is carried out to:

- Define precisely the environmental impact during the pilot operation to produce the radioactive mineral
- Perform the field measurement and study
- Collect samples
- Process the analysis results and issue recommendations and a conclusion
- Implement the joint environmental protection supervision and provide information to the people
- Perform and report on permanent monitoring
- Prevent any risk and pollution
- Initiate new environmental protection, monitoring and analysis programs to add to the environmental protection management plan.

According to the monitoring results, no negative environmental impact has been identified from Badrakh Energy's operation of the project.

Water

A precious natural resource, water is essential to the well-being of the communities and environment where Badrakh Energy LLC operates, as well as to the smooth running of its mining operations.

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

UNDERGROUND WATER STUDY

Badrakh Energy joins the underground water study done by Galba Uush Dolood Gobi administration

Badrakh Energy LLC partnered with the administration of the Galba Uush Dolood Gobi basin and began the measurement and sampling of the groundwater level in 6 piezometers in 2015, to study the natural and technogenic conditions of the groundwater. Four piezometric boreholes were selected and added to the program on the Zuuvch-Ovoo mining license site in the second quarter of 2019. The types of analysis and monitoring boreholes were selected according to the water's chemical composition following the guidelines of the basin administration. Results are delivered every quarter to the Ministry of Environment and Tourism, the General Agency of Specialized Inspections, the Dornogobi provincial specialized inspection department and the basin administration.

order to preserve this resource, the question of water is a subject of constant attention.

Quantity of water used

Year	Water use by ton
2018	6,270
2019	3,768
2020	2,709

Badrakh Energy LLC is striving to optimize its consumption at each stage of its operations. In 2019, we witnessed a reduction of water consumption by more than 50% from 6,270 tons in 2018. This decrease is mainly due to the slow down in the company's operation volume which was the preparation phase for

the Zuuvch-Ovoo Pilot test. Water consumption will be increasing in the coming years due to the expanding scale operation. The pilot test phase will enable Badrakh Energy LLC to implement the best practices to optimize its consumption during the production phase.

Monitoring of water wells of nomads

The several-stage monitoring of the water in herder wells is verified by a double supervision from internal and independent institutions, depending on the specifics of the activity. The company monitors the groundwater every quarter and delivers the results report to the relevant state administrative institution.





In the future, we are seeking to use more renewable energy while optimizing our energy consumption. We will also launch studies to identify the relevant actions to be implemented for our exploitation phase.

Waste

Mining activities generate waste. This waste needs to be managed effectively, as much to comply with environmental regulations and minimize any impacts as to maintain the acceptability of activities.

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.

Waste management is a vital topic for all stages of the mining project. Badrakh Energy cooperates with specialized companies in recycling the waste it produces.

This cooperation will be extended in the future, like extension of the existing contract which will include actions such classification or recycling action will be well managed.

Our objective is to recycle 100% of plastic and used oil. For the company, it's important to have the involvement of all its employees in recycling and sorting the waste they produce. Thanks to the efforts of all our employees, the volume of the waste generated in the past years are being significantly reduced each year.

Solid waste report

Year	In kg
2018	4,082
2019	3, 286
2020	3,421



Climate

Convinced of the role that nuclear energy can play in the energy transition to low-carbon electricity, since 2004 Orano has been conducting a transverse process to reduce its GHG footprint, and contribute to meet the goals of the Paris Agreement.

Badrakh Energy LLC also reduced the number of its operations, thus minimizing its diesel use by more than 30%: the company used 311,865 liters in 2018, which was down to 209,388 liters in 2020. Optimizing the use of vehicles plays an important role in decreasing greenhouse gas emissions.

Energy

To ensure the continuity and safety of our activities, it is essential for Badrakh Energy LLC to secure its energy supply while continuing to optimize its consumption and reduce its carbon footprint.

2020	Solid waste in kg		Recyclable in kg			
	Organic	Household	Plastic	Glass	Tin	Paper
	589.7	1,485.8	607.1	246.9	144.3	347.2
Total	2, 075.5		1,345.5			

L. Erdenesaikhan

Executive director of Khatandalai LLC



“ We always ensure the public participation in our environmental monitoring work ”

Badrakh Energy LLC has been cooperating with Khatandalai LLC since 2018 in order to implement independent environmental monitoring. This company was selected in 2018 after a tender process.

How important is it to commission an independent organization for the environmental monitoring work?

L.E.: It is certainly a very important matter. For example, the Law on the Environmental Impact Assessment, the Law on Protecting the Environment and the provisions in related regulations specifically state that the scale and duration of the negative environmental impact from any project activity should be determined every year and that there should be actions to evaluate and review. It is more important if this

activity is monitored by an independent organization, which does not take part in the project implementer company's operations. Of course, there is a difference between supervising one's own work and delegating the supervision to an independent organization. Therefore, all parties should impose an equal supervision on each other within the law during the performance of such work. It will make the work results authentic.

What methods are used in independent environmental monitoring? What does a supervision by the parties mean?

L.E.: Briefly, the main purpose of independent environmental monitoring is to determine what amount of negative impact the implementation of any project is causing to the environment and how long it lasts and to issue recommendations and conclusions about ways to reduce it. This activity is regulated by the law. For example, the article 9 of the Law on the Environmental Impact Assessment specifies what an environmental management plan should consist of. In addition, there is the decree A168 passed by the Minister of Environment and also the article 10 of the Law on Protecting the Environment.

Our company performs this work according to the relevant methods within the law. Since 2018, we have taken samples of the soil, water, air and flora twice a year from solid locations under an independent supervision, packaged them in sealed containers and had them analyzed at certified laboratories. We produce our report on the basis of such laboratory results.

