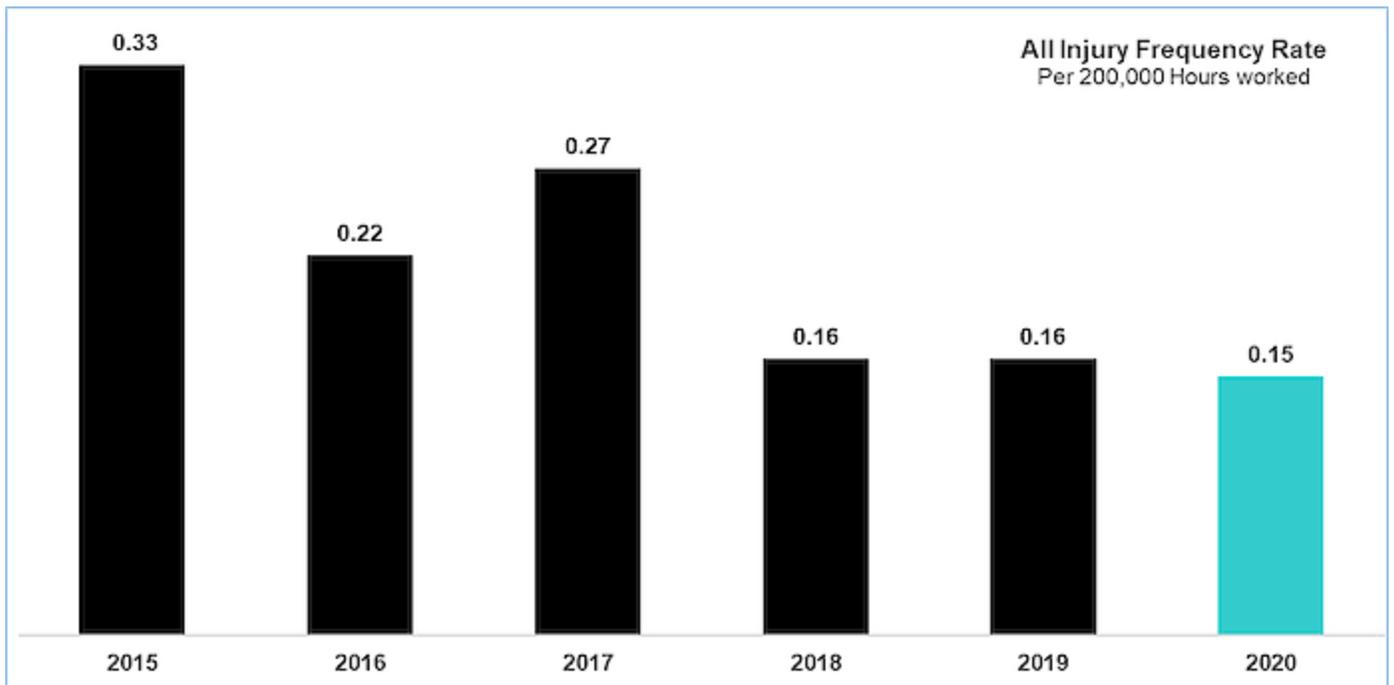


Health and Safety

Safety is Oyu Tolgoi's core value and is part of everything they do. Safety is not about numbers - it's about people. Underground development by its nature increases specific levels of safety risk and reinforces why safety is Oyu Tolgoi's main priority. The All Injury Frequency Rate (AIFR) is an indicator of workplace health and safety and provides insight into an organization's efforts to protect its workforce from work-related hazards.

Overall, in 2020 Oyu Tolgoi LLC achieved an excellent result in safety with an AIFR of 0.15 per 200,000 hours worked against a target of 0.23. Oyu Tolgoi Operations ended the year of 2020 with AIFR of 0.15 against a target of 0.15. Oyu Tolgoi Underground ended the year of 2020 with AIFR of 0.16 against a target of 0.29. Over 181,000 critical risk management verifications were completed during 2020 as part of Oyu Tolgoi's proactive fatality prevention program. By implementing robust programs and processes, Oyu Tolgoi LLC has created a workplace and culture that focuses on health and safety as its top priority.



Oyu Tolgoi's safety performance is underpinned by a rigorous approach to safety consists of the following areas:

Leadership — Leadership is central to Oyu Tolgoi LLC's approach to safety with leaders expected to create and promote a safe work place by being present in the field and highly engaged with their teams. A number of tools are utilised to help leaders integrate safety into their activities and to become champions of safety improvements. Employees are encouraged to become safety leaders within their own teams and to take personal responsibility for their own safety and that of their colleagues.

Culture — Oyu Tolgoi LLC is working to establish a safety culture that aligns organisational and individual employee values to create a positive culture that drives consistent behaviour. All individuals at Oyu Tolgoi should feel comfortable to stop work if they feel it is unsafe to continue. Every meeting at Oyu Tolgoi starts with a “safety share”, a chance for employees to briefly describe any safety-related issue and to listen to constructive advice from colleagues who have faced and resolved similar issues.

Systems and processes — Oyu Tolgoi LLC seeks to adopt best practice safety management systems to deliver world-class safety performance. Oyu Tolgoi’s standards are aligned with broader corporate and enterprise-wide safety standards providing a framework to measure, monitor and continuously drive improvement in safety performance. Oyu Tolgoi LLC has successfully embedded the Kaizen process into business improvement activities to enable teams to identify and eliminate elements of work that do not add value or are obstacles to efficiency or safety. Examples of Kaizen process initiatives include elimination of root causes that may trigger failures of critical controls and identification of opportunities to improve the concentrate bagging process and border procedures.

Risk management — Given the scale and complexity of Oyu Tolgoi, the workforce faces a range of risks that must be managed carefully. Proactive measures are taken to control risks by identifying hazards, assessing the risks they pose and using controls to prevent damage and harm. Oyu Tolgoi LLC’s systems use risk assessments and controls for all tasks and utilise a variety of different tools to help manage risks in their workplace. An example of risk management innovation is the integration of the geographic information mapping system with high risk work activities to provide the Emergency Response Team live location and work status. Oyu Tolgoi LLC has a strong focus on critical risk management – controlling the risks that are the most serious, i.e., those that could lead to fatality or permanent injury. Over 181,000 critical risk management verifications were completed by Oyu Tolgoi LLC during 2020. Over 75,000 critical risk management verifications were completed in the Operations area and over 105,000 conducted by the Underground project during 2020.

Training and awareness — A key component of Oyu Tolgoi LLC’s approach is that each employee receives the training, skills and knowledge required to perform their job safely. This is provided via a combination of classroom and on-the-job courses and training. In 2013, Oyu Tolgoi LLC opened a risk demonstration centre, the first of its kind in Mongolia, which uses interactive demonstrations and activities to show the potential consequences of the risks faced. Safety campaigns run continuously throughout the year to highlight key operational risks including working at heights, hand safety, electrical safety and others.

Employee and contractor engagement — Oyu Tolgoi LLC actively encourages employee and contractor participation in all aspects of safety management. Contractors are required to adhere to the same safety standards as Oyu Tolgoi LLC employees with a team dedicated to managing contractor safety performance. Regular contractor engagement conferences provide an additional forum to share safety approaches with contractors.



Oyu Tolgoi underground employees 1,300 metres below the surface, near shaft 1