Our company always ensures the public participation in our environmental monitoring work. For example, we collect samples and lock them in the presence of non-governmental organizations, local citizens and representatives of state administrative institutions. Badrakh Energy LLC supports this activity quite well. They also do their own monitoring. We are now involving representatives of herders, the environmental inspector of Ulaanbadrakh sum and the meteorological department of Dornogobi province.

Has Badrakh Energy LLC introduced any good practices in terms of environmental protection after the recommendations and results of the work by your company?

L.E.: As a result of monitoring the activities of Badrakh Energy over the last three years, we are giving recommendations on specific issues such as waste management, rehabilitation and the protection of wildlife. We suggested rehabilitation that would be resilient in the

Gobi eco-system. Consequently, Badrakh Energy has done a saxaul plantation study and is successfully implementing a trial on its own constructed greenhouse area on the basis of the recommendations and conclusion from the professional organization. That is an example of a good practice.

Finally, what should be devised and initiated to further improve the results of environmental monitoring?

L.E.: I think that it is necessary to collect samples from sampling locations at exactly fixed times, according to the norms, regulations and technology, in order to send them to a laboratory for analysis, to obtain a correct interpretation of the results from specialized experts, to give a precise conclusion and recommendation and, for an organization commissioning the independent monitoring, to adhere to the produced recommendations very properly.

Only by having the coordination between the environmental impact assessment report, the environmental monitoring program and the annual environmental management plan is it possible to have good and correct planning, performance and results. Of course, in order to achieve it, the project implementer companies should settle the matter of the budget and finance sufficiently. It is possible to do good environmental protection work, if monitoring is good and planning is done accurately.

Cooperating with non-governmental organizations in the industry and obtaining advice from professional organizations on correcting and improving these actions as they progress will also bring good results.

Remediation

Mining operations require the development of infrastructure (supply of energy, roads, facilities) for the processing of uranium ore which has an impact on the natural environment which has to be assessed, minimized and controlled.



In order to anticipate risks, remediation is taken into account right from the exploration and development phases of mining projects. Although some remediation work is carried throughout the active period, most of the technical work takes place when mining operations cease.

The employment-related and social implications of the closure of a site are taken into account as far upstream as possible in coordination with the competent authorities and in consultation with all internal and external stakeholders.

Optimal planning and implementation of the rehabilitation works plays a crucial role in maintaining the confidence of local communities, authorities and all stakeholders involved. It is key to the long-term acceptability of our activities and our «license to operate» in the communities and in the host countries where we are made welcome.



Remediation plan for the project:

- **Well field:** filling-in of wells, dismantling of the surface facilities and rehabilitation of land
- **Industrial facilities:** dismantling, demolition and rehabilitation of land
- **Water table:** restoration by natural mitigation, based on various hydrogeological studies and studies demonstrating the effectiveness of natural mitigation with regard to the aquifers of the areas mined
- **Revegetation:** Plantation of Saxauls (protected local trees) in rehabilitated areas and in neighboring areas as part of an environmental offset project
- **Ongoing monitoring of water tables** through a network of piezometers 88

FOCUS

In 2020 Badrakh Energy LLC successfully completed the rehabilitation of the mud reservoir, which was returned to its former level of filling capacity after being used for the exploration. The mud reservoir was filled to more than 60 percent according to the national standard MNS 5917:2008. The rehabilitation was done, after which it was covered with the 30-40 cm surface soil. The company officially submitted the request to hand over the completion of the site rehabilitation to the working group in Dornogobi province.





The team has performed and verified the radiation measurement after the rehabilitation and will continue to monitor the environment till the local administration receives the fully rehabilitated site.

I Reducing impact on biodiversity

To deal with the erosion of biodiversity related to mining projects, the “mitigation hierarchy”, also known as the “avoid - minimize - remediate/ restore - offset” sequence, is implemented from the first phases of the project, in accordance with the recommendations of the environmental impact studies. Our objective is to work towards no net loss of biodiversity.

Although the impact on the environment from the project is very small, the company is taking steps to reduce the impact on biodiversity from the work on the site by:

- Reducing the area of any new work site in the field to as small as possible
- Preventing unintentional spill from vehicles and hence pollution of the soil

- Taking preventive and protective actions such as protecting and isolating the flora, namely, the saxaul plant, on the project site.

ZOOM

Saxauls replantation

In Mongolia, we are continuing our project to replant saxauls, in collaboration with a consultant who is an expert in the field and the National University of Mongolia. As part of this project, a nursery has been built in the area covered by our Zuuvch-Ovoo license.

I Compensatory protective actions

With the framework of an approach to offset by plantation, we are working on the optimization of the principles of plantation (methodology, choice of species, etc.) by taking into account not only the landscapes and the surrounding ecosystems but also the usages and customs of the local population.

A first study has been conducted in Dornogobi province. The inventory of ecosystems coupled

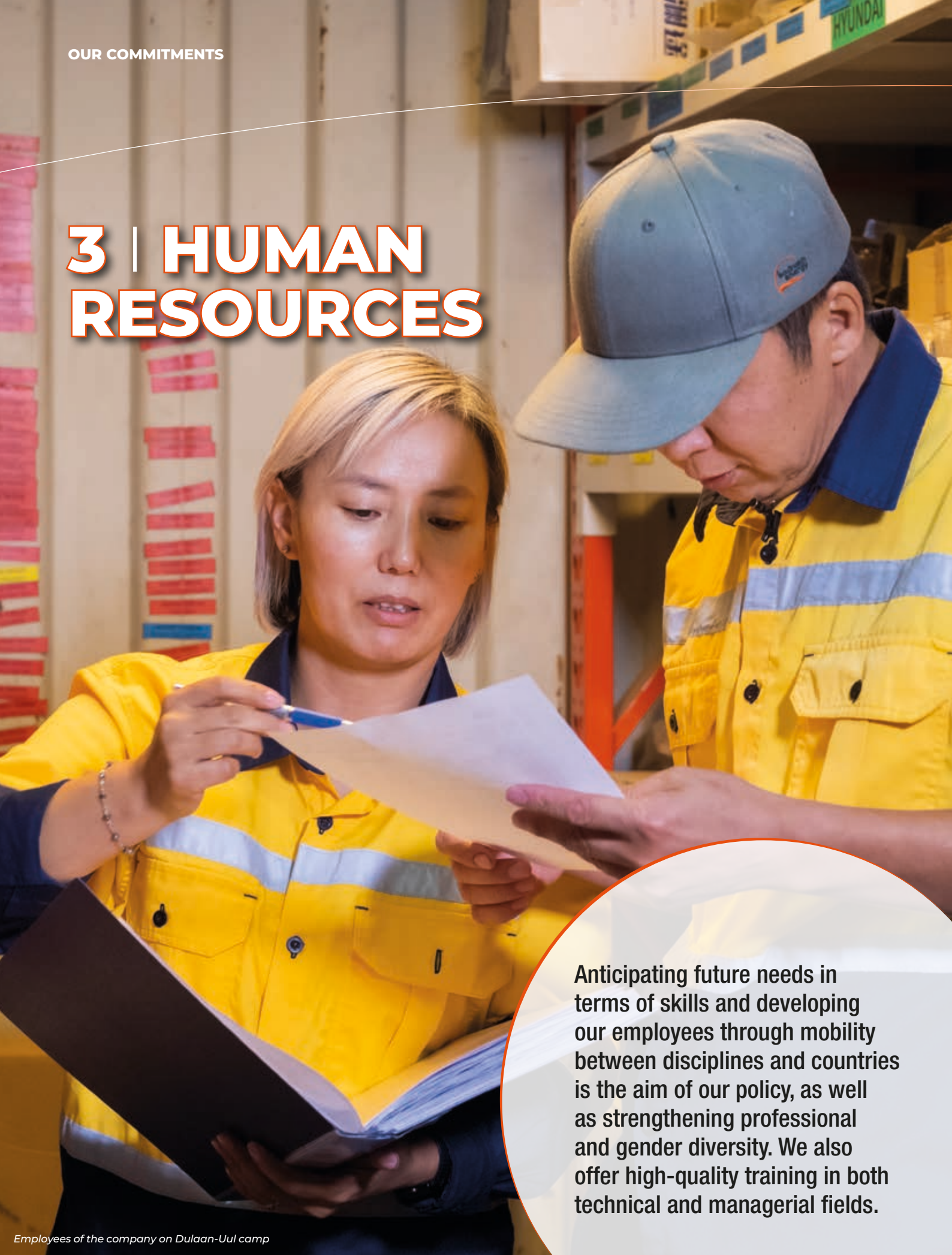
with an ethnobotanic study has made it possible to highlight the need for different varieties of plants essential not only to feed the population and livestock but also for domestic or medicinal usages. The finalization of this first step has enabled us to broaden our understanding of the offset principles. In 2020, we launched a doctoral thesis for closer examination of this subject in cooperation with CIRAD, the French Agricultural Research Centre for International Development, with the aim of generalizing this ecosystem services approach across the areas concerned.

The compensatory protective actions specified in the Zuuvch-Ovoo pilot Detailed Environmental Impact Assessment report:

- The general planning of the project was produced jointly with environmental research and planning company EGIS, when beginning the preparation in 2017.
- In June 2018, specialists from the company's environmental team studied the experience of corporate entities and organizations doing compensatory protection in Umnugobi province.
- The plan for the experimental plantation site was produced in 2019.
- The construction of the greenhouse was completed and the plantation site was selected in 2020.



3 | HUMAN RESOURCES



Anticipating future needs in terms of skills and developing our employees through mobility between disciplines and countries is the aim of our policy, as well as strengthening professional and gender diversity. We also offer high-quality training in both technical and managerial fields.

Employees of the company on Dulaan-Uul camp

Our employees

As of December 31, 2020, Badrakh Energy LLC has 86 employees in total: 52 permanent employees and 31 fixed-term employees, 3 expatriates.

As required at the workplace, Badrakh Energy LLC aims to provide employees with equal opportunities for training and development, discover new talents and appoint them to more appropriate positions and provide them with a suitable environment for high performance.



Headcount as of December 31st, 2020

Category	"Badrakh Energy" LLC			
	Permanent employees	Expatriates	Fixed term employees	Total
Female	18	0	3	21
Male	34	3	28	65
2020	52	3	31	86

I Diversity

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

Badrakh Energy LLC applies the group's policy and our 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.

For the total staff of Badrakh Energy, 76% are male and 24% are female.



Prioritizing local recruitment

Badrakh Energy LLC had always aimed to support employment where it operates. As of 2020, 33% of the all Mongolian employees come from Ulaanbadrakh soum and Zuunbayan bag of Sainshand soum.

In 2020, a total of six new employees were hired by Badrakh Energy, who were selected through labor supply companies, local labor departments and labor specialists. The turnover rate was 4% for 2020.

96%

of all employees are Mongolian citizens

*Percentage of individuals within the organization's governance bodies (CODIR***) in each of the diversity categories*

Diversity categories in governance bodies (CODIR)	Gender				Age group
	Female	Male	under 30 years old	30-50 years old	over 50 years old
	37.5%	62.5%	11.11%	66.67%	22.22%



Management and development of skills

Every year, employees evaluate their work for the previous year with a performance evaluation, set objectives for the coming year and express further training needs and requests during the performance evaluation period.

Employees at the company are provided with the opportunity to participate in professional skills and flexible skill training, as well as the opportunity to participate in training organized abroad.

In 2020, Badrakh Energy 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.

A total of 49 employees participated in 12 types of training

- 12 employees participating in degree training
- 288 employees participated in 2,840 hours of occupational and radiation safety training.

Training types	Managerial positions (by hours)	Non managerial positions (by hours)
Mandatory training	628	2212
Language training	580	24
Professional skills training	65.5	268
Soft skills training	94	120
	1367.5	2624



Collective agreement

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.

Following the responsible principles of its major shareholder, Badrakh Energy LLC has signed a collective agreement with employee representatives, who are elected by employees in two year basis.

This Collective Agreement is registered at the district administration office as per law on Labor

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 the Company policies and decisions.

The collective agreement was renewed in May, 2021.

In 2020, the company management and employee representatives met twice and addressed the topics of discussions were the renewal of some internal procedures, the procedure of the salary increase campaign, increasing the possibility of field and food allowances in the scope of the collective agreement, and the training and development plans of employees.



Quality of life at work

The camp site is equipped with a fitness hall, a basketball yard, billiards and ping-pong tables, all these creating favorable conditions for leisure time on site.



According to the Collective Agreement, our employees have 100% health and medical insurance coverage and 80% insurance coverage for their immediate family members including children under 21 years old.

Remuneration policy

Badrakh Energy guarantees a level of remuneration superior to market benchmark.

In addition to annual salary increase, 3 types of bonuses and 8 types of allowances, the company provides the possibility to the employees to obtain loans from the bank with discounted rate, health insurance coverage for their family members.

Telework

Since the lockdown started relating to COVID-19 pandemic, the company allowed all employees to telework until the country softened the lockdown.

Once its softened, the employees are allowed to work in the office up to 2 days per week. For the pregnant woman and the woman with children up to 12 years old are still allowed to telework.



Employees benefits

I Bonus

On top of the bonuses provided to directors and employees of the company depending on their objectives, performance and duration of work, seniority bonus is paid every year to the employees who have more than 3 years' service with the company.

I Allowance

Company provides the employees a food allowance for the days worked in Ulaanbaatar city or Sainshand city offices and a field allowance for the days worked on site. On top of

that, when employee travels from Ulaanbaatar city to site, travel meal allowance is paid.

I Health and Medical Insurance

All employees of the company are enrolled in additional Health and Medical insurance policy. Immediate family members of the employees who have more than 7 months employment contract with the company are enrolled too.

I Paid leave and one-time 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.

I Free time

In order to provide the opportunity to the employees for their physical and mental development, company approves relevant budget annually.

I Social protection

If employment in the company is terminated due to retirement of the employee, dismissal of positions, skills don't fit in the positions, depending on employees' service with the company, company pays up to 12 months salary.

Moreover, retired employees enroll in a medical check-up once a year and receive a monetary allowance during Lunar New Year and Elder's day.

Employees' children up to 16 years old receive a gift on Children's day and during New Year events.

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.

N. Tseveldorj

Chief procurement officer and a staff representative at Badrakh Energy LLC



“ We have representative bodies to discuss employees concerns with the management ”

Let us start the interview by asking – who is a staff representative of the company? What do these people do?

N.T.: I have worked for the company for ten years now. For the last five years, I have been working as a staff representative. Employees select the members from amongst themselves every two years through an election. It can be said that it is the trade union of our company. The management of the company does not have any involvement in the election of members. Employees vote

for one of their own and the five people who receive the most votes are elected to represent the employees. They include representatives of all employees of the company – with fixed and temporary employment agreements. Our staff representatives enter, on behalf of employees, into a collective agreement with the management of the company. The main purpose of the staff representatives is to negotiate with the management team on the proposals and initiatives of employees that are not stipulated in that agreement and which intend to improve upon the conditions of the employment agreement.

What do the staff representatives manage to do during the mandate period?

Staff representatives meet once every quarter. Although things are taken care of by the employment and collective agreements, much can happen in life. We discuss everything and resolve some issues. The staff representatives elect a head and a secretary from amongst themselves.

Is the company management able to acknowledge and implement all proposals and requests from the staff representatives?

N.T.: Of course not, there is no such possibility. All the requests are evaluated and discussed and some are accepted.

Any collective agreement manages the relations between the company and employees that are not directly stipulated in the Law on Labor.

In your company, what relations have been regulated more by the collective agreement? Can you give a specific example of the results from the agreement?

N.T.: This agreement is more about improving the working conditions and social issues of employees, settling and guaranteeing some issues on training and health. We renewed the collective agreement established in 2019 and now our employees are electing the people for the staff representative team. We will also revise and adopt our collective agreement. The salaries of our employees have been increasing every year. This is a very specific result of implementing the collective agreement. The collective agreement covers the salary increase. It is based on the consideration of many factors, such as, the economic situation in Mongolia, the increase in prices of everyday goods, inflation, work results and professional skills. During the ten years of my employment, our salaries have been raised every year due to the implementation of the collective agreement. There has been no year without a raise. The staff representatives express the requests and comments of employees regarding the salary increase. The company management certainly listens to the employees. The final decision is made after considering inflation and other numerous factors on the basis of the labor wage research done by an independent professional organization.

What was the latest case, when the company management decided something, as passed on through the staff representatives?

N.T.: When schools and kindergartens closed in the second quarter of 2020 due to COVID-19, the employees requested

to work from home. The management of the company positively resolved this and produced a decree allowing employees to work on certain days of the week remotely or from home. At that time, the governor of Ulaanbaatar was calling the employers to allow women with small children to work from home. But I believe that our company was one of the first corporate entities that arranged such remote working for employees. I want to add one thing about the collective agreement. Our company pays special attention to the health of its employees. For example, every employee undergoes an annual comprehensive checkup for free. We also provide health insurance for the family members of our employees. If an employee fell ill and incurred the cost of the medical treatment, the insurance pays 100 percent for the employee and 80 percent of the cost for a family member's treatment.

France is a country that focuses on social issues. So, it is probably the culture practiced across Orano Group. How long has this care and attention about the employees' health been going on in your company?

N.T.: This system has existed for many years in our company. This is a big culture across the Orano Group. But there is a set limit. There is an annual upper limit for some benefits, e.g., dental treatment and the repair, service and purchase of prescription glasses. Impaired health and losing the ability to work for a certain time due to a workplace accident are managed separately by the employer's liability insurance, as required by the Law on Labor.

How responsible is the company regarding your education and knowledge?

N.T.: The company regularly enrolls the employees in training to upgrade and improve their education and knowledge. Our employees also voice their proposals about this during the year-end interview. Moreover, we believe that the human resources policies of the Group and of our company are carried out very effectively. For example, we are enrolled in short-term foreign and domestic training courses and even in courses for master's or doctoral degrees.

Do only the staff representatives present proposals to the company management for resolution? Does the management of the company propose initiatives to support the employees?

N.T.: There have been cases where the company made proposals to improve some of the social issues of employees.

4 | HEALTH, SAFETY AND RADIATION PROTECTION



Our priority is to protect the health and safety of Badrakh Energy LLC employees. This means identifying and managing all safety related risks in our operations.

Orano Mining employees carry out tasks that may include rock drilling and blasting, the use of heavy machinery or chemical products, work with live equipment, work at height, travel, or exposure to ionizing radiation.

Badrakh Energy LLC applies Orano's Health, Safety and Radiation Protection Policy with the objective of harmonizing its practices and applying international standards:

- Safety culture and leadership
- Compliance with fundamentals
- Organization and skills
- Risk prevention

Numerous training and prevention actions are carried out, in order to:

- guarantee and maintain a high standard of occupational safety,
- prevent severe and fatal accidents,
- work towards zero lost-time occupational accidents and zero impact of our activities on the health and safety of our employees, our operatives from outside companies, and everyone living in close proximity to our sites – these are our constant goals.

The Health and Safety Policy is implemented by Badrakh Energy LLC through its management systems, which take into account specific features and regulations in local areas, as well as the requirements of standards ISO OHSAS 18 001 or equivalent Operational health, safety and radiation protection action plans, with measurable results across all our sites, are also drawn up.



Health

The company has set up a health service to reinforce occupational health and healthcare. A range of provisions are designed to maintain a high level of occupational health.

In order to maintain and protect the health of its employees, Badrakh Energy established its healthcare team for the following main objectives:

- Protect the health of employees, take preventive actions
- Focus on improving the health education, organize training and awareness building, provide information
- Monitor the health of employees by organizing scheduled check-ups
- Organize health checks for new employees
- Enroll employees in voluntary preventive immunization
- Provide urgent medical service and assistance on site and organize transfer to hospital if necessary.

Preventive Health actions

All employees of the company enroll annually in a preventive health examination at UB Songdo Hospital. At the end of the examination,

specialized physicians provide advice to employees and suggest treatments.

In addition, employees interacting with radiation at the Company's field camp enroll annually for examination at the National Occupational Disease Center.

- 71 employees in 2018
- 64 employees in 2019
- 48 employees in 2020

There has been no incident of any occupational disease.

Health services at the field camp

Badrakh Energy LLC's field camp has a regular chief physician. The doctors provide the urgent assistance, the required medical service to company employees and the employees of contractor companies. The company doctors supervise and maintain catering hygiene jointly with the catering contractor organization.

Badrakh Energy cooperates with Songdo Hospital on the basis of an agreement to obtain the urgent medical service and to perform the relocation on land and by air. The company also works with a consultant doctor, who advises other doctors and improves their knowledge and skills.

The field camp is fully equipped with medical first aid equipment and has a designated facility and an ambulance.



Voluntary immunization

Badrakh Energy LLC offers employees an annual voluntary flu immunization. Doing so has, to a certain extent, decreased the incidence of flu and flu-like diseases among employees in a given year. The immunization is organized every year in September-October jointly with the Infectious Disease Research Center. **41 employees enrolled for vaccination in 2019, rising to 61 employees in 2020.** In 2021, all our employees have been vaccinated.

Health awareness training

The company healthcare team regularly organizes the following information training for employees on seasonally occurring diseases and the ways to protect from them:

- Preventing the flu and gastrointestinal infectious diseases
- Rashes, sunstroke, allergies and normal bacterial environment in the intestines
- A healthy lifestyle and its impact on health
- Harm from smoking, obesity and lack of movement
- Heart attacks and high blood pressure

Occupational Safety

Our ultimate goal is to achieve zero lost-time accidents and zero impact of our activities on the health and safety of our employees, external staff and everyone living close to our sites.

Our employees may be exposed to several risk factors that could affect their health, whether on industrial sites, in offices or during business trips where Orano Mining operates.



To maintain a high level of occupational health and safety, a great number of information-gathering and prevention actions are undertaken.

There was no lost time accident in 2018 and 2019. Until mid-2020, we had a record of 1782 days without lost time injuries. In 2020, an employee from a contractor was involved in an accident, resulting in a 14-day lost time injury which involved a medical treatment injury (MTI). The incident was widely communicated to the team.

KPI	2018	2019	2020
Fatality	0	0	0
LTI	0	0	1
MTI	0	0	0
LTIFR	0.00	0.00	3.85
TRIFR	2.09	0.00	7.70

Fatality: Accident resulting in a fatality at the workplace (accidents resulting in death)

LTI : (Lost Time Injury) An accident resulting in lost time

MTI : (Medical Treatment Injury) Accident resulting in medical treatment

LTIFR: Lost Time Injury Frequency Rate

TRIFR: Total Recordable Injury Frequency Rate

Our results

Each year, we enroll all of our employees in compulsory training sessions in compliance with the Law on Occupational Safety and Health, the Law on Nuclear Energy and other standards and regulations observed in Mongolia.

In 2020, because of Covid-19, the annual Safety Day could not be organized. Nevertheless, the Safety team mobilized to promote 5 anchors and 7 standards (see page 45), our Life saving rules, ensuring follow-up of high potential 'near-accident' events to identify and investigate the root and cause analysis and put in place a specific action plan to prevent their reoccurrence.

Aside from registering accidents occurred and notifying all of the employees, the records are submitted to the Orano dedicated system to inform all of the mining companies in the Group. Records on hours worked are maintained each month, accidents are assessed and concludes OSH indicators.

COVID-19 prevention measures

The company took comprehensive action to prevent COVID-19 infection in 2020



Badrakh Energy LLC produced internal regulations on protecting and preventing COVID-19 infection in February 2020, presented them to employees, placed warnings and reminders in public areas and maintained a strict infection protection regime.

The company regularly supplied employees with single-use face masks, hand sanitizer, rapid tests, clothes and protection equipment against the infection.

In November 2020, as the COVID-19 infection spread domestically, the company issued regulations on isolating the field camp and made preventive arrangements requiring people possibly infected with Covid-19 to be housed in an isolation facility for 5-7 days and the set up a rapid-test analysis procedure in order to keep the base camp Covid free.

Managing Near-miss incidents

The company registers and informs about near-miss incidents to improve the prevention of possible accidents

- In 2018, 9 near-miss incidents were registered, 3 of which were registered as high potential incidents.
- In 2019, 5 near-miss incidents were registered,
- In 2020, 3 near-miss incidents were registered.

The company organizes quarterly training and rehearsals on what actions should be taken in the event of an accident, natural disaster, fire hazard or first aid situation and on how teams should work in case of an emergency.

Employees are given instructions from their line managers each morning at the work site before starting out the day. Training and instruction given to employees includes: fire safety practice training sessions; training for emergency situations; instructions for new and transferring employees; and safety procedures for guests.



Safety trainings

In 2020, the company:

- Conducted 14 hours of safety training for all employees in accordance with Occupational Health and Safety Law.
- Conducted 14 hours of safety training on handling toxic and hazardous chemicals for all operators, assistants, drivers and other employees at the pilot plant.
- Conducted radiation protection and safety training for all employees at the pilot plant in accordance with the Law on Nuclear Energy and the resolution from the Nuclear Energy Commission.
- Trained two electricians who will be working at the pilot plant on diesel engine maintenance.
- Trained an electrician for a high-voltage certificate.

Crisis exercise

In 2020, accident risks that may occur at the pilot plant have been assessed and 10 emergency lists for all possible accidents have been produced, and associated practice training sessions have been conducted. Within the Pilot Test operations, the crisis exercises were conducted during January and February 2020 covering safety topics related to chemical reagents and fire.



S. Munkhbaatar

Radiation protection and safety
supervisor at Badrakh Energy LLC



**“ We only begin work after checking
our ten safety steps**

It has been a number of years since your company began working in Dornogobi province. Have there been any serious accidents during this time?

S.M.: There has not yet been any accident with a loss of human life since Badrakh Energy LLC began its operations in Dornogobi province. There have been no lost-time accidents since 2015. However, in 2020 an employee of our contractor company injured his hand and received medical assistance. Although this did not occur at the principal company, we registered this accident as our own in accordance with Orano Group regulations. This is

a demonstration of our company's policy of protecting the health and safety of our employees and contractors.

What is most important in ensuring full labor safety and health?

S.M.: I think first of all that the key of our success is that at all levels of our company, from the top management to the managers and employees, everyone has always prioritized his or her colleague's health and safety and that we have adopted the safety culture in our company. Every morning when they arrive at work, everyone works with a conviction

and responsibility to be home safely in the evening. We have always nurtured this culture. For example, there is a personal logbook for risk assessment that each employee maintains.

All of our employees fill in this logbook on assessing dangers at the workplace before they start working and are thus able to protect themselves and others from risks and accidents by checking and inspecting each of the ten questions related to occupational safety. In other words, we only begin working after checking our ten safety steps individually. The logbook ensures a risk-free working environment, such as employees getting the permission to work at height first before doing so or obtaining the personal protective gear if they have any missing items. It has been a regular practice since 2015.

Our teams adhere to this principle and have already learned to ask for anything missing after filling out their logbooks. In accordance with this, the company always provides its employees with what is required to ensure safety.

Vehicle transit makes up a major percentage of violations and accidents at mining companies. What procedures have you implemented to coordinate the road traffic?

S.M.: All the company's vehicles have a GPS system and the drivers comply with the standard that sets an even lower speed limit than that of Mongolia. For example, cars should travel 30 km/h outside and near the camps and 60 km/h between the camps and on our own plant road. If the speed limit is exceeded, the data from the car is logged on the monitoring computer and the driver receives a reminder, goes on a repeat training. As a result, we are fully preventing accidents that occasionally occur around mines such as colliding with the livestock of citizens on local roads or damaging the well facilities.

We will continue to meet these requirements in order to avoid interfering with the livelihood of citizens of the local area where we operate.

Of course, you comply with Occupational Health and Safety laws and regulations adopted in Mongolia nationwide. What other regulations do you comply with?

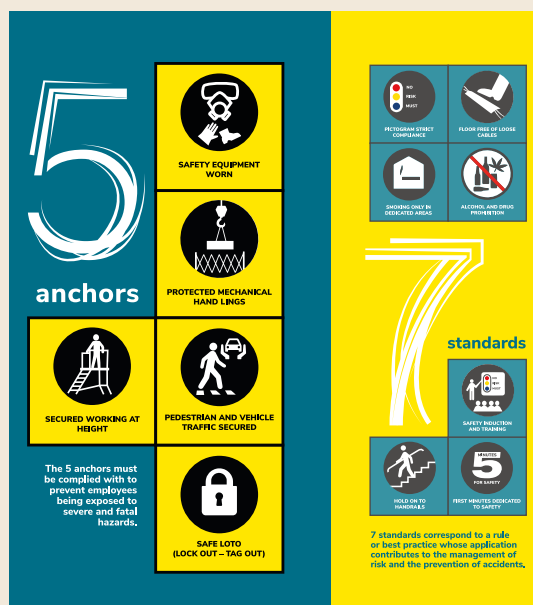
S.M.: After having introduced 12 standards of occupational safety, we adopted 5 principles and 7 standards in 2018.

The 5 anchors and 7 standards are enforced in all mining units and branches of the Orano Group. We study the accidents and incidents that have occurred in mining

projects and branch units across the Group, identify the critical issues on the basis of these principles and standards, inform all other branches, learn from the bad and good practices and take protective and preventive actions.

Sharing experience is very effective. By adopting the 5 anchors and 7 standards, we were able to fully prevent accidents resulting in loss of life or loss of the ability to perform. This was achieved by researching the accidents and near misses that had happened across the entire Group. For example, we adopted and enforced the system of mandatory locking, tagging and isolating any damaged equipment from the electric source during repair and maintenance, thus preventing the risk and danger to other employees.

We are fully confident that our employees will further and strictly adhere to these rules and principles and work without workplace accidents and incidents.



* The anchors are an integral part of everyone's daily work, applied at all levels with strong involvement from management. They must be complied with to prevent employees and subcontractors being exposed to severe or fatal risks.

** The standards complement the anchors. They correspond to a rule or best practice whose application contributes to the management of risk and the prevention of accident.

Radiation Protection

Badrakh Energy LLC applies the Law of Mongolia on Nuclear Energy, alongside Mongolian and international norms, rules, regulations and standards.

The company adopted its revised policy on labor safety, health, environmental protection and radiation protection on May 1, 2019. This policy stipulates that there should be planning of radiation protection action, risk prevention and also monitoring of individual radiation doses to fully ensure the radiation protection and safety of company employees and employees of contractor corporate entities.

Following the principle of radiation protection and monitoring

Workers interacting with radiation	Population group
Working permanently or for a certain period inside the controlled zone	No direct interaction with the radioactive uranium ore, no permanent work in risky areas and not covered by radiological monitoring based on position
41 employees	45 employees



Badrakh Energy received the relevant permits for operation of the Zuuvch-Ovoo pilot plant in 2020 and began plant operation on November 5-6, 2020. Prior to this, the company defined the controlled zones across all facilities of the pilot plant, installed the required signs, markings and warnings and organized training for employees. It is impossible to enter the controlled zone without permission. Guests who need to enter receive preliminary instruction on radiation protection and safety, are given protective equipment and are accompanied by an employee with authorization to enter.

Monitoring of the professional individual exposure dose

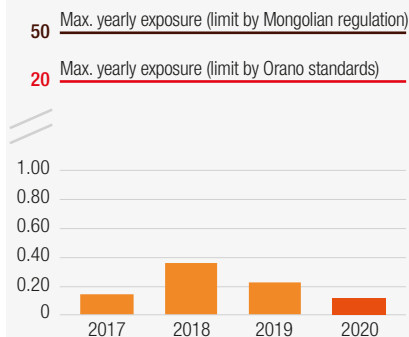
The company performs regular monitoring through personal dosimeters in order to protect and prevent employees interacting with ionizing radiation. The monitoring results show that limits specified in the relevant law, rule, regulation and norm have not been exceeded.

Of employees in the group of workers interacting with radiation, 41 worked inside the controlled zone and the average dose was 0.1 mSv/person.

The highest individual dose registered this year was 0.25 mSv. 8 employees of a contractor organization worked inside the controlled zone for the contractual work purpose.

Their average dose was 0.15 mSv/person and the highest registered dose was 0.3 mSv.

Professional individual exposure dose of employees (mSv)



International Commission on Radiological Protection recommendations sets a limit of 20 mSv (over 12 rolling months) as the maximum individual dose received by workers exposed to ionizing radiation in its facilities.

I Population monitoring

The area where Badrakh Energy is conducting the Zuuvch-Ovoo pilot test, has a very sparse population density, with 0.13 persons per square kilometer. In addition to monitoring the individual dose of employees pertaining to the population group, the company measured the intensity of the dose and the surface contamination in the selected representative locations within the radiuses of 5, 10 15 and 20 km in order to monitor the radiation exposure doses received by the local people. The results show that the external radiation dose from nature is 0.6 mSv , which is 4 times lower than the world average of 2 mSv/year. This proves that there has been no additional radiation exposure from the activity of the company.



I Radiation Safety Training

On radiation safety rules, Badrakh Energy organized an internal radiation safety training for its temporary employees, internship students and employees of contractor companies and kept a register for verification. 66 employees of the company, 16 guests and 30 contract workers enrolled in the training in 2020.

According to 36.1.7 of the Law on Nuclear Energy, 64 Badrakh Energy LLC and contractor employees took part in the certificate training on the radiation protection and safety organized by the Mongolian Radiation Protection Association.



I Protective gear

Pursuant to the article 15 of the Law on Labor Safety and Health, Badrakh Energy LLC and contractor companies have provided all their employees with the special work equipment and personal protective equipment required for the work conditions and job functions of employees. When working with a natural radioactive material or inside the controlled zone, employees must always wear work clothes, mouth cover and gloves in order to protect themselves. Each employee who interacts with radiation must wear a personal dosimeter at the workplace.

I Radiation Monitoring

Radiation monitoring in the workplace

In accordance with the rules of the radiation safety department at a company engaged with radiation and the company's radiation safety rules, the company regularly measures and monitors the intensity of the gamma radiation dose and the surface contamination according to a defined schedule. The results of the measurement show that the intensity of the gamma radiation dose in workplaces and resting facilities is similar to the natural background value which is 0.2 mSv/hour. However, at the area where uranium is separated from the resin, in the processing plant, the value of the dose is the highest. But, estimating that employees will work 8

hours every day in this workplace, the effective equivalent dose of employees is ≈ 1.1 mSv/year, which is almost twenty times less than the limit of 20 mSv/year imposed by Mongolian regulation on workers interacting with radiation.

Monitoring of radon in the air

Badrakh Energy, which engages in radiation-related activities, follows the requirement of "monitoring the concentration of aerosols and radioactive gas in the workplaces and other facilities of the organization" and has performed monitoring of radon in the air either every two weeks, every month and every two months, depending on the risk levels.

For example, in a warehouse of uranium charged resins where radon cumulation can be the highest, the highest result registered is 149 Bq/m³. This figure is 7 times lower than 1110 Bq/m³, which is the maximum authorized limit for people working with radioactivity.

Monitoring of radiation in the environment

Badrakh Energy commissioned the Nuclear Research Laboratory and the Central Geological Laboratory to perform an analysis of radioactive isotopes and heavy metals in the soil, groundwater and surface water to monitor the background radiation level in the environment, comparing it with the permissible level under the relevant standard and making an observation.



5 | SUPPLY CHAIN



97% of Badrakh Energy purchases are done locally, from Mongolian suppliers (companies registered in Mongolia). The Company contributes to supporting economic development, innovation and the operational excellence of the country and its industrial base.

Badrakh Energy LLC manages its suppliers and purchases in compliance with criteria conducive to protecting the environment, social progress, human rights and contributing to the economic development of Mongolia and its inhabitants.

Supply Chain values

The main values of Badrakh Energy's supply chain are:

- **Quality and safety** - the priority is on pursuing quality and safety for all the employees and subcontractors. That is why subcontractors are included in the safety targets (number of days without lost time injury, etc.).
- **Compliance, ethics and transparency** - each service provision or purchase is done according to the Mongolian and international laws, norms and regulations frame. Orano's Code of Ethics is given to and applied by our suppliers as an integral part of the contracts. 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 after a compliance assessment.
- **Supplier diversity** - Badrakh Energy promotes a long-term relationship with local suppliers based on mutual respect, trust, constructive dialog and joint efforts to reach international standards. This favors the economic development of Mongolia.
- **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.



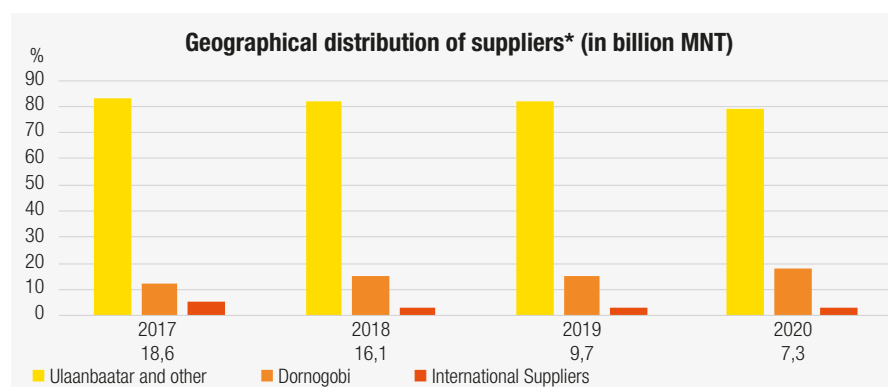
Supporting local suppliers

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.

As in the other entities of Orano Group, Badrakh Energy LLC is deeply involved in the fight against corruption and/or influence peddling by applying a strong ethical and compliance process in procurement. The third-party check is conducted by Badrakh Energy LLC's procurement team, with the support and involvement of the Group Conformity Department and the Economic Intelligence Department.

As the last four years of statistics show, **95-97% of goods and services are provided by Mongolian suppliers** with a progressive improvement (from 12% in 2017 to 18% in 2020) of purchases made in Dornogobi, where the operating activity of Badrakh Energy is located.

Badrakh Energy LLC mostly buys from Mongolian registered entities, thus contributing to the industrial development of Mongolia.



(*): excludes related parties' transactions

ABOUT THIS CSR REPORT

This report on corporate social responsibility (CSR) for Badrakh Energy LLC has been prepared to provide information on the activities of the Company for all stakeholders.

This CSR report reflects the company's operating results January 1, 2017 to December 31, 2020. The previous CSR report was published in 2015.

Badrakh Energy LLC is committed to disclosing information as effectively as possible. To this end, this CSR report has been structured on the basis of a judgment on the relative importance of the subjects disclosed.

Materiality involves topics that are important for creating value for the Company, as well as to assist key stakeholders in the decisions. The materiality judgment helps Badrakh Energy to consider the impact of various aspects of the sustainable development of business processes and value creation of the Company in organizing its work.

The materiality judgment included the following main steps:

- **Step 1:** A wide range of potentially important relevant topics to the activities of the Company has been identified.
- **Step 2:** Topics have been discussed with managers and employees' structural divisions in order to assess the economic situation, environmental and social impact.
- **Step 3:** Stakeholders were interviewed 2017/2018 to identify their expectations and assess the impact on them of certain aspects of the Company's activities. The survey included stakeholders directly involved in the activities of the Company, such as employees and shareholders, as well as a wider range of stakeholders, including suppliers, partners, Government agencies, local and international NGOs and representatives of local communities.

Badrakh Energy LLC

September 2021

Photos and illustrations: © Orano / Frédéric Auger, Amankulov Zhanarbek Aman - © Badrakh Energy / Buyankhishig B, Naranbaatar G among others -
© Shutterstock / Denis Burdin, kaikup, linegold
Design & production: BLEU CERISE

<http://www.badrakhenergy.com>
<http://www.facebook.com/badrakhenergy>



Badrakh Energy LLC

ICC Tower, floor 8, Jamiyan Gun street 9, khoroo 1,
Sukhbaatar District, Ulaanbaatar
Telephone: (+976)-7011 0475